



MEMORANDUM

To: Raleigh City Council
Wake County Commission

From: Dennis Edwards, GRCVB President & CEO
Paula McChristian, GRCVB Vice President of Finance and Administration

Date: May 8, 2024

Subject: GRCVB Budget 2024-2025

The 2024/2025 proposed budget follows for your review. The GRCVB is proposing a total budget of \$12,319,000. This is an 8.8% or \$993,873 increase in budget from the 2023/2024 revised budget of \$11,325,127.

INCOME

- Hotel Occupancy Tax income number is provided to the GRCVB by the Wake County Budget Office. Wake County is projecting that collections for 2024/2025 will be \$39,699,000. The GRCVB receives a portion of those collections based on a tiered formula, \$9,335,000.
- The GRCVB portion of the Prepared Food and Beverage Tax is capped at \$675,000.
- Destination Travel Network (website advertising) is estimated at \$110,000.
- Interest and Dividends budgeted at \$81,000.
- Other program revenue includes IBMA Local Organizing Committee income, \$400,000 and NCAA Men's Basketball Local Organizing Committee income \$125,000
- Reserves \$1,568,000 – In FY24 the GRCVB expects to receive \$800,000 in occupancy tax over budget. A portion of these funds are incorporated into the FY25 budget along with over collections from FY23. Remaining excess collections will be used in future budget years.

EXPENSES

The following are explanations of the budget variances for the proposed 2024/2025 budget versus the 2023/2024:

Salaries & Wages: Increase from \$3,234,016 to \$3,475,953

- 5% cost of living increase for all 35 staff members
- Full year salary budgeted for Social Media Coordinator
- Increase in hourly rate for part-time Visitor Information Assistant (visitor guide delivery) and for Visitor Information Center Assistants.
- Budgeted for paid interns as needed for department projects.

Payroll Taxes: Increase from \$247,400 to \$265,910 - FICA increase based on payroll.

Travel & Entertainment: Increase from \$335,685 to \$389,570

- Professional development and education offerings at various industry conferences including Simpleview Summit, ESTO, Adobe, VisitNC 365, Destinations International annual meeting and departmental related summits.
- Intercity visits, chamber retreats, local hotelier international training event, restaurant and retail summits, and various partner meetings.
- Client site visits for sales, services, and sports

Marketing & Advertising: Increase from \$5,116,845 to \$5,694,788

- **Sales: Increase from \$562,150 to \$756,405**
 - Sales budget includes funding for participation in 45 tradeshow and for travel to various markets to participate in industry events.
 - Sales will host promotional events and regional sales missions/calls to our key markets including Washington, DC, Philadelphia, Chicago and Atlanta.
 - Host meeting professionals summit July 2024
 - Able to leverage sales and marketing opportunities to stretch the budget through participation with various industry organizations.
 - Hosting of Council of Engineering and Scientific Society Executives and Association Executives North Carolina
- **Services – Increase from \$132,750 to \$149,800**
 - Increased servicing expenses for incoming groups.
 - Increased funds for attendance building including travel and shipping costs.
 - Visitor map production
- **Public Relations and International Tourism: Increase from \$96,535 to \$104,250**
 - Partnering with VisitNC for regional, in-state and international media and sales missions.
 - Partner with GRCVB sales department for in-market and out-of-market events.
 - Department will develop and execute a proactive sales training program with travel agents and receptive tour operators to generate more bookings of F.I.T. in Wake County.
 - Leverage promotions around international flight returns in partnership with Visit NC, Brand USA and TravelSouth.
- **Marketing and Communications: Increase from \$2,303,780 to \$2,795,135**
 - Advertising and marketing for Leisure, Meetings and Sports \$1,127,086
 - Social media advertising, photography and creative agency fees included.
 - People-First Tourism contract, database contractors, creative services.
 - Promotional items for all departments,
 - Funds allocated for research including visitor profile, volume, and spending data.
 - Tradeshow booth updating
 - Emphasis on video content
 - Visitor Guide production
- **Sports Marketing (GRSA) Increase from \$521,130 to \$718,185**
 - For 2024/2025 Sports is scheduled to help host/service over 65 events including VisitRaleigh.com National Soccer Series, USA Baseball events. Sports will also support NCAA events including Women's and Men's College Cups, DII Baseball World Series, and ACC tennis.
 - Funding for The Soccer Tournament June 2025
 - GRSA serves as the administrative organization for the NCAA Men's Basketball Championship Rounds 1 & 2.

- Continued focus on esports and supporting upcoming esports events. Funding for esports consultant to assist in identifying e-sports opportunities to bring to the area and act as a technology liaison between our venues and the customer.
- **Destination Technology: Increase from \$208,900 to \$250,150**
 - Budget includes AudioEye, ActOn marketing automation, AI, and commission expense for DTN advertising.
 - Funding to support the VisitRaleigh Studio components which include Threshold360 virtual tours and drone footage and SendSites updated bid books.
 - CoStar, MINT+, Future Pace, and international inbound/outbound data via Amedeus
 - Cybersecurity measures and training for staff
 - Website research and upgrades to website functionality
 - Upgrades to AI and search engine optimization
- **Administration: Decrease from \$997,162 to \$920,863**
 - GRCVB commitment for IBMA per current memorandum of understanding and support of RCC rental for 2023 event. Support of client event for NCAA Men's Basketball
 - Business Incubator Fund will be used for last-minute bid or marketing opportunities for sales, sports and leisure initiatives, \$100,000.
 - Serve as administrative organization for IBMA Local Organizing Committee 2024 event.

Event Promotion: Sports Event Investment Program (SEIP) \$500,000

- Program provides funds for rights fees, bid fees, RCC rental fees and marketing sponsorships for new and existing sporting events that will have a positive impact on Wake County hospitality.
- All SEIP requests are approved by the GRCVB Board of Directors.

Signature Event Development Fund: \$200,000

- Funding for signature events and blockbuster exhibitions. These funds are intended to be a source of support for the nurturing of events which have potential for significant economic impact to be derived from individual leisure tourism throughout Wake County.
- All Signature Event Development Fund requests are approved by the GRCVB Board of Directors.

ADMINISTRATIVE EXPENSES

Dues & Subscriptions: Increase from \$132,527 to \$155,999

- GRCVB maintains memberships in local, state, regional and national organizations to build customer relations and receive education, GoDaddy, and research and information on advocacy issues.

Education & Training: Increase from \$33,225 to \$65,405

- Staff professional development conferences and seminars
- Staff maintain certifications in their areas of expertise and proposed budget includes Certified Destination Marketing Executive (CDME), Certified Meeting Planner (CMP) training and testing expenses for Services and Sales staff as well as Certified Sports Event Executive certification renewal for GRSA staff. Continuing professional education (CPE) is included for the Vice President of Finance and Administration to maintain the Certified Government Financial Manager (CGFM) designation.
- Guest Service Gold Program and See-For-Yourself tours

Rent/Parking: Decrease from \$286,882 to \$80,491

- GRCVB will be moving offices September 2024 to Two Hannover on Fayetteville Street, Raleigh. As part of the lease, free rental and operating expenses are included for the first twelve (12) months of the lease. 50 free parking spaces are also included in the new lease.

Printing & Stationery: Increase from \$3,000 to \$6,000

- All stationery, envelopes, business cards and other administrative printing needs are included here. All materials will be updated with new office address.

Office Supplies: Increase from \$15,700 to \$17,500

- Budget for all office supplies and copier costs for GRCVB offices and Visitor Information Center.

Telephone/Cell/Wireless: Increase from \$60,840 to \$60,996

- GRCVB maintains office phone lines, staff cellular phones, iPads, conference call services and a 1-800 line.

Equipment Maintenance: Decrease from \$28,620 to \$8,190

- Equipment maintenance includes all equipment warranties and maintenance fees.
- Decrease due to moving Quickbooks software and expense reporting software renewal under Equipment/Software/Improvements account

Local Transportation: Increase from \$26,175 to \$38,175

- GRCVB maintains two vehicles
- Increase in mileage reimbursements for staff per increased use in the current year. GRCVB reimburses staff for mileage based on the current IRS rates.

Professional Services: Increase from \$155,721 to \$157,721

- Legal services and management of the GRCVB IT infrastructure and cloud computing environment are included in budget.
- Audit fees and fees associated with assistance with implementation of new governmental accounting standards.

Office Maintenance: No change \$24,880

- Visitor guide storage and delivery service are included in the Office Maintenance line item. Cost for services has risen due increased fuel prices.
- Document storage and quarterly office carpet cleaning

Insurance: Increase from \$40,228 to \$43,228

- GRCVB maintains workers comp, Board of Directors D&O, general liability and equipment insurance for all locations. Also bond in place Vice President of Finance and Administration, Executive Vice President and Administration Manager

Equipment Leases: Increase \$58,516 to \$60,628

- Leases are maintained on company vehicles, printers, postage machine, and laptop computers.

Property & Use Tax: No change \$5,412

- Property tax on leased computers, docking stations, mail machine, copiers, and leased autos.

Employee Benefits: Increase from \$619,205 to \$632,100

- Increase is for anticipated premium increases group hospital confinement indemnity insurance, vision, dental, short-term, and long-term disability insurance provided for full time employees.
- GRCVB Medical Flexible Spending contribution of \$500 for full time employees for the 2024/2025 year and \$1,440 HSA contribution depending on health insurance plan selected by employee.
- GRCVB automatically contributes 2% of employee salary to retirement plan and matches employee retirement contributions up to 5%.

Postage: Decrease \$22,500 to \$20,000

- Postage includes all mailing of visitor guides, promotional materials, ad lead fulfillment.

Equipment /Software/Improvements: Increase from \$177,751 to \$416,415

- \$200,000 is budgeted for new office upfit, board room AV, new furniture, and moving costs.
- Monies allocated for staff monitor replacements and server replacement if needed.
- Software includes TEAMS, Office365, Citrix Sharefile, LastPass, Knowbe4, Adobe Creative Suites, Datto Backupify, NetSuite, and business continuity subscriptions.

GRCVB Budget Revenue

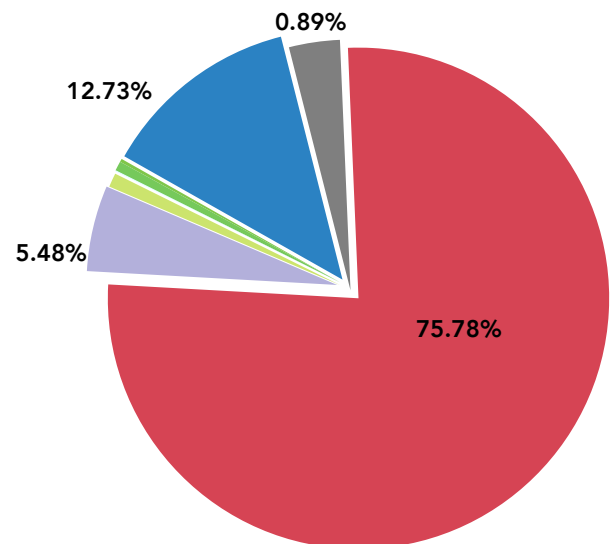
2024-2025



	2024/2025 Proposed budget	2023/2034 Budget
Hotel Occupancy Tax	\$9,335,000	\$8,505,000
Prepared Food & Beverage Tax	675,000	675,000
Destination Travel Network	110,000	100,000
Dividends	6,000	4,000
Interest	75,000	20,000
Annual Meeting	25,000	25,870
Reserves	1,568,000	1,563,000
TOTAL operating income	11,794,000	10,892,870
Other program revenue IBMA and NCAA Men's Basketball Local Organizing Committees	525,000	432,257
TOTAL	\$12,319,000	\$11,325,127

Anticipated GRCVB Revenue

- Hotel Occupancy Tax
- Prepared Food & Beverage Tax
- Destination Travel Network
- Dividends
- Interest
- Annual Meeting
- Reserves
- Other program revenue



*Hotel Occupancy number provided by Wake County Budget Office. Wake County predicts occupancy tax for 24/25 will be \$39,699,000. GRCVB receives a portion of those taxes based on a tiered formula.



GRCVB BUDGET

Income Comparisons	2021/2022	2022/2023	2023/2024	2024/2025	Variance	% Inc/Dec
CHART OF ACCOUNTS			Revised	Proposed Budget	Variance (23/24 Budget vs 24/25)	
Hotel Occupancy Tax	\$3,742,053	\$6,677,000	\$8,505,000	\$9,335,000	\$830,000	9.8%
Prepared Food and Beverage Tax	675,000	675,000	675,000	675,000	0	0.0%
Wake County, American Rescue Plan, total disbursement \$2,670,000	2,670,000	500,000	0	0	0	
Destination Travel Network	100,000	100,000	100,000	110,000	10,000	10.0%
Dividends	4,000	4,000	4,000	6,000	2,000	50.0%
Interest	2,000	5,000	20,000	75,000	55,000	275.0%
Annual Meeting	5,000	20,000	25,870	25,000	-870	-3.4%
NCAA Men's BB/IBMA LOC**/Other Program Revenue	444,325	362,750	432,257	525,000	92,743	21.5%
Reserves***	1,095,171	1,250,000	1,563,000	1,568,000	5,000	0.3%
TOTAL INCOME	\$8,737,549	\$9,593,750	\$11,325,127	\$12,319,000	\$993,873	8.8%

**GRCVB serves as administrator for IBMA Local Organizing Committee and NCAA Men's Basketball Rounds 1 & 2.
\$525k in revenue expected in sponsorship income. \$525k in expense for LOCs is included under Marketing & Advertising expense.

***Use of reserves for FY25 is from over collections from FY23 and FY24

GRCVB Budgeted Expenses*

2024-2025

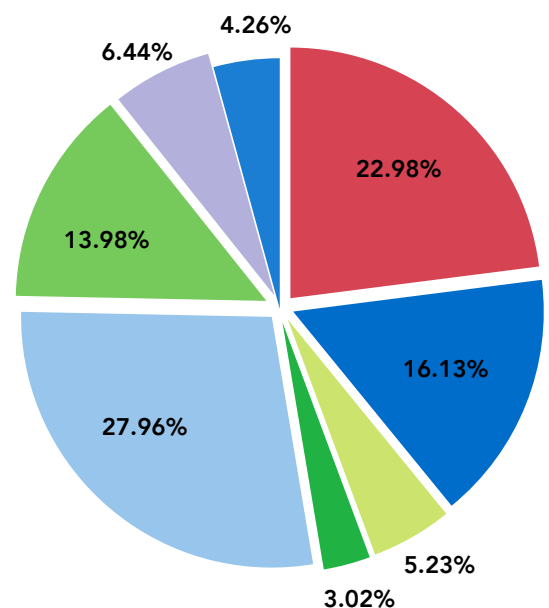


	2024/2025 Proposed budget	2023/2024 Budget
Administration	2,830,638	2,912,576
Sales	1,986,592	1,758,787
Services and Visitor Information Center	644,593	608,433
Public Relations and International Tourism	372,459	345,922
Marketing and Communications	3,444,726	2,926,285
Sports Marketing	1,722,081	1,607,867
Destination Technology	792,911	708,000
Other Program Expenses	525,000	457,257
TOTAL	\$12,319,000	\$11,325,127

GRCVB Budgeted Expenses 2023/2024

- Administration
- Sales
- Services and Visitor Information Center
- Public Relations and International Tourism
- Marketing and Communications
- Sports Marketing
- Destination Technology
- Other program expenses

*For this presentation salaries and payroll taxes are allocated by department



GRCVB BUDGET
Expense Comparisons



	2021/2022	2022/2023	2023/2024	2024/2025	Variance	% Inc/Dec
CHART OF ACCOUNTS			<i>Revised</i>	<i>Proposed Budget</i>	<i>Variance (23/24 Budget vs 24/25)</i>	
Salaries & Wages	\$2,715,152	\$2,887,386	\$3,234,016	\$3,475,953	\$241,937	7.5%
Payroll Taxes	207,024	220,150	247,400	265,910	18,510	7.5%
Travel & Entertainment	230,540	269,259	335,685	389,570	53,885	16.1%
Marketing & Advertising	3,634,864	4,201,059	5,116,845	5,694,788	577,943	11.3%
SEIP Event Promotion	400,000	400,000	500,000	500,000	0	0.0%
Signature Event Development Pilot (SEDP) Program	100,000	100,000	200,000	200,000	0	0.0%
Administration Expenses*						
Total Administrative Expense	1,449,968	1,515,896	1,691,182	1,792,780	101,598	6.0%
TOTAL EXPENSES	\$8,737,549	\$9,593,750	\$11,325,127	\$12,319,000	\$993,873	8.8%

*Administration expense detail on next page

GRCVB BUDGET
Expense Comparisons



	2021/2022	2022/2023	2023/2024	2024/2025	Variance Variance (23/24 Budget vs 24/25)	% Inc/Dec
CHART OF ACCOUNTS			Revised	Proposed Budget		
Salaries & Wages	\$2,715,152	\$2,887,386	\$3,234,016	\$3,475,953	\$241,937	7.5%
Payroll Taxes	207,024	220,150	247,400	265,910	18,510	7.5%
Travel & Entertainment	230,540	269,259	335,685	389,570	53,885	16.1%
Marketing & Advertising	3,634,864	4,201,059	5,116,845	5,694,788	577,943	11.3%
SEIP Event Promotion	400,000	400,000	500,000	500,000	0	0.0%
Signature Event Development Pilot (SEDP) Program	100,000	100,000	200,000	200,000	0	0.0%
Administration Expenses						
Dues & Subscriptions	106,322	128,273	132,527	155,999	23,472	17.7%
Education & Training	24,680	28,630	33,225	65,405	32,180	96.9%
Rent/Parking	274,862	283,084	286,882	80,491	-206,391	-71.9%
Printing & Stationery	2,500	2,500	3,000	6,000	3,000	100.0%
Office Supplies	14,200	15,700	15,700	17,500	1,800	11.5%
Telephone/Cell/Wireless	60,623	60,600	60,840	60,996	156	0.3%
Equipment Maintenance	19,950	20,050	28,620	8,190	-20,430	-71.4%
Local Transportation	26,150	26,175	26,175	38,175	12,000	45.8%
Professional Services	155,650	143,800	155,721	157,721	2,000	1.3%
Office Maintenance	17,425	23,225	24,880	24,880	0	0.0%
Insurance	35,500	37,000	40,228	43,228	3,000	7.5%
Equipment Leases	75,280	77,680	58,516	60,268	1,752	-24.7%
Property & Use Tax	1,700	1,700	5,412	5,412	0	0.0%
Employee Benefits	503,226	532,391	619,205	632,100	12,895	2.1%
Postage	22,500	22,500	22,500	20,000	-2,500	-11.1%
Equipment/Software Purchases	109,400	112,588	177,751	416,415	238,664	134.3%
Total Administrative Expense	1,449,968	1,515,896	1,691,182	1,792,780	101,598	
TOTAL EXPENSES	\$8,737,549	\$9,593,750	\$11,325,127	\$12,319,000	\$993,873	8.8%