



Buffalo Niagara Convention & Visitors Bureau, Inc.

2025 Proposed Operating Budget

Draft

*For presentation at the Board of Directors Meeting Wednesday February 12, 2025
Approved by the Finance Committee on Monday February 3, 2025*

Buffalo Niagara Convention & Visitors Bureau, Inc.
2025 Operating Budget
Budget Narrative

Revenues:

- **Erie County Grant** – As a result of new legislation surrounding how the hotel occupancy tax is collected and allocated, VBN in concert with the County budget office approved the grant for fiscal year 2025 for VBN in the amount of \$ 7,450,000 in addition VBN is budgeting \$ 1,000,000 in bed tax collections due from the 2024 budget year. 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.
- **Erie County Restaurant Grant** – In 2024 VBN received a \$ 20,000 grant to market WNY’s restaurant accessibility. Work on the project will not begin until mid 2025.
- **Visitor Guide/Digital Advertising** – VBN will once again print a Visitor Guide 2025. A new design and layout will be introduced. Sales for the guide began in August of 2024 and concluded in October with sales totaling nearly \$ 205,000. Consistent with 2024 advertising sales.
- **NYS Matching Fund Program** – NYS approved VBN’s application for a 2025 NYS Matching Funds grant in the amount of \$ 49,775.
- **Joint/Co-op Marketing-** Represents revenues generated from the sale of various Visit Buffalo Niagara collateral pieces and marketing related programming. For 2025 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 tradeshow, receptions, and sales calls with VBN personnel.
- **Grant Revenues** – For 2025, VBN will administer a NYS Agency grant to be used for the Freedom Footsteps programming which is expected to get underway in earnest during 2025.

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2025 Operating Budget

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Expenses:

- **Personnel Costs** – For 2025, VBN is budgeting for staff merit increases of approximately 4.0%. The remainder of the increase is attributed to the addition of new staff positions to be added during the second half of the year. New positions include a in-house graphic artist as well as a marketing assistant. In addition, VBN will be managing a new Visitor Center at Canalside. These operations are expected to run seven days a week year-round. It is anticipated we would hire a full-time manager and some part-time support staff to man the Center.
- **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 2025 is attributed to the additional County funding. The additional \$ 3M will be invested in marketing advertising, Website design and development, enhanced public relations efforts and reach and additional video productions to assist in these efforts.
- **Convention Commitments** – For 2025, 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 will be required in 2025.
- **Visitor Guide** – Overall cost of Guide is expected to be similar to the previous year. Buffalo Spree was selected to print the guide again in 2025.
- **Tradeshows** – Overall costs associated with attendance at tradeshows will increase for 2025. Additional shows have been added to the Convention Sales and Sports Sales departments as well as the marketing department. The number of shows will increase well over 45 in 2025. A new mix of shows has also been added for 2025 focusing on strengthening existing markets while also targeting new potential opportunities.

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2025 Operating Budget

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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 Freedom Footsteps heritage program will get going in earnest, The Mobile Visitor Center will once again be rolled out during the year.
- **Canalside Visitor Center** – For 2025 VBN partner with ESD to begin operating a Visitor Center at Canalside. The Center is expected to open by May 1, 2025.
- **Research** – Costs are for the annual maintenance and upgrade of the Tourism economics Impact Calculator, Smith Travel Research and Zartico. VBN believes this research is a valuable tool 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 to help illustrate the ROI that VBN returns to the community.
- **Digital/CRM/Hosting** – With a new agency of Record and PR firm an overhaul of the current website is planned. This is in large part the majority of the increase in this line item for 2025.
- **FAM Tours** – In 2025, VBN again will be hosting a variety of Convention and Marketing related FAM tour opportunities. The Convention Sales and Services department is planning for several convention Fam's in 2025. The African American Travel Conference and Small Market Meetings are just a couple of the larger events currently planned. The Marketing Department will continue to host various travel writers and media personnel throughout the year.

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- **Public Media Relations** – For 2025, the Marketing Department engaged The Lou Hammond Group to provide external media relations for VBN. Increase is attributed to a greatly enhanced Public Relations component facilitated by the additional marketing dollars VBN will receive in 2025.
- **Film/Video Productions** – in 2025 the marketing department will again continue to produce a series of videos to be created focusing in the areas cultural, art and culinary endeavors.
- **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 2024. 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
2025**

	Proposed Budget <u>2025</u>	Projected <u>2024</u>	Budget <u>2024</u>	Actual <u>2023</u>	2025-2024 Budget \$ Variance	2025-2024 Budget % Variance	2025-2024 Projected \$ Variance	2025-2024 Projected % Variance
Revenues	\$ 8,961,680	\$ 5,280,864	\$ 5,380,589	\$ 4,659,388	\$ 3,581,091	66.56%	\$ 3,680,816	69.70%
<u>Expenses:</u>								
Sales & Services Department Expenses	\$ 2,357,235	\$ 1,871,518	\$ 1,987,698	\$ 1,890,290	\$ 369,537	18.59%	\$ 485,717	25.95%
Marketing Department Expenses	4,690,260	2,024,770	2,099,318	2,088,065	2,590,942	123.42%	2,665,490	131.64%
Destination Development	358,100	396,394	384,051	271,667	(25,951)	-6.76%	(38,294)	-9.66%
Canalside Visitor Center	108,500	-	-	-	108,500	0.00%	108,500	100.00%
Research Department	390,940	283,626	259,235	-	131,705	50.81%	107,314	37.84%
Administrative & Finance Department Expenses	1,056,645	1,021,856	975,287	973,993	81,358	8.34%	34,789	3.40%
Subtotal expenses	\$ 8,961,680	\$ 5,598,164	\$ 5,705,589	\$ 5,224,015	\$ 3,256,091	57.07%	\$ 3,363,516	60.08%
NET EXCESS OF REVENUES								
OVER EXPENSES	\$ -	\$ (317,300)	\$ (325,000)	\$ (564,627)	\$ 325,000	N/A	\$ 317,300	N/A

Buffalo Niagara Convention & Visitors Bureau, Inc.
 Operating Budget
 Revenues
 2025

	Proposed Budget 2025	Projected 2024	Budget 2024	Actual 2023	2025-2024 Budget \$ Variance	2025-2024 Budget % Variance	2025-2024 Projected \$ Variance	2025-2024 Projected % Variance
Erie County Grant	\$ 7,445,000	\$ 4,495,000	\$ 4,495,000	\$ 3,847,057	\$ 2,950,000	65.63%	\$ 2,950,000	65.63%
Erie County Grant - Prior Year Overage	1,000,000	-	-	-	1,000,000	-	1,000,000	0.00%
Erie County Sport Fishing Grant	5,000	5,000	5,000	5,000	-	0.00%	-	0.00%
Erie County - Restaurant/Theatre Grant	20,000	-	-	40,192	20,000	-	20,000	-
Visitor Guide Advertising	204,800	206,600	206,600	152,230	(1,800)	-0.87%	(1,800)	-0.87%
Assessments - Convention	-	-	-	8,710	-	-	-	-
NYS Matching Funds Program	49,775	51,048	51,048	47,532	(1,273)	-2.49%	(1,273)	-2.49%
Joint Co-op - Destination Development	18,500	3,911	3,000	2,723	15,500	516.67%	14,589	373.02%
Joint/Co-Op - Marketing	37,000	37,000	37,000	37,000	-	0.00%	-	0.00%
Joint/Co-Op - Sales	25,000	21,268	30,000	38,731	(5,000)	-16.67%	3,732	17.55%
Grant Revenues	120,000	416,963	515,000	415,937	(395,000)	-76.70%	(296,963)	-71.22%
Merchandising Revenues - Conventions	500	146	500	35	-	0.00%	354	242.47%
Interest Income	35,000	41,908	35,000	58,729	-	0.00%	(6,908)	-16.48%
Miscellaneous Income	1,105	2,020	2,441	5,512	(1,336)	-54.73%	(915)	-45.30%
Total Revenues	\$ 8,961,680	\$5,280,864	\$ 5,380,589	\$4,659,388	\$ 3,581,091	66.56%	\$ 3,680,816	69.70%

Buffalo Niagara Convention & Visitors Bureau, Inc.
 Operating Budget
 Total Expenses
 2025

	Proposed Budget <u>2025</u>	Projected <u>2024</u>	Budget <u>2024</u>	Actual <u>2023</u>	2025-2024 Budget <u>\$ Variance</u>	2025-2024 Budget <u>% Variance</u>	2025-2024 Projected <u>\$ Variance</u>	2025-2024 Projected <u>% Variance</u>
<u>Personnel Costs:</u>								
Salaries	\$ 2,272,605	\$ 2,015,288	\$ 2,109,414	\$ 1,849,563	\$ 163,191	7.74%	\$ 257,317	12.77%
Payroll Taxes & Fringe Benefits	470,950	361,260	407,165	320,025	63,785	15.67%	109,690	30.36%
Professional Development - Staff	109,550	46,370	72,000	55,803	37,550	52.15%	63,180	136.25%
Total Personnel Costs	<u>\$2,853,105</u>	<u>\$ 2,422,918</u>	<u>\$2,588,579</u>	<u>\$2,225,391</u>	<u>\$ 264,526</u>	<u>10.22%</u>	<u>\$ 430,187</u>	<u>17.75%</u>
<u>Sales & Marketing Expenditures:</u>								
Advertising	\$ 3,097,500	\$ 1,042,066	\$ 1,085,910	\$ 1,002,069	\$ 2,011,590	185.24%	\$ 2,055,434	197.25%
Convention Commitments	445,000	204,218	295,000	130,375	150,000	50.85%	240,782	117.90%
Visitor Guide	170,000	137,302	154,200	150,762	15,800	10.25%	32,698	23.81%
Tradeshows	245,000	201,778	199,000	162,817	46,000	23.12%	43,222	21.42%
Printing	20,000	24,324	27,500	7,777	(7,500)	-27.27%	(4,324)	-17.78%
Postage	3,500	2,451	3,500	2,855	-	0.00%	1,049	42.80%
Sales Bids & Promotions	135,000	134,074	131,000	223,533	4,000	3.05%	926	0.69%
Convention Sales & Services	36,000	29,185	36,000	26,308	-	0.00%	6,815	23.35%
Destination Development	100,500	156,153	135,750	79,383	(35,250)	-25.97%	(55,653)	-35.64%

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Canalside Visitor Center	24,000	-	-	-	24,000	0.00%	24,000	100.00%
Travel & Meetings	58,000	38,644	41,500	33,888	16,500	39.76%	19,356	50.09%
Receptions	35,000	11,838	35,000	18,867	-	0.00%	23,162	195.66%
Research	252,000	31,669	185,000	158,213	67,000	36.22%	220,331	695.73%
Digital Development/CRM	263,750	126,741	103,000	127,998	160,750	156.07%	137,009	108.10%
Hosting								
Familiarization Tours	86,000	59,410	65,000	163,991	21,000	32.31%	26,590	44.76%
Public/Media Relations	221,000	54,125	56,000	69,750	165,000	294.64%	166,875	308.31%
Freelance Writer/Graphic Artist	140,000	64,637	40,000	46,796	100,000	250.00%	75,363	116.59%
Regional Marketing	5,000	4,046	5,000	8,031	-	0.00%	954	23.58%
Promotional Items	38,000	15,722	19,500	13,830	18,500	94.87%	22,278	141.70%
Film/Video/Photo Productions	90,000	32,572	35,000	72,088	55,000	157.14%	57,428	176.31%
Photography	75,000	38,652	25,000	29,810	50,000	200.00%	36,348	94.04%
Promotional Packages	34,000	4,310	5,000	3,304	29,000	580.00%	29,690	688.86%
Total Sales & Marketing Expenditures	<u>5,574,250</u>	<u>2,413,918</u>	<u>2,682,860</u>	<u>2,532,445</u>	<u>\$ 2,891,390</u>	<u>107.77%</u>	<u>\$ 3,160,333</u>	<u>130.92%</u>

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Technology & Equipment	57,500	53,572	46,000	60,842	11,500	25.00%	3,928	7.33%
Department Administrative Expenses	476,825	424,131	388,150	405,337	88,675	22.85%	52,694	12.42%
Total Expenses	<u>\$8,961,680</u>	<u>\$ 5,314,538</u>	<u>\$5,705,589</u>	<u>\$5,224,015</u>	<u>\$ 3,256,091</u>	<u>57.07%</u>	<u>\$ 3,647,142</u>	<u>68.63%</u>