

MEMORANDUM

Date: 6/02/20

TO: NLTRA Board of Directors

CC: Jeffrey Hentz, CEO

FROM: Bonnie Bavetta, CFO

RE: Proposed 2020/21 NLTRA Budget

Action Requested:

Staff requests Board approval of the 2020/21 NLTRA Budget.

Background:

Placer County has increased the 2020/21 TOT funding of NLTRA by \$129,184 to \$4,043,877, a 3.3% CPI increase. The notable changes from the prior 2019/20 budget were as follows:

- The budgeted NLTRA contribution to the North Lake Tahoe Marketing Cooperative (NLTMC) was
 decreased by \$504,000 due to a proportionally similar reduction in contribution from the Incline Village
 Crystal Bay Visitors Bureau as a result of projected reductions in TOT collection, and an anticipated
 NLTMC unspent fund balance from 2019/20 that will provide adequate additional funding for the
 2020/21 fiscal year.
- Non-Coop Marketing and Opportunistic expenses were increased (\$204,000 and \$69,000 respectively)
 to allow flexibility in funding tourism industry reopening initiatives and programs as we move out of the
 Covid-19 pandemic situation.
- Budgeted Conference/Group commission revenues were eliminated as we have transitioned out of the past commission program to be more aligned with other DMO's and industry practices.
- The Tourism Master Plan Implementation budget was increased by \$130,419 to provide for education and implementation of alternate NLTRA funding sources, specifically the TBID formation effort.
 Budgeted expenses include consulting services from CIVITAS and start-up costs as estimated by the County for their systems development.
- The Visitor Information Center budget was increased by \$57,221 from prior year to primarily fund visitor information and education materials and initiatives throughout the reopening process.
- Employee wages and payroll related expenses, including Administration and Membership, have increased approximately 5% due to cost of living increases, a full year of the now filled CEO position, and some minor restructuring. Individual annual average wage increases have been estimated at 3%.

Fiscal Impact:

Both revenue (TOT funding) and expenses in the TOT supported departments have increased equally for a net neutral fiscal effect. Membership is anticipated to realize a net improvement over the 2019/20 budget of \$7,539.

Attachments:

NLTRA Proposed 2020/21 Budget Summary NLTRA Proposed 2020/21 Budget Detail by Department

NLTRA Proposed Budget 2020/21 Summary TOT Funded Departments

| | 2019/20 Budget | Proposed 2020/21 Budget | Change 20/21 v 19/20 (\$) | Change 20/21 v 19/20 (%) |
|---------------------------------|------------------------------|----------------------------|---------------------------------|--------------------------------|
| | 2013/20 Budget | 2020/21 budget | (4) | (70) |
| Department * | | | | |
| Marketing | 3,044,269 | 2,983,682 | (60,587) | -2% |
| Conference | 383,252 | 384,054 | 802 | 0% |
| VIC | 398,306 | 457,721 | 59,415 | 15% |
| TMPI/TBID | 88,866 | 218,420 | 129,554 | 146% |
| | 3,914,693 | 4,043,877 | 129,184 | 3.3% |
| | 3,914,693 | 4,043,877 | 129,184 | 3.3% |
| * Department expenses include a | oronortional share of the Ad | ministration denartmen | nt evnenses | |
| Administration expenses | 623,078 | 748,202 | 125,124 | 20% |

NLTRA Proposed 2020/21 Budget Detail by Department

| Income | 11 Ivial Ketilig | 11 Marketing | Change (C) | 30 Conference/ Group | 30 Conference/ Group | Change (\$) | rounded) 42 VIC | Proposed 42 VIC | Change (\$) | (rounded) 51 TMPI(TBID) | Proposed 51 TMPI(TBID) | Change (\$) | | (rounded) Total TOT Funded | Proposed Total TOT Funded | Change (\$) |
|---|------------------|--------------|--------------|-------------------------|-------------------------|-------------|--------------------|--------------------|--------------------|-------------------------|------------------------|--------------|---|----------------------------------|---------------------------------|--------------------|
| | | | Citalige (3) | Group | Group | Change (5) | 42 VIC | 42 VIC | Change (3) | 31 HVIPI(1BID) | 31 HVIPI(16ID) | Cilalige (3) | | ruilded | runueu | Change (3) |
| | | | | 28,000 | _ | (20,000) | | | | | | | | 28,000 | _ | (28,000) |
| Conference/Group Commissions Member Dues | | | - | 28,000 | - | (28,000) | | | - | | | - | | 28,000 | - | (28,000) |
| Member Events & Other | | | - | | | - | | | - | | | - | | - | - | - |
| Merchandise Sales | | | - | | | - | 108,000 | 85,000 | (22,000) | | | - | | | 85,000 | (22,000) |
| Cost of Good Sold | | | - | | | - | (64,000) | (42,500) | (23,000) 21,500 | | | - | | 108,000 (64,000) | (42,500) | (23,000) 21,500 |
| Income | | _ | - | 28,000 | _ | (28,000) | 44,000 | 42,500) | (1,500) | | | | | 72,000 | 42,500) | (29,500) |
| Expenses | - | - | - | 28,000 | - | (28,000) | 44,000 | 42,500 | (1,300) | - | | - | | 72,000 | 42,500 | (23,500) |
| Wages & Related | 404,000 | 348,792 | (55,208) | 202,000 | 215,201 | 13,201 | 235,000 | 232,500 | (2,500) | 8,000 | 55,029 | 47,029 | | 848,000 | 851,522 | 3,522 |
| Rent & Utilities | 40,000 | 40,120 | 120 | 19,000 | 20,060 | 1,060 | 104,000 | 100,300 | (3,700) | 8,000 | 33,029 | 47,023 | | 163,000 | 160,480 | (2,520) |
| Insurance | 40,000 | 40,120 | 120 | 19,000 | 20,000 | 1,000 | 104,000 | 100,300 | (3,700) | | - | | | 103,000 | 100,480 | (2,320) |
| Supplies & Equip | 14,000 | 22,744 | 8,744 | 3,000 | 3,090 | 90 | 11,000 | 60,000 | 49,000 | 12,000 | 25,000 | 13,000 | | 40,000 | 110,834 | 70,834 |
| Training | 5,000 | 9,000 | 4,000 | 3,000 | 2,000 | 2,000 | 3,000 | 3,000 | | 12,000 | 23,000 | - | | 8,000 | 14,000 | 6,000 |
| Professional Fees | 6,000 | 15,000 | 9,000 | | 2,000 | 2,000 | 3,000 | 3,000 | _ | 55,000 | 100,000 | 45,000 | | 61,000 | 115,000 | 54,000 |
| Research & Planning | 18,000 | 40,000 | 22,000 | | | _ | | | _ | 33,000 | 100,000 | -3,000 | | 18,000 | 40,000 | 22,000 |
| Special Event Partnerships | 50,000 | 50,000 | - | | | | | | | | | | | 50,000 | 50,000 | - |
| Business Assoc grants | 30,000 | 30,000 | _ | | | _ | | | _ | | | _ | | 30,000 | 30,000 | _ |
| Events | 516,000 | 565,000 | 49,000 | | | _ | | | _ | | | _ | | 516,000 | 565,000 | 49,000 |
| BACC Marketing Programs | 80,000 | 80,000 | - | | | _ | | | _ | | | _ | | 80,000 | 80,000 | - |
| Non-Coop Marketing | 16,000 | 220,000 | 204,000 | | | _ | 12,000 | 12,000 | _ | | | _ | | 28,000 | 232,000 | 204,000 |
| Coop Funding | 1,377,000 | 925,000 | (452,000) | 127,000 | 75,000 | (52,000) | , | ,, | _ | | | _ | | 1,504,000 | 1,000,000 | (504,000) |
| Additional Opportunities | 26,000 | 95,000 | 69,000 | ,,,,, | | - | | | - | | | - | | 26,000 | 95,000 | 69,000 |
| Travel | 6,000 | 11,100 | 5,100 | | | _ | 1,500 | 1,500 | - | | | - | | 7,500 | 12,600 | 5,100 |
| Board Functions | -, | , | - | | | _ | , | , | - | | | - | | · - | · - | - |
| Licenses/Dues/Meals/Auto | 8,000 | 7,500 | (500) | 1,200 | 1,200 | - | 3,000 | 3,000 | - | | | - | | 12,200 | 11,700 | (500) |
| Total Expense | 2,596,000 | 2,459,256 | (136,744) | 352,200 | 316,551 | (35,649) | 369,500 | 412,300 | 42,800 | 75,000 | 180,029 | 105,029 | | 3,391,700 | 3,368,136 | (23,564) |
| · | | | | , i | | | | | | , | | | | | | , , , |
| Admin Allocation | 447,000 | 524,426 | 77,426 | 60,000 | 67,503 | 7,503 | 75,000 | 87,921 | 12,921 | 13,000 | 38,390 | 25,390 | | 595,000 | 718,241 | 123,241 |
| Net Results | (3,043,000) | (2,983,682) | 59,318 | (384,200) | (384,054) | 146 | (400,500) | (457,721) | (57,221) | (88,000) | (218,419) | (130,419) | Ī | (3,914,700) | (4,043,877) | (129,177) |
| 3% | | | | | | | | | | | | | | | | |

NLTRA Proposed 2020/21 Budget Detail by Department

| | 2019/20 Budget (rounded) | 2020/21 Proposed | |
|------------------------------|-----------------------------|---------------------|----------------|
| | 70 Admin | 70 Admin | Change (\$) |
| Income | | | |
| Conference/Group Commissions | | | - |
| Member Dues | | | - |
| Member Events & Other | | | - |
| Merchandise Sales | | | - |
| Cost of Good Sold | | | - |
| Income | - | - | - |
| Expenses | | | |
| Wages & Related | 421,000 | 487,552 | 66,552 |
| Rent & Utilities | 48,000 | 40,120 | (7,880) |
| Insurance | 10,000 | 20,300 | 10,300 |
| Supplies & Equip | 41,000 | 42,230 | 1,230 |
| Training | 5,000 | 8,000 | 3,000 |
| Professional Fees | 53,000 | 53,000 | - |
| Research & Planning | 4,000 | 15,000 | 11,000 |
| Special Event Partnerships | | | |
| Business Assoc grants | | | - |
| Events | | | - |
| BACC Marketing Programs | | | - |
| Non-Coop Marketing | | | - |
| Coop Funding | | | |
| Additional Opportunities | 6,000 | 25,000 | 19,000 |
| Travel | 3,000 | 15,000 | 12,000 |
| Board Functions | 6,000 | 7,000 | 1,000 |
| Licenses/Dues/Meals/Auto | 23,000 | 35,000 | 12,000 |
| Total Expense | 620,000 | 748,202 | 128,202 |
| Admin Allocation | (620,000) | (748,202) | - (128,202) |
| Net Results | - | - | - |
| 3% | | | |
| | | | |

| 2019/20 Budget (rounded) 60 Membership/ Chamber | 2020/21 Proposed 60 Membership/ Chamber | Change (\$) |
|--|---|-----------------------------------|
| 130,000 69,000 | 125,000 75,000 | - (5,000) 6,000 - - |
| 199,000 | 200,000 | 1,000 |
| 78,000 10,000 5,000 | 80,000 10,300 - 4,200 | 2,000 300 - (800) - |
| 1,000 | 1,000 | - |
| 52,000 | 42,000 | - (10,000) - - - - |
| | | - |
| 6,000 | 3,000 | (3,000) |
| 152,000 | 140,500 | (11,500) |
| 25,000 | 29,961 | 4,961 |
| 22,000 | 29,539 | 7,539 |

