



Hamilton County Tourism, Inc. 2024 Budget Narrative

INCOME OVERVIEW

INCOME	2023 Revised	2024	Difference
Transfer Net from Commission	\$ 7,210,000.00	\$7,700,000.00	7%
Revenue-Interest Income	\$0	\$40,000.00	
Revenue Grants	\$ 229,000.00	\$100,000.00	-56%
Revenue-InKind	\$ 30,000.00	\$30,000.00	0%
Revenue-Advertising Co-op (varies)			
Revenue-HCEDC	\$811,070.00	\$562,512.00	-31%
Total Income	\$ 8,280,070.00	\$8,620,685.68	4%
Add in ARPA for Planning Purposes	\$ 1,823,242.00	\$375,000.00	-80%
	\$ 10,103,312.00	\$8,995,685.68	-11%

- **Lodging tax revenue** - \$7.7 million, or 7% higher than 2023
 - Includes \$1.1 million in carryover collection from 2023
- **Grant revenue** - \$100,000, or 56% lower due to EDA federal grant project completion in 2023
- **Revenue Hamilton County Economic Development Corporation** is a budget neutral number (expenses same as revenue in 2024 and workforce initiatives expenses moved to Destination Development)
- **ARPA funds** - \$375,000 will close the gap (final use of funds in 2024)

Notes:

High confidence level in meeting projected lodging tax revenues given new hotels opening in the market and steady gains in both ADR and occupancy throughout 2023.

EXPENSE OVERVIEW

Marketing, Promotions, Sales, Sports and Visitor Experience Areas

EXPENSES	2023 Revised	2024	Difference
Marketing (all categories)	\$ 2,150,000.00	\$ 2,450,000.00	14%
Visitor Experience	\$ 100,000.00	\$ 115,000.00	15%
Economic Development	\$ 962,070.00	\$562,512.00	-42%
Sales Promotion	\$ 525,000.00	\$ 326,800.00	
Sports	\$ 0.00	\$ 272,800.00	14%

- **Marketing** will revise web site in 2024, utilizing additional funds.
- **Visitor Experience** will test new programs to create more labor efficiencies.
- **Economic Development** sees career center move to self-sufficiency but expands hospitality rehabilitation programs through federal grant money.
- **Sales Promotion and Sports** split again in 2024, but grants move out of sports and into destination development so real increase is 28%.
- **Sports** more than doubles incentives to entice new business to the county.

Destination Development Area

EXPENSES	2023 Revised	2024	Difference
Destination Development	\$ 2,751,000.00	\$ 2,127,000.00	-23%

- Biggest reduction is in **direct grants to Grand Park** (-33%) from 2023 but does invest in some Grand Park improvements (\$400,000) as well as proposed Forest Park Aquatic Center improvements (\$150,000) based on research and give Grand Park equal distribution of all year-one BEST Funds per agreement 2024-2025.
- **Sports grants** move to Destination Development Grants Disbursed line item per auditor's request and more than double to \$75,000.
- Completes **Conner Prairie** second pledge year for Promised Land as Proving Ground, or \$125,000 to support DEI program.
- \$100,000 for Nickel Plates Arts building support – carryover 2023.
- Adds an **employee community grant program**, details to be determined, \$7,000.
- Invests significantly in **research and analysis** to prepare projects for potential 2025 BEST Fund distributions: E-sports strategic plan (\$75,000) and other studies to be determined (\$165,000 total commitment); first phase of trail head developmental study (\$10,000 for exploration with real grant dollars set aside in 2025).
- Commits community dollars to supporting experiences the 2024 Solar Eclipse, \$75,000.
- Continues support of the **White River Vision Plan** for a total of \$195,010, of which \$100,000 is grant funded for staff and related expenses (see income).
- Invests in several **regenerative tourism initiatives** outside the scope of tourism: support for housing messaging through the Hamilton County Housing Coalition, \$15,000; an invasive species messaging campaign through Hamilton County Soil and Water Conservation District; DEAI initiatives, \$8,000; 50% increase in PUP banner repurposing program, \$7,500; and supports community focused projects with creative and talent support, \$36,000.
- Continues to invest heavily into **general market research**, \$172,500. This includes geofencing and aggregation software, as well as a community events survey initiative.

Human Resources Area

EXPENSES	2023 Revised	2024	Difference
Benefits	\$ 345,000.00	\$ 422,500.00	22%
Salaries-Adin/Mkt.	\$ 1,432,500.00	\$ 1,711,000.00	19%
Employer Taxes	\$ 110,000.00	\$ 130,900.00	19%
Unemployment Tax	\$ 4,000.00	\$ 4,000.00	0%
Telephone	\$ 20,000.00	\$ 25,000.00	25%
Professional Development	\$ 80,000.00	\$ 100,000.00	25%

- **Benefits** reflects new staff plus a relocation package for new CEO. Also always bakes in a potential health care increase.
- **Salaries** reflects the new CEO and some transition, a full year of the new sports department, and one new coordinator-level position TBD.
- **Taxes, Telephone** also relate to additional staff.
- **Professional Development** covers new hires as well as adds all-staff trainings in 2024 for leadership development.

Operations Area

EXPENSES	2023 Revised	2024 Early	Difference
Hardware/Software	\$ 6,000.00	\$ 10,000.00	67%
Web/Internet	\$ 3,000.00	\$ 4,000.00	33%
SaaS Support	\$ 68,000.00	\$ 75,000.00	10%
Depreciation	\$ 80,750.00	\$ 125,000.00	55%
Dues and Subscriptions	\$ 40,000.00	\$ 40,000.00	0%
Equipment Lease, Repair, Maint	\$ 25,000.00	\$ 35,000.00	40%
Furniture and Equipment	\$ 2,000.00	\$ 2,000.00	0%
Insurance/Liability Auto/Office	\$ 45,000.00	\$ 45,000.00	0%
Office Contingency	\$ 1,000.00	\$ 0.00	-100%
Office Expense/Supplies	\$ 5,000.00	\$ 5,000.00	0%
Postage	\$ 10,000.00	\$ 8,500.00	-15%
Printing (Office Related)	\$ 2,000.00	\$ 2,000.00	0%
Professional Fees	\$ 106,500.00	\$ 170,000.00	60%
Property Taxes Ham Cty	\$ 2,000.00	\$ 2,000.00	0%
Meals and Entertainment	\$ 8,000.00	\$ 10,000.00	25%
Mileage and Parking	\$ 4,000.00	\$ 4,000.00	0%
Vehicle/Lease/Gas/Maint	\$ 7,500.00	\$ 7,500.00	0%
Utilities, Office Rent	\$ 60,000.00	\$ 100,000.00	67%
Decommissioning Assets	\$ 5,000.00	NA in 2024	
Loss on Assets	\$ 48,500.00	NA in 2024	

- **Hardware/Software** additional need with increased staffing.
- **SaaS Support** additional support needed for Zoom rooms, room scheduling software and larger email package due to increased staff.
- **Depreciation** takes into account office renovation + 12 months Nickel Plate Arts assets depreciation
- **Dues and Subscriptions** matches 2023 expense.
- **Equipment, Rent, Repair, Maintenance** Increased cleaning contract and additional staffing.
- **Professional Fees** \$75,000 for CEO search firm, \$15,000 for on-call amount for overlap of new CEO, \$7,500 for compensation project, \$20,000 for Fiscal Audit, \$17,000 for legal counsel and \$25,000 for Legislative Consulting.
- **Meals and entertainment** related to additional staffing as well.
- **Utilities, Office Rent** Estimate based on new Owner Association management company increased from \$23,000 to \$30,000, 3rd floor leased space \$16,500, Duke Energy \$7,000.
- **Decommissioning of Assets** No longer needed, 2023 expense only.
- **Loss on Assets** No longer needed, 2023 expense only.
 - If Nickel Plate Arts assets are donated, Loss on Assets would increase by approximately \$710,000, decreasing Net Income accordingly.