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**ROWAN COUNTY TOURISM
PROPOSED BUDGET AND PROGRAM OF WORK**

FISCAL YEAR 2022-2023

2022-2023 ROWAN COUNTY TOURISM BUDGET MESSAGE: MAY 11, 2022

Rowan County Tourism Board of Directors:

The Rowan County Tourism staff in partnership and coordination with the Tourism Budget and Finance Committee are honored to submit a proposed program of work, strategic direction and operating budgets for the Tourism Authority and Convention and Visitors Bureau for fiscal year 2022-2023. The work plan and budgets focus on fostering growth and development in the Rowan County Tourism and Hospitality Sector. As of May 2022, the local tourism economy has recovered to either at or better than pre-pandemic levels with continued increases through the spring of 2022.

Rowan County Tourism is County-wide in scope and its efforts are directed towards fostering economic growth in tourism through the development and promotion of Rowan County's tourism industry, tourism-related businesses, organizations and all sections and communities of Rowan County. Rowan County Tourism deploys strategies, tactics and programs that seek to increase visitation and grow annual visitor expenditures in Rowan County.

County tourism efforts organize to tell Rowan County's original story, promote, and encourage visitor expenditures and to assemble and disseminate information designed to further develop Rowan County's market position with visitors.

For fiscal year 2022-2023 Rowan County seeks to further expand its sales and marketing reach, tell the County's brand story, and launch a new five-year capital investment plan centered on tourism and product development. The proposed budget seeks to provide capacity to manage and implement the expectations and goals of the Tourism Board: deploy effective marketing, provide partner support, launch new tourism product, and foster economic growth in tourism.

Key areas identified by the Tourism Board for focus in 2022-23:

- Sales and marketing to support increased economic activity, overnight stays, returning and growing group business and greater engagement with tourism partners.
- Allocate resources to tourism development and capital investments through a continuation and expansion of the Rowan County Tourism Industry Master Plan and dedicate added resources for partnerships with tourism-related businesses and organizations.
- Further emphasis on digital marketing, packages, and incentive travel to drive overnight stays.
- Resources to support tourism staff and general operations.
- Defined approach to future tourism-related capital projects.



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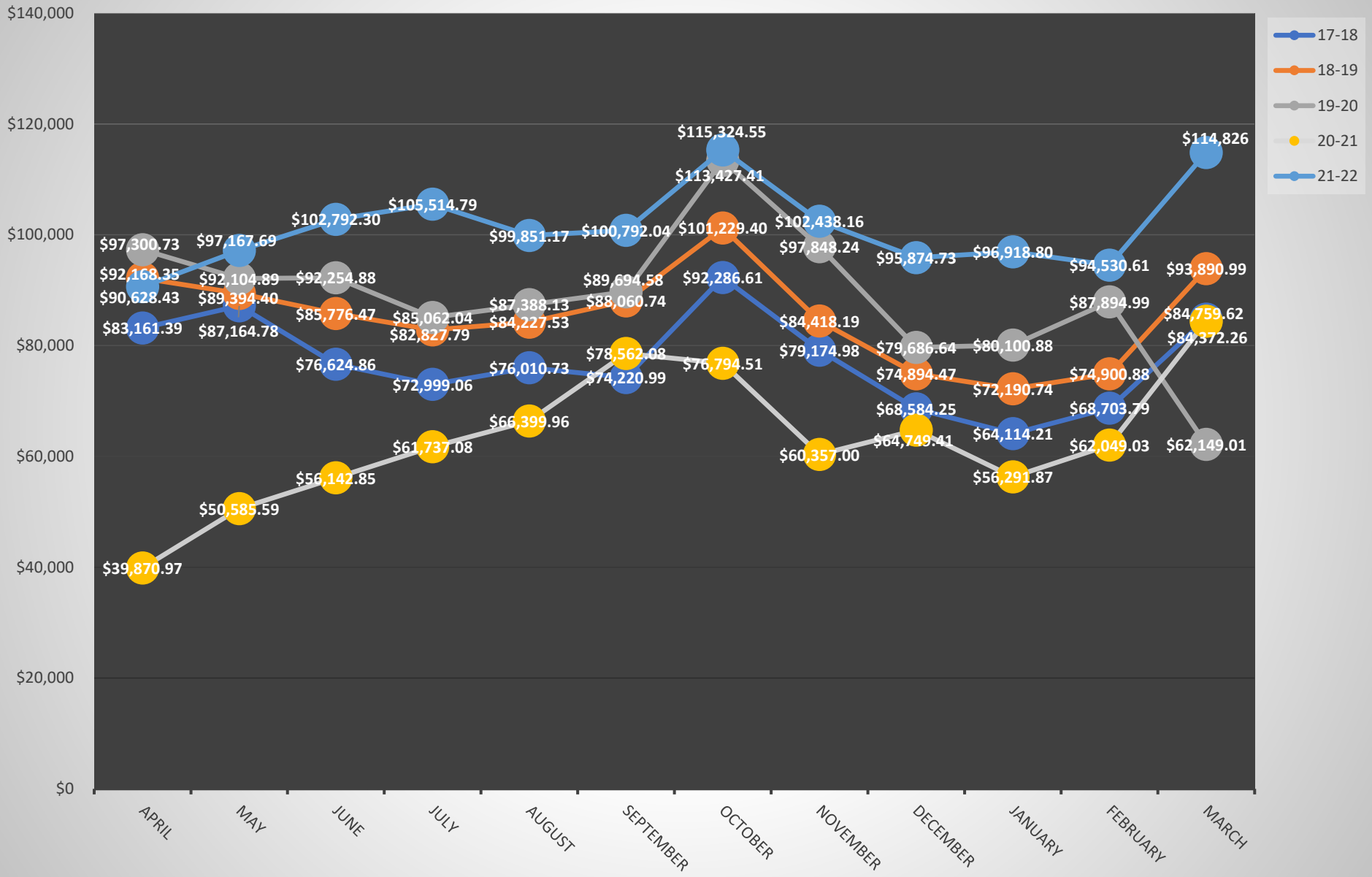
2022-2023 ROWAN COUNTY TOURISM BUDGET HIGHLIGHTS: MAY 11, 2022

- Occupancy tax revenues are projected to come in at \$1,280,000, the highest budgeted occupancy tax amount ever for Rowan County Tourism. Rowan Tourism's core budget less any projected one-time funding will equal \$1,536,000, the highest core budget ever for Tourism.
- Zero growth in occupancy tax revenue in FY22-23 compared to FY21-22 actuals is projected due to both positive (high travel demand, stable lodging supply, strong consumer demand) and negative factors (inflation, supply chain, energy costs, negative first quarter GDP) impacting the economy.
- Of the \$1,536,000 core budget 17.5% or \$270,000 (\$200,000 Tourism Development, \$70,000 CVB sales and marketing) is not allocated or committed to any specific project and can serve as a reserve mechanism should a significant economic downturn occur, and occupancy tax receipts decrease significantly from budget projections. This will allow for flexibility in the face of any potential deteriorating economic conditions by delaying new development programs and withholding new sales and marketing while still maintain current programs and staffing levels.
- Sales & Marketing, Tourism Development combined with Visitor Programs and Services equals \$892,000 (59.3%) of the FY22-23 Rowan County Tourism Budget. It is a \$295,800 (49.6%) increase over FY21-22. In FY21-22 Marketing, Development and Visitor Services equaled 51.1% of the annual budget compared to 59.3% for FY22-23
- FY22-23 Sales & Marketing budget is \$500,000, it equals 33.3% of the budget, an increase of \$146,600 from FY21-22. In FY21-22 Sales & Marketing equaled 30.3% of the budget compared to 32.6% of the budget in FY22-23, an increase of 3% as a percentage of the budget.
- FY22-23 Tourism Development budget is \$200,000, it equals 13.3% of the budget, an increase of \$130,000 from FY21-22. In FY21-22 Tourism Development equaled 6% of the budget compared to 13.3% of the budget in FY22-23, an increase of 7.3% as a percentage of the budget.
- FY22-23 Visitor Programs & Services budget is \$192,000, it equals 12.8% of the budget, an increase of \$19,200 from FY21-22. In FY21-22 Visitor Programs and Services equaled 14.8% of the budget compared to 12% in FY22-23, a decrease of 2% as a percentage of the budget.
- FY22-23 Tourism Staffing budget is \$566,000, it equals 37.7% of the budget and an increase of \$60,600 from FY21-22. In FY21-22 Tourism Staffing equaled 43.4% of the budget compared to 37.7% in FY22-23, a decrease of 5.7% as a percentage of the budget.
- FY22-23 staffing budget provides capacity for COLA increases, merit increases (based on performance) and market adjustments to provide compensation is on par with similar positions.
- FY22-23 is the first year Rowan County Tourism's staffing budget will be less than 40% of the budget. The \$566,600 budgeted for Tourism Staffing in FY22-23 returns the organization to its pre-pandemic staffing budget of \$564,600 from FY19-20.
- FY22-23 Administrative budget is \$44,000, it equals 2.9% of the budget and is a decrease of \$19,800 from FY21-22. In FY21-22 Administrative equaled 5.5% of the budget compared to 2.9% of the budget in FY22-23, a decrease of 2.6% as a percentage of the budget. 2.9% administrative costs are equal to the same percentage as in FY19-20, before the pandemic.

Rowan Tourism: Operational categories as a percentage of budget

	Fiscal Year 2019-20		Fiscal Year 2020-21		Fiscal Year 2021-22		Fiscal Year 2022-23	
<i>Budget Category</i>	<i>Amount</i>	<i>Percent of Budget</i>	<i>Amount</i>	<i>Percent of Budget</i>	<i>Amount</i>	<i>Percent of Budget</i>	<i>Amount</i>	<i>Percent of Budget</i>
Total Budget	\$1,391,000		\$1,013,600		\$1,166,000		\$1,512,600	
<i>Tourism Staffing</i>	\$564,600	40.6%	\$420,000	41.4%	\$506,000	43.4%	\$566,600	37.5%
<i>Sales & Marketing</i>	\$420,400	30.2%	\$270,400	26.7%	\$353,400	30.3%	\$500,000	33.1%
<i>Programs & Services</i>	\$175,600	12.6%	\$188,600	18.6%	\$172,800	14.8%	\$202,000	13.4%
<i>Tourism Development</i>	\$190,000	13.7%	\$77,500	7.6%	\$70,000	6.0%	\$200,000	13.2%
<i>Administrative</i>	\$40,400	2.9%	\$57,100	5.6%	\$63,800	5.5%	\$44,000	2.9%

Rowan County Occupancy Tax: Appendix A



Totals: 2017 - \$927,805.27 2018 - \$1,023,979.95 2019 - \$1,064,912.42 2020 - \$757,912.61 2021 - \$1,216,659.27

Rowan County Tourism Development Authority: 2022-2023 Proposed Budget

Revenues	FY19-20	FY20-21	FY21-22	FY22-23	Budget Notes
Occupancy Tax Revenue	1,175,000	800,000	925,000	1,280,000	Projected occupancy tax figure is based on FY21-22 actuals and is a flat growth projection. Due to uncertainty in the economy (both positive and negative factors) impacting travel; a flat projection is recommended for budgeting purposes. Appendix A provides most current tax revenues over four years.
Partner Services	33,000	57,000	57,000	40,000	Revenues from partners in the Gateway for shared services provided through Tourism in the Gateway and cooperative partner programs. Services include phone, data, server and Gateway front desk staff support. Decrease from FY21-22 due to reduction in shared copier costs, shared staff and reallocating partnership marketing to the CVB budget.
Holiday Caravan Parade	30,000	40,000	40,000	50,000	Revenues from the Holiday Caravan Parade. Rowan Tourism will continue to support the Parade by processing the Parade's fiscal transactions. No occupancy tax revenues will be utilized for supporting the Parade, only Parade revenues and Parade funds are utilized to cover Parade expenses.
Miscellaneous	3,000	600	1,000	1,000	Annually TDA averages \$1,000 to \$2,000 in misc. revenues.
Gateway Building	90,000	110,000	110,000	110,000	Revenues from office space leases and meeting space rentals in the TDA owned Gateway building. Lease increases start 7-1-22.
Tourism ARPA Funding			595,000	500,000	Placeholder for requested funds for county wayfinding system: 22-23 ARPA.
Trolley	60,000	6,000	33,000	55,000	Revenues from trolley tours, rentals, sponsorships & ticketed events. Projected revenues to be less than FY19-20, but with an increase from 21-22 based on current booking schedule and a removal of COVID restrictions.
Total Revenue	1,391,000	1,013,600	1,761,000	2,036,000	

Expenses					
Marketing & Visitor Services					Budget Notes
CVB Appropriation	900,000	700,000	910,000	1,045,000	Tourism funding to the CVB (501c6). Funding for marketing, communications, public relations, visitor services, tourism staff, branding, Trolley programming and CVB operations; per the TDA-CVB Memorandum of Understanding and operating structure since FY2016-17.
Tourism Development	190,000	77,500	420,000	700,000	Allocates \$200,000 from occupancy tax (15%) to product development and \$500,000 of ARPA to tourism wayfinding. *None of the \$200,000 is allocated to any project until development plan is finalized and approved by the board.
Lodging, Arts & Culture ARP Support			100,000		Program was one time in FY21-22. No proposed funding for 22-23.
Tourism Operating Reserves			100,000		Propose no special allotment in budget to reserves.
Holiday Caravan Parade	30,000	60,000	40,000	50,000	Expenses associated with the Holiday Caravan Parade, expenditures are approved by the Parade Committee/Organizers. Rowan Tourism will continue to support the Parade by processing the Parade's fiscal transactions. No occupancy tax revenues will be utilized for supporting the Parade, only Parade revenues and funds to be used to cover Parade expenses.
Gateway Building	80,000	80,000	90,000	100,000	Operational costs for Gateway (maintenance, janitorial, utilities, repairs, service agreements, property and liability insurance). Increase from 21-22 due to increased costs of supplies (cleaning, paper products) additional funds for maintenance and repairs and reallocating property and building liability insurance to Gateway expense line item.
Partner Services	24,000	10,000	10,000	25,000	Expenses paid on behalf of partners in the Gateway building specifically for shared services provided through the TDA (any expenses coded to CVB are included in CVB operating budget). Increase from FY21-22 as shared data (server and internet) used to be in the CVB's digital budget now all are in TDA.
Trolley	24,000	5,000	10,000	10,000	Trolley related expenses specific to ownership costs related to the trolley (maintenance, repairs, tags, insurance)
Supplies & Equipment	6,500	4,000	4,000	5,000	Office supplies and materials for the TDA and copier usage.
Miscellaneous	5,000	4,100	4,000	2,400	
Total Marketing & Visitor Services	1,259,500	940,600	1,688,000	1,937,400	
Operations & Administration					Budget Notes
Rowan County TDA Operations Staff	72,500	38,000	38,000	69,000	Funding for TDA staff. TDA is required to maintain a minimum employee presence with LGERS since the TDA joined the NCLGERS in 2001. Des. Marketing Manager fills this position.
Payroll Taxes	5,400	3,000	3,000	5,500	
TDA Employee Retirement	11,600	5,000	5,000	6,600	LGERS pension and NC457 contributions.
Workers Comp and Liab. Ins.	12,000	12,000	12,000	2,500	Annual insurance premiums for workers comp. and board liability. Property liability now included in Gateway line item.
Professional Services	30,000	15,000	15,000	15,000	Accounting, legal and audit services for TDA.
Total Operations & Admin.	131,500	73,000	73,000	98,600	
Total Expenses	1,391,000	1,013,600	1,761,000	2,036,000	
Difference	0	0	0	0	



2022-2023 STRATEGIC MARKETING GOALS

2022-2023 OBJECTIVES AND GOALS

- Continue to promote the Rowan County brand through destination marketing and digital avenues to reach a regional audience.
- Emphasize Rowan County key attractions and events to boost and promote overnight visitation.
- Foster relationships between key Rowan County tourism partners and their events to create destination awareness to strengthen existing success and prevent lulls in the tourism market.
- Develop consistent regional marketing through strategic traditional and digital advertising.
- Promote and continue programming of the F&M Bank Historic Trolley System through visitor services and digital avenues.
- Manage and maintain relationships with existing and potential groups hosting events and making group accommodations in Rowan County lodging properties.
- Continue to increase engagement within the destination and expand communication with partners and communities

DESTINATION AWARENESS MARKETING

Destination Awareness Marketing will be completed throughout the year to attract new and returning visitors to Rowan County. Marketing will be done through numerous avenues to keep Rowan County top of mind and encourage overnight stays.

- Destination marketing campaigns will be implemented in various traditional and digital marketing avenues to entice travelers to visit Rowan County.
- Destination co-op programs will be completed with tourism partners to make special events known throughout the region, attracting visitors and overnight stays.
- Play a central role in advocacy in promoting Rowan County as a destination for overnight travel, as well as business travel to promote community growth.
- Promote Rowan County as a destination with a rich array of original destination experiences with personalized options for our visitors and overnight travelers.
- Stay and Play Packages will be offered in conjunction with tourism partners to promote overnight stays in Rowan County in exchange for various incentive options related to their stay.
- Continue offering support to partners and their events through the Tourism Support Program that fosters hospitality, lodging and overnight event packages.
- Continue to develop up-to-date visual assets that promote the destination.
- Continue to expand partner relationships and site visits to enhance marketing and organization awareness.

DIGITAL MARKETING

Digital Marketing will continue to support and enhance the larger Destination Marketing Plan for Rowan County. Digital Marketing will be accomplished using VisitRowanCountyNC.com website and blog, Visit Rowan County social media platforms, e-Newsletters and Google Ads.

- Encourage two-way conversation and engagement through Visit Rowan County social media platforms to connect with customers through all stages of their experiences in Rowan County.
- Maintain and increase lifestyle and list style blogs for distribution through VisitRowanCountyNC.com and Visit Rowan County social media platforms to inform visitors of original attractions and experiences awaiting them in Rowan County. These blogs present highly customized content about the destination to potential audiences.
- Continue to optimize newly redesigned VisitRowanCountyNC.com for easy navigation and a visitor-friendly experience in finding information about attractions, restaurants, special offers, lodging accommodations and more.
- Use hotel online booking platform as a tool to improve the visitor experience while booking lodging and to increase overnight stays at local hotels.
- Use online package booking platform as a tool to improve overnight stay packages and expand future package opportunities.
- Continue to promote Rowan County attractions and special events using Google Pay Per Click to reach a larger audience on multiple websites who may be searching for destinations or events similar to what can be found in Rowan County.
- Utilize data collected from comprehensive destination dashboards to make informed targeted decisions for digital marketing efforts.
- Digital Marketing efforts will focus on presenting consistent, compelling content that displays an original destination experience. This will be accomplished using user generated content and testimonials to display a first-hand view of Rowan County as a destination.
- Encourage visitors, locals, and other destination stakeholders to promote and share the destination brand and experience through their own eyes through social media platforms.
- Continue to refresh and update partner listings by expanding on current partner relationships to keep content relevant and up to date.

BRANDING

Rowan County Tourism will continue to promote and foster the countywide branding initiative. We will continue to support our community partners in rebranding in line with the Be an Original branding initiative. Rowan County Tourism will continue to promote our own brand, as well as our key assets that make our county a destination for travelers and overnight guests.

- Rowan County Tourism will continue to implement a refreshed look for the tourism sector of the county wide branding project.

- All promotional materials, traditional and digital, will follow brand guidelines and stand as good representation of the Visit Rowan County brand. The Be an Original tagline will serve as the basis of all marketing and branding.
- Protect Rowan County's assets by presenting a cohesive look and feel, promoting an original experience. Presenting an original brand image will influence travel decisions and help attract visitors seeking a deep and transformative experience in Rowan County.
- Develop new brand specific marketing materials and programs for launch in 2022-2023

GROUP SALES

Continuous efforts will be made to work with groups and organizations wishing to make large group arrangements in Rowan County lodging properties. Rowan County Tourism staff will work alongside groups to support and help them prepare for their event and assist with implementation.

- Staff will maintain and protect current group relationships, as well as foster new group relationships to attract tournaments, conferences, events and more to Rowan County to be catalysts for economic development.
- Continue to place emphasis on market segmentation to attract distinct groups to our destination. Avoid promotion that suggests Rowan County has something for everyone, but rather promote what original experiences it has to offer for individual groups. This will allow for highly curated and customized destination content.
- Staff will maintain communication between Rowan County lodging properties to make them aware of groups visiting the county.
- Staff will maintain follow-up communication after groups visit Rowan County.

VISITOR SERVICES

Traditional visitor services will continue to be offered through the newly refurbished Rowan County Visitors Center. Visitors can request brochures to be mailed or stop in for additional information on attractions.

- The newly redesigned Visitors Center will create a sense of place for visitors to gather information about the destination
- New collateral pieces will be designed and produced to promote the destination.
- Continue to accommodate visitor requests for materials to be mailed.
- Provide a visitor friendly atmosphere by assisting with questions about attractions, directions, events and more.

TROLLEYS

The F&M Bank Trolley System will continue to be used as a destination experience for tours, weddings, groups and more.

- Maintain and increase F&M Bank Trolley System programming and Historic Salisbury tours.
- Continue communication and relationships between the Trolley System and partners, such as: F&M Bank and Novant Health.
- Continue to cater trolleys to private group rentals.
- As market demand increases, bring back historic, holiday and specialty tours.

OVERARCHING MARKETING TRENDS

Rowan County Tourism marketing team will stay abreast to current overarching marketing trends in the tourism industry.

- Visitor testimonials
- User generated content
- Video and Photo
- Promote the experience instead of the benefits
- Family travel
- Tailored trips and advertisements based on specific experiences
- Microinfluencers
- Personalization
- Destination engagement
- Capitalizing in-market visitor experiences for future marketing and promotions

Rowan County CVB Fiscal Year 2022-23 Proposed Budget

Revenue

	FY19-20	FY20-21	FY21-22	FY21-22	Notes
Tourism Support, Marketing-Visitors Services	900,000	700,000	865,000	1,045,000	Budget allocation from TDA.
Cooperative Marketing Partnerships	57,000	0	0	5,000	Digital ad revenues from website partnership program.
Miscellaneous	1,000	0	1,200	1,000	
Total Revenue	958,000	700,000	866,200	1,051,000	

Marketing and Visitor Services

Sales, Marketing and Communications	360,000	184,000	267,000	500,000	Includes all sales, marketing and package programs. In addition to digital, social, sponsorships and group sales. See appendix B for greater detail.
CVB Staff Wages	360,000	300,000	360,000	370,000	Wages for all CVB staff and trolley drivers (5 FTE's and 3 PT Drivers). Includes funding for a 5% COLA and funding for merit performance increases up to 5% and funding for market adjustments to compensation relative to similar positions in similar organizations.
Rowan County Branding/Dig. Inf. Loan	86,400	86,400	86,400	0	Branding loan scheduled to be retired by close of FY21-22.
Trolley	14,000	3,000	10,000	10,000	Trolley program costs for operating (marketing and fuel costs).
Visitor Center & Office Rent	27,000	27,000	19,200	25,000	Visitor Center lease, visitor center materials and tourism office lease.
Professional Development	3,600	3,600	3,600	6,000	Continuing education & board meetings.
Miscellaneous	1,000	1,000	1,000	2,500	
Total Marketing & Visitor Services	852,000	605,000	747,200	913,500	

Administration

Office Supplies	4,000	4,000	4,000	4,000	
Payroll Taxes	28,000	23,000	28,000	29,000	
Employee Retirement	12,000	5,000	12,000	16,500	Employer match for NC457 plan based on full participation.
Employee Benefits	60,000	46,000	60,000	70,000	Includes all health ins. Life, AD and ancillary options, projecting a 16.6% premium increase for same coverage.
Workers Comp, Liab. Ins.	2,000	2,000	0	3,000	Workers comp, officer and board liability
Professional Services	0	15,000	15,000	15,000	Accounting, audit and legal fees
Total Operations	106,000	95,000	119,000	137,500	
Total Expenses	958,000	700,000	866,200	1,051,000	
Difference	0	0	0	0	

Rowan County Tourism
 Fiscal Year 2022-2023
 Destination Marketing Program Budget
 Appendix B

General Budget Allocation		FY 2022-23	Budget Notes
Destination Marketing Program Funding	500,000.00	Appropriation from CVB General Budget.	
Total	500,000.00		
Expenses		Budget Notes (Expenses)	
Direct Support Programs	80,000.00	Marketing funds to support packages for Day Out With Thomas, Polar Express, NCTM and other direct overnight and package programs.	
Tourism Partner Support Funds	20,000.00	Tourism marketing funds allocated for tourism partner support requests and sponsorships that adhere to and meet funding requirements for support funds as outlined by Rowan Tourism.	
Tourism Digital Infrastructure and Marketing	250,000.00	Includes unallocated funds for utilization of general digital marketing, including: website, photography and video, social media paid promotion, PPC, Geofencing, all digital infrastructure, SimpleView (including: website, CMS, CRM, e-newsletters, blogs, database, server, cloud, server hosting cost, and data) and telecommunications.	
Tourism Sales and Marketing Programs	150,000.00	Funds for utilization on collateral production, brand marketing, partner engagement, fulfillment costs, general marketing, production costs brand marketing, group sales and overnight event support.	
Total Marketing & Visitor Services	500,000.00		
Difference	0.00		

Approximately \$70,000 (14%) of the marketing budget is not allocated should new opportunities arise or economic conditions worsen