



Annual Budget Fiscal Year 2023-2024

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**RANDOLPH COUNTY
TOURISM DEVELOPMENT AUTHORITY
BUDGET
FISCAL YEAR 2023-2024**

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Executive Summary

2023-2024 Fiscal Year Budget

The Heart of North Carolina Visitors Bureau (HNCVB) is the official destination marketing organization for Randolph County Tourism Development Authority (RCTDA). HNCVB's primary mission is to increase travel spending through external marketing, positioning the county as a family-friendly, affordable, and strategically located visitor destination.

The proposed budget totals \$1,520,000, which is \$433,485 more than the 2022-23 budget. A five percent room occupancy tax, levied by Randolph County, is the primary revenue source by which the Authority operates. For 2023-24, these distributions are expected to be \$1,290,000, which is significantly higher than the budgeted amount in the prior year, but consistent with actual current year collections. Although there is widespread belief that an economic recession is coming in the upcoming year, we assume no growth in collections rather than a decline. Interest income of \$10,000 is included as a financial resource in this budget based on rising interest rates. These funds will be used to conduct the primary tourism efforts of the Authority, the Heart of North Carolina Visitors Bureau.

Personnel costs total \$439,544, increasing as we add back full time Bureau employees. This budget funds six full time positions, rebuilding our staffing capacity which was lost during the COVID pandemic. Operating costs total \$127,500 for 2022-23. Marketing costs total \$711,956, up from \$548,911. The 2023-24 proposed budget retains \$21,000 for Tourism Related Programs.

The proposed fiscal year budget utilizes the occupancy tax revenues to support the following program of work in the 2022-23 Marketing Plan:

- Administration
- Product Development
- Marketing & Communications
- Information Technology
- Public Relations
- Publications & Fulfillment
- Group Travel
- Visitor Services
- Government Relations
- Research and Performance Measures
- Partnerships & Industry Advocacy

The Tourism Development Authority contracts with the NC Department of Transportation to operate the Interstate 73/74 Visitor Centers. During the past year, this service contract increased to \$220,000 for the personnel and operating costs for the centers.

Revenues		Expenses	
Occupancy Taxes	\$ 1,290,000	Personnel	\$539,544
Interest Income	10,000	Operating	127,500
		Marketing	711,956
		Tourism Related	21,000
Total – Heart of NC Visitors Bureau	\$ 1,300,000	Total – Heart of NC Visitors Bureau	\$ 1,300,000
Contract fee - DOT	220,000	I-73/74 Visitor Centers	220,000
Total 2022-2023 Budget	\$ 1,520,000	Total 2022-2023 Budget	\$ 1,520,000

Budget Message



To: The Board of Tourism Development Authority
Randolph County, North Carolina

In accordance with the Local Government Budget and Fiscal Control Act, the proposed budget for the Randolph County Tourism Development Authority for the fiscal year ending June 30, 2024 is presented herewith for your consideration. The law specifies that the budget ordinance be adopted by July 1, 2023.

This proposed budget has been developed by staff and the Finance Officer, and reviewed by the budget and finance committee. Certain funding levels changed from the prior year to reflect the goals and initiatives planned for the upcoming year.

Randolph County levies a 5% room and occupancy tax, the maximum allowed under its enabling legislation. This rate is estimated to produce \$1,290,000 of revenue for the Tourism Development Authority in 2023-24, reflecting the current year collections and no growth for next year. This will provide a substantial increase in funding for the upcoming year, primarily for marketing. Interest income is included at \$10,000 in this budget due to rising interest rates. The Proposed Budget does not include any appropriated fund balance for program costs next year.

The proposed expenditures in the Heart of NC Visitors Bureau budget are for promoting tourism within Randolph County. The proposed 2023-24 budget continues the commitment to operate the Interstate 73/74 Visitor Centers, in addition to the Heart of North Carolina Visitors Bureau. The DOT contract for the Visitor Centers increased to \$220,000, up from \$185,716. The proposed FY24 budget totals \$1,520,000, which is \$433,484 more than the originally adopted 2022-23 budget.

Personnel costs total \$439,544 for six full time employees. Certain pay plan adjustments are included in the proposed budget, which may change depending on the County's cost of living adjustment.

Budget Message

Operating costs increased slightly over the prior year budget based on projected increases and totals \$127,500 for 2023-24. Marketing costs total \$711,956, which is a thirty percent increase of \$163,045. Funding for Tourism Related Programs is proposed at \$21,000 to continue promoting Randolph County tourism attractions and the health safety measures in place as travel begin to increase.

The motivating goal of the Authority is to fuel the local business climate and broaden the tax base by supporting a welcoming environment that stimulates the visitor economy, producing new tourism dollars for Randolph County that helps further reduce the tax burden on residents.

As the official destination marketing organization for Randolph County, the following goals are established to serve as a roadmap that guides all Authority efforts for the 2023-24 year:

- Expand awareness and understanding of the Heart of North Carolina as a destination brand
- Create desire for visitor experiences and drive demand for overnight lodging
- Use data-driven factors to shape creative messaging and determine the most effective distribution channels for paid and earned media
- Compliment paid media with integrated proactive media relations efforts
- Develop content development strategies, niche market promotions, and social media outreach that further expands destination messaging

A public hearing on the proposed budget is scheduled to be held at the May 17, 2023 Board meeting. The Authority may adopt the final budget following this public hearing.

Amber Scarlett

Executive Director

Randolph County Tourism Development Authority

Will Massie

Finance Officer

April 26, 2023

Randolph County Tourism Development Authority

Fiscal Year 2023-2024

ANNUAL BUDGET - REVENUES

ACCOUNT #	REVENUE SOURCE	2022-2023	2023-2024	
		FINAL BUDGET	PROPOSED	FINAL BUDGET
78-55-5511-320-000	County Occupancy Tax	\$ 800,000	\$ 1,290,000	
78-55-5511-370-000	Interest on Investment	800	10,000	
78-55-5511-391-000	Appropriated Fund Balance	100,000		
78-55-552-360-075	D.O.T. Contract- I73-74 Visitor Centers	185,715	220,000	
	Total Revenues	\$ 1,086,515	\$ 1,520,000	\$ -

ANNUAL BUDGET - EXPENDITURES

	EXPENDITURES	2022-2023	2023-2024	
		FINAL BUDGET	PROPOSED	FINAL BUDGET
	Heart of NC Visitors Bureau	\$ 900,800	\$ 1,300,000	\$ -
	I73-74 Visitor Centers	185,716	220,000	-
	Total Expenditures	\$ 1,086,516	\$ 1,520,000	\$ -

Randolph County Tourism Development Authority

Fiscal Year 2023-2024

EXPENDITURES - HEART OF NC VISITORS BUREAU

ACCOUNT #	EXPENDITURE	2022-2023	2023-2024	
		FINAL BUDGET	PROPOSED	FINAL BUDGET
78-55-5510-401-000	Salaries	\$ 158,674	\$ 312,931	
78-55-5510-403-000	Part-time salaries	-	-	
78-55-5510-421-000	FICA Expense	12,140	23,940	
78-55-5510-431-000	Group Insurance Expense	21,120	58,580	
78-55-5510-441-000	Retirement Expense	19,280	37,834	
78-55-5510-442-000	401(k) Retirement	3,175	6,259	
	Sub-total Personnel Cost	214,389	439,544	-
78-55-5511-503-002	Contract Services - IT	4,000	3,000	
78-55-5511-516-000	Administrative cost	20,000	32,500	
78-55-5511-521-000	Travel - General	3,000	5,000	
78-55-5511-531-000	Office Supplies	5,000	8,000	
78-55-5511-551-000	Professional Dues	25,000	25,000	
78-55-5511-562-000	Printing	2,500	2,500	
78-55-5511-563-000	Postage - General	500	500	
78-55-5511-603-000	Telephone & Internet	7,500	7,500	
78-55-5511-611-000	Insurance & Bonds	2,500	2,500	
78-55-5511-621-000	Building Lease	30,000	30,000	
78-55-5511-608-000	Utilities	6,500	9,000	
78-55-5511-663-000	Computer Hardware & Software	10,000	2,000	
	Sub-total Operating Cost	116,500	127,500	-
78-55-5512-501-006	Contracted Services	79,560	93,152	
78-55-5512-563-000	Postage - Marketing	7,000	10,000	
78-55-5512-511-006	Website Maintenance	35,000	75,000	
78-55-5512-513-002	Sponsorships/Marketing Assistance	75,000	100,000	
78-55-5512-523-000	Conferences and Meetings	5,000	15,000	
78-55-5512-561-000	Advertising	286,351	353,804	
78-55-5512-522-000	Meals & Lodging	15,000	15,000	
78-55-5512-521-000	Travel - Conferences	6,000	10,000	
78-55-5512-562-002	Brochures & Collateral Materials	30,000	30,000	
78-55-5512-565-000	Promotional Materials	10,000	10,000	
	Sub-total Marketing Cost	548,911	711,956	-
78-55-5513-841-000	Grants and sponsorships	21,000	21,000	
78-55-5513-501-007	Strategic Planning Project	-	-	-
	Total Tourism Related Costs	21,000	21,000	-
	Total Expenditures - HNCVB	\$ 900,800	\$ 1,300,000	\$ -

Randolph County Tourism Development Authority

Fiscal Year 2023-2024

EXPENDITURES - I73-74 VISITOR CENTERS

ACCOUNT #	EXPENDITURE	2022-2023	2023-2024	
		FINAL BUDGET	PROPOSED	FINAL BUDGET
78-55-5510-401-000	Salaries	\$ 35,173	\$ 38,397	
78-55-5510-403-000	Part-time salaries	108,532	128,931	
78-55-5510-421-000	FICA Expense	10,994	12,801	
78-55-5510-431-000	Group Insurance Expense	7,920	8,337	
78-55-5510-441-000	Retirement Expense	4,271	4,643	
78-55-5510-442-000	401(k) Retirement	704	768	
	<i>Sub-total Personnel Cost</i>	167,594	193,877	-
78-55-5520-516-000	Administrative cost	4,643	5,500	
78-55-5520-521-000	Travel	500	3,000	
78-55-5520-523-000	Conferences & training	500	1,000	
78-55-5520-531-000	Office Supplies	5,779	9,423	
78-55-5520-562-000	Printing	500	500	
78-55-5520-603-000	Telephone / Internet	4,500	4,500	
78-55-5520-611-000	Insurance	1,200	1,200	
78-55-5520-663-000	Computer Hardware & Software	500	1,000	
	<i>Sub-total Operating Cost</i>	18,122	26,123	-
Total Expenditures - I73-74 VC		\$ 185,716	\$ 220,000	\$ -

**Randolph County Tourism Development Authority
Budget Ordinance
Fiscal Year 2023-2024**

BE IT ORDAINED by the Board of the Tourism Development Authority of Randolph County, North Carolina:

Section 1. The following amounts are hereby appropriated for the fiscal year beginning July 1, 2023 and ending June 30, 2024.

Heart of NC Visitors Bureau

Personnel	\$ 439,544
Operating	127,500
Marketing	711,956
Tourism related	<u>21,000</u>
	<u>1,300,000</u>

I-73/74 Visitor Center

Personnel	193,877
Operating	<u>26,123</u>
	<u>220,000</u>

TOTAL	<u>\$ 1,520,000</u>
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Section 2. It is estimated that the following revenue will be available for the fiscal year beginning July 1, 2023 and ending June 30, 2024.

County Occupancy Tax	\$ 1,290,000
Interest on Investments	10,000
Contract Fee – NC DOT	220,000
Appropriated Fund Balance	<u>-0-</u>
TOTAL	<u>\$ 1,520,000</u>

Section 3. The Finance Officer shall serve as Budget Officer. The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He/she may transfer cumulative amounts up to \$25,000 within each budgeted category. However, these changes should not result in increases in recurring obligations such as salaries.
- b. He/she may not transfer cumulative amounts over \$25,000 within a budget category nor transfer any amounts between budgeted categories, except as approved by the Board of the Tourism Development Authority through the amended budget ordinance.

Section 4. This Budget Ordinance was adopted May 17, 2023. It shall be effective for the fiscal year beginning July 1, 2023 and ending June 30, 2024.

Upon motion of _____, seconded by _____, the foregoing Ordinance was passed by the following vote:

Ayes: David Caughron
Rebecca Petty Moffitt
Luke Hollingsworth
Barbara Gallimore
Ross Holt
Leslie Brown
Shawn Patel
Diane Villa

Noes:

I, Amber M. Skeen, Clerk to the Board of the Tourism Development Authority, do hereby certify that the board at its regular meeting on May 17, 2023 a quorum being present, duly adopted the foregoing Ordinance.

The 17th day of May 2023.

Clerk to the Board