



*Buffalo Niagara Convention & Visitors Bureau, Inc.*

*2024 Proposed Operating Budget*

*For Presentation at the Board of Directors on Wednesday February 7, 2024*

## Buffalo Niagara Convention & Visitors Bureau, Inc.

2024 Operating Budget

Budget Narrative

### Revenues:

- **Erie County Grant** – The County approved the grant for fiscal year 2024 for VBN in the amount of \$ 4,500,000 which represents an approximate \$ 650,000 or 16% increase over the 2023 amount received. The funds are to be used for the day-to-day operations of VBN as well as marketing activities related to the Erie County Sports Fishing Program.
- **Visitor Guide/Digital Advertising** – The Visitor Guide will again be printed for 2024. A new design and layout will be showcased. Sales for the guide began in August of 2023 and concluded in October with sales totaling \$ 206,000. This represents a 35% or \$ 55,000 increase compared with 2023 Ad sales.
- **NYS Matching Fund Program** – NYS approved VBN’s application for a 2024 NYS Matching Funds grant in the amount of \$ 51,000.
- **Joint/Co-op Marketing**- Represents revenues generated from the sale of various Visit Buffalo Niagara collateral pieces and marketing related programming. For 2024 we will again partner with other Upstate New York DMO’s to promote the Upstate Eats Trail.
- **Joint/Co-op Sales**- Represents shared costs to be billed to industry partners for attendance at various Convention Sales and Sports market related tradeshows, receptions, and sales calls with VBN personnel.
- **Grant Revenues** – For 2024, VBN will administer several NYS Agency grants. Grants from NYPA, NYSESD, and NYS EDA will be used to assist in various Marketing related advertising and programming projects. The total amount of these grants is approximately \$ 800,000. Since they are all expenditure related grants, revenue will be recognized as the project progresses. For 2024 it is anticipated that approximately \$ 515,000 from these grants will be recognized.

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### Expenses:

- **Personnel Costs** – For 2024, VBN is budgeting for staff merit increases of approximately 4.5%. The remainder of the increase is attributed to the addition of new staff positions added during the last quarter of 2023 and January 2024. The new positions include a Research Assistant, Convention Sales Assistant, Convention Services Assistant and the replacement of the open National Sales Manager position in the DC marketplace.
- **Professional Development** – Increases associated with increased staffing levels in the Convention & Sports Sales and Marketing Departments which will warrant new sales staff training.
- **Advertising** – Increase planned for 2024 is attributed to several large Market NY and NYS EDA grants. The funds will be used for the Resilient Music Program, the NYS EDA grant program, The Erie Canal Harbor Signage project. The projects will include both print and digital consumer advertising.
- **Convention Commitments** – For 2024, with the anticipated increase in groups traveling to the Buffalo Niagara Region, additional resources are allocated to attract and entice groups to book by assisting groups with various event-related costs, such as venue rental shuttling etc. Based on definite bookings it is anticipated that more assistance was required in 2024.
- **Visitor Guide** – Overall cost of Guide is expected to be similar to the previous year. A new vendor was selected for the job in 2024.
- **Tradeshows** – Overall costs associated with attendance at tradeshows will increase for 2024. Additional shows have been added to the Convention Sales and Sports Sales departments which will increase the number of shows to well over 45 in 2024. A new mix of shows has been added for 2024 focusing on strengthening existing markets while also targeting new potential markets and opportunities.

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- **Sales Bids & Promotions** – Includes travel and related expenses required to bid on convention and meeting related leads. It also includes the cost of site inspections as well as costs associated with the Bring it Home and Backyard Marketing Programs which were rolled out previously. Continuation of the Customer Advisory Council is also budgeted in this line along with the Tally Group, a 3rd party meeting facilitator assisting us in the DC marketplace. The amounts budgeted are consistent with previous levels. In addition, a greater number of industry sponsorships is planned in hope of getting VBN's image out into the marketplace in a cost-effective way.
- **Destination Development** – The program will continue to provide emphasis on Visitor readiness training and community education and outreach. The Mobile Visitor Center will once again be rolled out during the first quarter of the year.
- **Research** – Costs are for the annual maintenance and upgrade of the Tourism economics Impact Calculator, Smith Travel Research and Zartico. VBN is hopeful this research will assist in identifying key markets and assessing the return on investment these marketplaces may bring to our area. The research will also help quantify the economic impact of the business VBN has brought to the area.
- **Digital/CRM/Hosting** – Ongoing maintenance and small upgrades to the VBN website are planned for 2024.
- **FAM Tours** – In 2024, VBN will be hosting a variety of Convention and Marketing related FAM tour opportunities. The Convention Sales and Services department is planning for several smaller convention Fam's in 2024. Two I love NY FAMs and a SYTA FAM along with a large Adaptive Sports FAM are currently planned. The Marketing Department will continue to host various travel writers and media personnel throughout the year.
- **Public Media Relations** – For 2024, the Marketing Department re-engaged Madden Media to provide external media relations for VBN. Increase is attributed to the Public Relations component of the Market NY grant programs.
- **Film/Video Productions** – in 2024 the marketing department will again continue to produce a series of videos to be created focusing in the areas cultural, art and culinary endeavors.

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- **Technology and Equipment** – Various IT /Equipment related items as well as tradeshow booth updates etc.
- **Departmental Administrative Costs** – This is consistent with that spent in 2023. Includes items such as Professional Fees, office supplies, R&M and organizational dues.

**BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.**

**SUMMARY OF REVENUES and EXPENSES  
PROPOSED OPERATING BUDGET  
2024**

	<u>Proposed Budget 2024</u>	<u>Projected 2023</u>	<u>Budget 2023</u>	<u>Actual 2022</u>	<u>2024-2023 Budget \$ Variance</u>	<u>2024-2023 Budget % Variance</u>	<u>2024-2023 Projected \$ Variance</u>	<u>2024-2023 Projected % Variance</u>
Revenues	<u>\$ 5,380,589</u>	<u>\$ 4,542,901</u>	<u>\$ 4,191,536</u>	<u>\$ 4,130,638</u>	<u>\$ 1,189,053</u>	<u>28.37%</u>	<u>\$ 837,688</u>	<u>18.44%</u>
<u>Expenses:</u>								
Sales & Services Department Expenses	\$ 1,987,698	\$ 1,839,743	\$ 1,796,905	\$ 1,639,152	\$ 190,793	10.62%	\$ 147,955	8.04%
Marketing Department Expenses	2,099,318	2,045,189	1,571,090	1,765,244	528,228	33.62%	54,129	2.65%
Destination Development	384,051	288,718	292,780	222,305	91,271	31.17%	95,333	33.02%
Research Department	259,235	-	-	-	259,235	-	259,235	-
Administrative & Finance Department Expenses	975,287	967,303	930,761	954,941	44,526	4.78%	7,984	0.83%
Subtotal expenses	<u>\$ 5,705,589</u>	<u>\$ 5,140,953</u>	<u>\$ 4,591,536</u>	<u>\$ 4,581,642</u>	<u>\$ 1,114,053</u>	<u>24.26%</u>	<u>\$ 564,636</u>	<u>10.98%</u>
NET EXCESS OF REVENUES								
OVER EXPENSES	<u>\$ (325,000)</u>	<u>\$ (598,052)</u>	<u>\$ (400,000)</u>	<u>\$ (451,004)</u>	<u>\$ 75,000</u>	<u>N/A</u>	<u>\$ 273,052</u>	<u>N/A</u>

Buffalo Niagara Convention & Visitors Bureau, Inc.  
 Operating Budget  
 Revenues  
 2024

	<b>Proposed Budget 2024</b>	<b>Projected 2023</b>	<b>Budget 2023</b>	<b>Actual 2022</b>	<b>2024-2023 Budget \$ Variance</b>	<b>2024-2023 Budget % Variance</b>	<b>2024-2023 Projected \$ Variance</b>	<b>2024-2023 Projected % Variance</b>
Erie County Grant	\$ 4,495,000	\$ 3,847,057	\$ 3,847,057	\$ 3,734,861	\$ 647,943	16.84%	\$ 647,943	16.84%
Erie County Sport Fishing Grant	5,000	5,000	5,000	5,000	-	0.00%	-	0.00%
Erie County - ARP Act Grant	-	40,192	-	59,808	-	-	(40,192)	-100.00%
Visitor Guide Advertising	206,600	151,340	150,000	118,311	56,600	37.73%	55,260	36.51%
Assessments - Convention	-	13,710	15,000	-	(15,000)	-100.00%	(13,710)	(1)
NYS Matching Funds Program	51,048	47,532	47,000	48,897	4,048	8.61%	3,516	7.40%
Joint Co-op - Destination Development	3,000	6,605	5,000	2,555	(2,000)	-40.00%	(3,605)	-54.58%
Joint/Co-Op - Marketing	37,000	36,500	7,500	31,533	29,500	393.33%	500	1.37%
Joint/Co-Op - Sales	30,000	36,899	35,000	64,003	(5,000)	-14.29%	(6,899)	-18.70%
Grant Revenues	515,000	300,000	75,000	60,272	440,000	586.67%	215,000	71.67%
Merchandising Revenues - Conventions	500	-	-	1,642	500	-	500	0.00%
Interest Income	35,000	58,000	500	399	34,500	6900.00%	(23,000)	-39.66%
Miscellaneous Income	2,441	66	4,479	3,357	(2,038)	-45.50%	2,375	3598.48%
<b>Total Revenues</b>	<b>\$5,380,589</b>	<b>\$4,542,901</b>	<b>\$ 4,191,536</b>	<b>\$ 4,130,638</b>	<b>\$ 1,189,053</b>	<b>28.37%</b>	<b>\$ 837,688</b>	<b>18.44%</b>

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 Total Expenses  
 2024

	<b>Proposed Budget <u>2024</u></b>	<b>Projected <u>2023</u></b>	<b>Budget <u>2023</u></b>	<b>Actual <u>2022</u></b>	<b>2024-2023 Budget <u>\$ Variance</u></b>	<b>2024-2023 Budget <u>% Variance</u></b>	<b>2024-2023 Projected <u>\$ Variance</u></b>	<b>2024-2023 Projected <u>% Variance</u></b>
<b><u>Personnel Costs:</u></b>								
Salaries	\$ 2,109,414	\$ 1,842,696	\$ 1,833,729	\$ 1,683,402	\$ 275,685	15.03%	\$ 266,718	14.47%
Payroll Taxes & Fringe Benefits	407,165	335,295	353,292	289,436	53,873	15.25%	71,870	21.43%
Professional Development - Staff	72,000	51,827	45,500	34,755	26,500	58.24%	20,173	38.92%
<b>Total Personnel Costs</b>	<b><u>\$2,588,579</u></b>	<b><u>\$ 2,229,818</u></b>	<b><u>\$2,232,521</u></b>	<b><u>\$2,007,593</u></b>	<b><u>\$ 356,058</u></b>	<b><u>15.95%</u></b>	<b><u>\$ 358,761</u></b>	<b><u>16.09%</u></b>
<b><u>Sales &amp; Marketing Expenditures:</u></b>								
Advertising	\$ 1,085,910	\$ 1,047,800	\$ 605,000	\$ 738,238	\$ 480,910	79.49%	\$ 38,110	3.64%
Convention Commitments	295,000	147,500	150,000	107,100	145,000	96.67%	147,500	100.00%
Visitor Guide	154,200	158,262	160,000	97,996	(5,800)	-3.63%	(4,062)	-2.57%
Tradeshows	199,000	149,475	148,000	189,976	51,000	34.46%	49,525	33.13%
Printing	22,500	29,550	29,500	7,968	(7,000)	-23.73%	(7,050)	-23.86%
Postage	3,500	3,202	3,000	3,124	500	16.67%	298	9.31%
Sales Bids & Promotions	131,000	136,793	130,000	147,011	1,000	0.77%	(5,793)	-4.23%
Convention Sales & Services	36,000	31,366	35,050	28,642	950	2.71%	4,634	14.77%
Destination Development	135,750	81,385	82,950	72,443	52,800	63.65%	54,365	66.80%



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Travel & Meetings	41,500	39,128	39,000	31,610	2,500	6.41%	2,372	6.06%
Receptions	35,000	45,197	47,500	40,912	(12,500)	-26.32%	(10,197)	-22.56%
Research	185,000	174,598	160,000	191,957	25,000	15.63%	10,402	5.96%
Digital Development/CRM	103,000	104,222	101,500	159,824	1,500	1.48%	(1,222)	-1.17%
Hosting								
Familiarization Tours	65,000	120,707	100,000	92,009	(35,000)	-35.00%	(55,707)	-46.15%
Public/Media Relations	56,000	53,333	42,000	55,100	14,000	33.33%	2,667	5.00%
Freelance Writer/Graphic Artist	40,000	40,004	40,000	32,969	-	0.00%	(4)	-0.01%
Regional Marketing	5,000	8,031	8,040	8,167	(3,040)	-37.81%	(3,031)	-37.74%
Promotional Items	19,500	19,152	24,500	6,179	(5,000)	-20.41%	348	1.82%
Film/Video/Photo Productions	40,000	64,023	45,000	108,913	(5,000)	-11.11%	(24,023)	-37.52%
Photography	25,000	22,610	22,500	31,658	2,500	11.11%	2,390	10.57%
Promotional Packages	5,000	6,186	6,500	6,966	(1,500)	-23.08%	(1,186)	-19.17%
<b>Total Sales &amp; Marketing Expenditures</b>	<b><u>2,682,860</u></b>	<b><u>2,482,525</u></b>	<b><u>1,980,040</u></b>	<b><u>2,158,762</u></b>	<b><u>\$ 702,820</u></b>	<b><u>35.50%</u></b>	<b><u>\$ 200,336</u></b>	<b><u>8.07%</u></b>
Technology & Equipment	46,000	44,933	45,000	21,491	1,000	2.22%	1,067	2.37%
Department Administrative Expenses	388,150	383,678	333,975	344,988	54,175	16.22%	4,472	1.17%
<b>Total Expenses</b>	<b><u>\$5,705,589</u></b>	<b><u>\$ 5,140,953</u></b>	<b><u>\$4,591,536</u></b>	<b><u>\$4,532,834</u></b>	<b><u>\$ 1,114,053</u></b>	<b><u>24.26%</u></b>	<b><u>\$ 564,636</u></b>	<b><u>10.98%</u></b>