

## **EXECUTIVE SUMMARY**

### **Recommend Approval of Tourism Department Budget for FY 09**

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**OBJECTIVE:** Recommend approval of the proposed Tourism Department budget for FY 09

**CONSIDERATIONS:** The Tourism Department administers the Tourist Development Council (TDC) budget and promotes the destination as a Convention & Visitors Bureau (CVB). The budget process begins in early March as a draft document to the County Manager. Guidelines this year were to trim operating expenses where possible with a goal to reduce overall expenditures by 2%. Each Tourism Department staff member was asked to look at their current year budget items and project expenditures from March to September 30, 2008 and then to budget each of their line items for all of FY 09. Those calculations were then inputted to the County's GovMax budgeting system. Copies of the detailed GovMax reports for each fund are included as attachments to this Executive Summary.

Revenue is projected to be equal or flat with FY 08 (\$14.5 million) due to difficult economic times, input from our hotel and attraction partners and statewide, national and international research conducted by the CVB. We anticipate some carry forward revenue due to careful expenditures this fiscal year and invoices for expenditures that are received after the close of FY 08 and therefore must be paid out of FY 09.

There are seven funds that receive an allocation of tourist tax revenue per County Ordinance 92-60 as amended. Attached is a spreadsheet report showing projected revenue and expenditures for the four funds managed by the Tourism Department including:

Fund 184 (Category B) for Tourism Promotion and Marketing  
Fund 194 (Category B) for Tourism Department Administration  
Fund 196 (Category B) for Emergency or Disaster Recovery Advertising.  
Fund 193 (Category C-2) for Grants to Non-County Owned or Operated Museums

Category A- Fund 195 for Beach and Inlet Management; Fund 183 for Beach Park Facilities and Category C-1- Fund 198 for County Owned Museums are managed by the Public Services Division and will be heard under separate TDC agenda items.

**FISCAL IMPACT:** Each fund's expenditures, reserves and transfers are balanced with the associated projected revenue.

**GROWTH MANAGEMENT IMPACT:** There is no impact to the Growth Management Plan related to this action.

**RECOMMENDATION:** Staff requests the TDC review the proposed FY 09 budget for each of the funds and recommend approval to the County Manager and County Commission.

**PREPARED BY:** Jack Wert, Tourism Director

FUND CATEGORY	DESCRIPTION	FY 08 PROJ. REVENUE (1)	FY 08 FORECASTED EXPENDITURES (2)	PROJ. CARRY FORWARD FR. FY 08 TO FY 09 (3)	FY 09 PROJ.	FY 09 PROJ.	FY 09 PROJ. RESERVES (6)	TRANSFERS (7)	FY 09 TOTAL FUND BAL (8)	
					NET TOURIST TAX REVENUE (4)	OPERATING EXPENDITURES (5)				
184	B	Tourism Promotion	\$4,696,000	\$3,872,100	\$823,900	\$3,462,700	\$4,131,800	\$63,700	\$91,100	\$4,286,600
194	B	Tourism Administration	\$1,678,500	\$1,678,500	\$0	\$1,600,400	\$928,300	\$0	\$672,100	\$1,600,400
196	B	Emergency Advertising	\$1,500,000	\$0	\$1,500,000	\$0	\$0	\$1,500,000	\$0	\$1,500,000
193	C-2	Non-County Museums	\$896,400	\$514,600	\$381,800	\$328,100	\$675,000	\$26,300	\$8,600	\$709,900
		<b>TOTAL TD Tax Budget</b>	<b>\$8,770,900</b>	<b>\$6,065,200</b>	<b>\$2,705,700</b>	<b>\$5,391,200</b>	<b>\$5,735,100</b>	<b>\$1,590,000</b>	<b>\$771,800</b>	<b>\$8,096,900</b>

**FOOTNOTES:**

- (1) FY 08 Projected Revenue includes the Carry forward from FY 07 Budget Year covering expenditures received after close of FY 07
- (2) FY 08 Forecasted Expenditures are through 9/30/08  
 No Emergency Advertising budgeted, but ad agency Agreement earmarks \$500,000 available upon Emergency Declaration
- (3) Carry forward to FY 09 reflects cost saving measures and expenditures received after close of FY 08 budget year that are paid out of FY 09.
- (4) TDC Revenue for FY 09 is net of 5% statutory holdback reserve
- (5) FY 09 Projected Expenditures are 0.9% over FY 08 Adopted Budget Expenditures
- (6) Reserves for Fund 194 are transferred by Ordinance to Fund 195- Beach & Inlet (\$422,100) and Fund 183-Beach Park Facilities (\$207,900)  
 Fund 196- Emergency Advertising is to remain by Ordinance at \$1.5 Million
- (7) Transfers are for Tax Collector Fees and for (6) above
- (8) Total Fund Balance is sum of FY 09 Expenditures, Reserves and Transfers

**Collier County Government  
Fiscal Year 2009 Proposed Budget**

**Office of the County Manager  
Tourist Development Council (TDC) Dept**

Department Budgetary Cost Summar	FY 2007 Actual	FY 2008 Adopted	FY 2008 Forecast	FY 2009 Current	FY 2009 Expanded	FY 2009 Proposed	FY 2009 Change
Personal Services	551,043	572,100	607,700	606,600	-	606,600	6.0%
Operating Expense	3,177,952	4,103,000	4,033,400	4,448,500	-	4,448,500	8.4%
Capital Outlay	7,146	7,500	5,600	5,000	-	5,000	(33.3%)
Remittances	158,215	506,000	506,000	675,000	-	675,000	33.4%
<b>Net Operating Budget</b>	<b>3,894,356</b>	<b>5,188,600</b>	<b>5,152,700</b>	<b>5,735,100</b>	-	<b>5,735,100</b>	<b>10.5%</b>
Non Cash Year End Entry	1,050,784	-	-	-	-	-	na
Trans to Tax Collector	110,977	141,300	141,300	141,800	-	141,800	0.4%
Trans to Special Rev Fds	-	88,600	176,900	207,900	-	207,900	134.7%
Trans to 195 TDC Fd	-	179,800	359,100	422,100	-	422,100	134.8%
Trans to 196 TDC Eco Disaster Fd	-	408,400	235,200	-	-	-	(100.0%)
Reserves For Contingencies	-	1,757,400	-	1,590,000	-	1,590,000	(9.5%)
Reserves For Capital	-	257,100	-	-	-	-	(100.0%)
<b>Total Budget</b>	<b>5,056,116</b>	<b>8,021,200</b>	<b>6,065,200</b>	<b>8,096,900</b>	-	<b>8,096,900</b>	<b>0.9%</b>

Appropriations by Program	FY 2007 Actual	FY 2008 Adopted	FY 2008 Forecast	FY 2009 Current	FY 2009 Expanded	FY 2009 Proposed	FY 2009 Change
TDC Cat C - Non County Museum - Fd (193)	158,709	506,000	506,000	675,000	-	675,000	33.4%
TDC Category B - Admin & Disaster Recovery Transfer (194)	736,291	881,500	865,200	928,300	-	928,300	5.3%
TDC Disaster Recovery - Fund (196)	6,531	-	-	-	-	-	na
TDC Tourism Promotion - Fund (184)	2,992,824	3,801,100	3,781,500	4,131,800	-	4,131,800	8.7%
<b>Total Net Budget</b>	<b>3,894,356</b>	<b>5,188,600</b>	<b>5,152,700</b>	<b>5,735,100</b>	-	<b>5,735,100</b>	<b>10.5%</b>
<b>Total Transfers and Reserves</b>	<b>1,161,761</b>	<b>2,832,600</b>	<b>912,500</b>	<b>2,361,800</b>	-	<b>2,361,800</b>	<b>(16.6%)</b>
<b>Total Budget</b>	<b>5,056,116</b>	<b>8,021,200</b>	<b>6,065,200</b>	<b>8,096,900</b>	-	<b>8,096,900</b>	<b>0.9%</b>

Department Funding Sources	FY 2007 Actual	FY 2008 Adopted	FY 2008 Forecast	FY 2009 Current	FY 2009 Expanded	FY 2009 Proposed	FY 2009 Change
Tourist Devel Tax	5,548,855	5,655,000	5,654,300	5,655,000	-	5,655,000	0%
Charges For Services	10,373	-	-	-	-	-	na
Miscellaneous Revenues	11,190	20,000	33,000	20,000	-	20,000	0%
Interest/Misc	46,797	-	2,600	-	-	-	na
Other Financing Sources	500,000	-	-	-	-	-	na
Trans frm Tax Collector	54,209	-	52,000	-	-	-	na
Trans frm 194 TDC Prom Fd	-	408,400	235,200	-	-	-	(100.0%)
Carry Forward	1,705,676	2,221,600	2,793,800	2,705,700	-	2,705,700	21.8%
Negative 5% Revenue Reserve	-	(283,800)	-	(283,800)	-	(283,800)	0%
<b>Total Funding</b>	<b>7,877,101</b>	<b>8,021,200</b>	<b>8,770,900</b>	<b>8,096,900</b>	-	<b>8,096,900</b>	<b>0.9%</b>

Department Position Summary	FY 2007 Actual	FY 2008 Adopted	FY 2008 Forecast	FY 2009 Current	FY 2009 Expanded	FY 2009 Proposed	FY 2009 Change
TDC Category B - Admin & Disaster Recovery Transfer (194)	6.50	6.50	6.50	6.50	-	6.50	0%
<b>Total FTE</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	-	<b>6.50</b>	<b>0%</b>

**Collier County Government  
Fiscal Year 2009 Proposed Budget**

**Office of the County Manager  
Tourist Development Council (TDC) Dept  
TDC Tourism Promotion - Fund (184)**

**Mission Statement**

To promote tourism in Collier County in the shoulder season and summer seasons through creative advertising, direct marketing and public relations.

Program Summary	FY 2009 Total FTE	FY 2009 Budget	FY 2009 Revenues	FY 2009 Net Cost
<b>Advertising/Marketing/Promotion</b>	-	4,131,800	4,131,800	-
To allocate tourist tax revenues from the Dedicated 4th penny consistent with the Tourist Development and Marketing Plan.				
<b>Transfer to Tax Collector</b>	-	91,100	91,100	-
<b>Reserves</b>	-	63,700	63,700	-
Current Level of Service Budget	-	4,286,600	4,286,600	-
Total Proposed Budget	-	4,286,600	4,286,600	-

Program Performance Measures	FY 2007 Actual	FY 2008 Budget	FY 2008 Forecast	FY 2009 Budget
Adm. Expense as a % of Cat B. Revenue	18.00	17.70	17.70	18.30
Advertising and Promotion ROI	19	20	20	20
Economic Impact - % Increase	5	6	5	6
Hotel - Percentage Occupied	67	70	70	70
Number of Visitors	1,392,750	1,460,000	1,370,000	1,360,000

Program Budgetary Cost Summary	FY 2007 Actual	FY 2008 Adopted	FY 2008 Forecast	FY 2009 Current	FY 2009 Expanded	FY 2009 Proposed	FY 2009 Change
Operating Expense	2,992,824	3,801,100	3,781,500	4,131,800	-	4,131,800	8.7%
<b>Net Operating Budget</b>	<b>2,992,824</b>	<b>3,801,100</b>	<b>3,781,500</b>	<b>4,131,800</b>	-	<b>4,131,800</b>	<b>8.7%</b>
Non Cash Year End Entry	88,966	-	-	-	-	-	na
Trans to Tax Collector	71,136	90,600	90,600	91,100	-	91,100	0.6%
Reserves For Contingencies	-	211,000	-	63,700	-	63,700	(69.8%)
Reserves For Capital	-	132,100	-	-	-	-	(100.0%)
<b>Total Budget</b>	<b>3,152,926</b>	<b>4,234,800</b>	<b>3,872,100</b>	<b>4,286,600</b>	-	<b>4,286,600</b>	<b>1.2%</b>

Program Funding Sources	FY 2007 Actual	FY 2008 Adopted	FY 2008 Forecast	FY 2009 Current	FY 2009 Expanded	FY 2009 Proposed	FY 2009 Change
Tourist Devel Tax	3,556,789	3,625,000	3,624,800	3,625,000	-	3,625,000	0%
Miscellaneous Revenues	6,366	20,000	33,000	20,000	-	20,000	0%
Interest/Misc	21,242	-	2,600	-	-	-	na
Trans frm Tax Collector	34,749	-	35,000	-	-	-	na
Carry Forward	545,006	772,100	1,000,600	823,900	-	823,900	6.7%
Negative 5% Revenue Reserve	-	(182,300)	-	(182,300)	-	(182,300)	0%
<b>Total Funding</b>	<b>4,164,152</b>	<b>4,234,800</b>	<b>4,696,000</b>	<b>4,286,600</b>	-	<b>4,286,600</b>	<b>1.2%</b>

**Collier County Government  
Fiscal Year 2009 Proposed Budget**

**Office of the County Manager  
Tourist Development Council (TDC) Dept  
TDC Category B - Admin & Disaster Recovery Transfer (194)**

**Mission Statement**

Administration and overhead to facilitate tourism promotion in Collier County in the shoulder season and off-season through advertising, direct marketing and special events.

Program Summary	FY 2009 Total FTE	FY 2009 Budget	FY 2009 Revenues	FY 2009 Net Cost
Administration and Overhead	6.50	970,400	970,400	-
Transfer to Beach Renourishment Fund (195)	-	422,100	422,100	-
Transfer to Beach Park Facilities	-	207,900	207,900	-
Current Level of Service Budget	6.50	1,600,400	1,600,400	-
Total Proposed Budget	6.50	1,600,400	1,600,400	-

Program Budgetary Cost Summary	FY 2007 Actual	FY 2008 Adopted	FY 2008 Forecast	FY 2009 Current	FY 2009 Expanded	FY 2009 Proposed	FY 2009 Change
Personal Services	551,043	572,100	607,700	606,600	-	606,600	6.0%
Operating Expense	178,596	301,900	251,900	316,700	-	316,700	4.9%
Capital Outlay	7,146	7,500	5,600	5,000	-	5,000	(33.3%)
Remittances	(494)	-	-	-	-	-	na
<b>Net Operating Budget</b>	<b>736,291</b>	<b>881,500</b>	<b>865,200</b>	<b>928,300</b>	-	<b>928,300</b>	<b>5.3%</b>
Non Cash Year End Entry	961,818	-	-	-	-	-	na
Trans to Tax Collector	33,063	42,100	42,100	42,100	-	42,100	0%
Trans to Special Rev Fds	-	88,600	176,900	207,900	-	207,900	134.7%
Trans to 195 TDC Fd	-	179,800	359,100	422,100	-	422,100	134.8%
Trans to 196 TDC Eco Disaster Fd	-	408,400	235,200	-	-	-	(100.0%)
<b>Total Budget</b>	<b>1,731,172</b>	<b>1,600,400</b>	<b>1,678,500</b>	<b>1,600,400</b>	-	<b>1,600,400</b>	<b>0%</b>
<b>Total FTE</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	-	<b>6.50</b>	<b>0%</b>

Program Funding Sources	FY 2007 Actual	FY 2008 Adopted	FY 2008 Forecast	FY 2009 Current	FY 2009 Expanded	FY 2009 Proposed	FY 2009 Change
Tourist Devel Tax	1,653,131	1,684,600	1,684,500	1,684,600	-	1,684,600	0%
Charges For Services	10,373	-	-	-	-	-	na
Miscellaneous Revenues	4,824	-	-	-	-	-	na
Interest/Misc	13,023	-	-	-	-	-	na
Trans frm Tax Collector	16,149	-	17,000	-	-	-	na
Carry Forward	16,668	-	(23,000)	-	-	-	na
Negative 5% Revenue Reserve	-	(84,200)	-	(84,200)	-	(84,200)	0%
<b>Total Funding</b>	<b>1,714,167</b>	<b>1,600,400</b>	<b>1,678,500</b>	<b>1,600,400</b>	-	<b>1,600,400</b>	<b>0%</b>

**Collier County Government  
Fiscal Year 2009 Proposed Budget**

**Office of the County Manager  
Tourist Development Council (TDC) Dept  
TDC Disaster Recovery - Fund (196)**

**Mission Statement**

To assist economic recovery in the event of a natural disaster.

<b>Program Summary</b>	<b>FY 2009 Total FTE</b>	<b>FY 2009 Budget</b>	<b>FY 2009 Revenues</b>	<b>FY 2009 Net Cost</b>
<b>Advertising after a Disaster</b>	-	1,500,000	1,500,000	-
To establish a reserve for advertising to be used in the event of a natural disaster.				
Current Level of Service Budget	-	1,500,000	1,500,000	-
Total Proposed Budget	-	1,500,000	1,500,000	-

<b>Program Budgetary Cost Summary</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Adopted</b>	<b>FY 2008 Forecast</b>	<b>FY 2009 Current</b>	<b>FY 2009 Expanded</b>	<b>FY 2009 Proposed</b>	<b>FY 2009 Change</b>
Operating Expense	6,531	-	-	-	-	-	na
<b>Net Operating Budget</b>	<b>6,531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>na</b>
Reserves For Contingencies	-	1,500,000	-	1,500,000	-	1,500,000	0 %
<b>Total Budget</b>	<b>6,531</b>	<b>1,500,000</b>	<b>-</b>	<b>1,500,000</b>	<b>-</b>	<b>1,500,000</b>	<b>0 %</b>

<b>Program Funding Sources</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Adopted</b>	<b>FY 2008 Forecast</b>	<b>FY 2009 Current</b>	<b>FY 2009 Expanded</b>	<b>FY 2009 Proposed</b>	<b>FY 2009 Change</b>
Interest/Misc	6,737	-	-	-	-	-	na
Other Financing Sources	500,000	-	-	-	-	-	na
Trans fm 194 TDC Prom Fd	-	408,400	235,200	-	-	-	(100.0%)
Carry Forward	770,955	1,091,600	1,264,800	1,500,000	-	1,500,000	37.4%
<b>Total Funding</b>	<b>1,277,692</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>-</b>	<b>1,500,000</b>	<b>0 %</b>

Expenses within this fund represents costs to develop the emergency advertising campaign, in order to promptly respond to any natural disaster adversely impacting tourism in Collier County. In March 2005, the Board of County Commissioners approved - based on an emergency designation - the expenditure of up to an additional \$500,000 for use in promoting Collier County as a tourist destination in the wake of four (4) hurricanes during the 2004.

Current FY 08/09 – Pursuant to Ordinance 2005-43, Tourism Disaster Recovery Fund (196) receives \$500,000 per year as a transfer from Fund (194) beginning in FY 06 and continuing for three (3) years until Reserves in Fund (196) reach \$1,500,000. FY 06 represented year one of the transfer requirement. Transfers will be programmed as revenue in FY 07, FY 08 and the out years if necessary to maintain disaster reserves at \$1.5M. Based upon FY 07 year ending carry forward revenue totaling \$1,264,800, the required forecast FY 08 transfer from Tourism Fund (194) to establish disaster reserves at \$1,500,000 equals \$235,200. There is no transfer budgeted in FY 09.

**Collier County Government  
Fiscal Year 2009 Proposed Budget**

**Office of the County Manager  
Tourist Development Council (TDC) Dept  
TDC Cat C - Non County Museum - Fd (193)**

**Mission Statement**

To provide funding for Non-County Museums.

Program Summary	FY 2009 Total FTE	FY 2009 Budget	FY 2009 Revenues	FY 2009 Net Cost
<b>Non-County Museums</b>	-	709,900	709,900	-
To allocate tourist tax revenues to Non-County Museums consistent with the Tourist Development Plan based on applications received.				
Current Level of Service Budget	-	709,900	709,900	-
Total Proposed Budget	-	709,900	709,900	-

Program Budgetary Cost Summary	FY 2007 Actual	FY 2008 Adopted	FY 2008 Forecast	FY 2009 Current	FY 2009 Expanded	FY 2009 Proposed	FY 2009 Change
Remittances	158,709	506,000	506,000	675,000	-	675,000	33.4%
<b>Net Operating Budget</b>	<b>158,709</b>	<b>506,000</b>	<b>506,000</b>	<b>675,000</b>	-	<b>675,000</b>	<b>33.4%</b>
Trans to Tax Collector	6,779	8,600	8,600	8,600	-	8,600	0 %
Reserves For Contingencies	-	46,400	-	26,300	-	26,300	(43.3%)
Reserves For Capital	-	125,000	-	-	-	-	(100.0%)
<b>Total Budget</b>	<b>165,487</b>	<b>686,000</b>	<b>514,600</b>	<b>709,900</b>	-	<b>709,900</b>	<b>3.5%</b>

Program Funding Sources	FY 2007 Actual	FY 2008 Adopted	FY 2008 Forecast	FY 2009 Current	FY 2009 Expanded	FY 2009 Proposed	FY 2009 Change
Tourist Devel Tax	338,936	345,400	345,000	345,400	-	345,400	0 %
Interest/Misc	5,795	-	-	-	-	-	na
Trans frm Tax Collector	3,311	-	-	-	-	-	na
Carry Forward	373,047	357,900	551,400	381,800	-	381,800	6.7%
Negative 5% Revenue Reserve	-	(17,300)	-	(17,300)	-	(17,300)	0 %
<b>Total Funding</b>	<b>721,089</b>	<b>686,000</b>	<b>896,400</b>	<b>709,900</b>	-	<b>709,900</b>	<b>3.5%</b>

During FY 05, this fund was amended via budget amendment to provide for direct deposit of TDC County Owned Museum proceeds into Fund (198), in lieu of the previous method that transferred proceeds from Fund (193). This change allows County owned Museums to receive TDC dollars as they are collected (monthly) and provides staff with a much simpler and direct budgeting methodology with elimination of the transfer.

Forecast FY 07/08 - Private remittance expense represents contributions based upon grant requests from one or more of the following Non-County Museum organizations; Naples Botanical Gardens, City of Naples Preserve, Conservancy of South West Florida, Children's Museum, Holocaust Museum, Marco Island Museum, Naples Art Museum, Rookery Bay, United Arts Council and other cultural entities promoting the heritage and historical significance of the County.

Current FY 08/09 – With direct transfer of TDC collections to County Owned Museum Fund (198), Fund (193) becomes a depository for Non-County owned Museum grant funding. Non County TDC revenues represent 4.764% of the initial 2-cent tourist tax collected. This percentage changed from 7.764% to 4.764% pursuant to BCC action on April 12, 2005. Non County Owned Museum TDC proceeds are budgeted at \$345,400. Carry forward revenue is projected at \$381,800. Budgeted contributions to Non-County owned Museum groups total \$675,000 and include the following known grant requests: the Children's Museum of Naples (\$150,000); the Conservancy (\$42,500); the Holocaust Museum (\$100,000), Marco Island Historical Society (\$100,000), Naples Art Association (\$50,000). Additional Funds set aside for anticipated 09 grant requests total (\$232,500). Reserves are budgeted at \$26,300. Marketing support for the Naples Players (\$25,000), the Naples Historical Society (\$15,800) and the United Arts Council of Collier County (\$21,500) are budgeted within Marketing and Promotion Fund (184).