



Date: September 28, 2012
To: Member Cities
From: Steve Markuson
Subject: Twin Cities Gateway FY13 Budget

Attached, for review, is the proposed FY13 Budget for Twin Cities Gateway – the regional convention & visitors' bureau. The budget was approved by the Board of Directors on Tuesday, September 25, 2012. . The proposed FY13 organizational budget will be effective from January 1, 2013 – December 31, 2013.

FY13 Budget Highlights:

- The proposed budget for FY13 is \$750,000, which represents significant growth during the organization's first two full years of operation (for comparison, the FY11 Budget was \$569,921)
- The organization continues to be in a strong financial position with an estimated fund reserve of \$353,879 at the close of fiscal year. Given the continuing economic uncertainty, the Board budgets conservatively and has authorized the set-aside of \$250,000 of the fund reserve for investment in a longer term, higher yield investment account.
- Per Board of Directors direction, 20% of the proposed budget is for operating expenses / administrative and overhead costs and 80% is for marketing & promotional programs.
- The Board authorized the continuation of the Member City Grant program and participating member cities can anticipate / budget comparable grant funding availability from TCG for FY13.
- The Regional Grant program has also been re-funded to provide start-up and marketing assistance for new events or activities that will have impact(s) in more than one member city.
- FY12 year-to-date lodging tax receipts from the nine member cities continue to track / trend favorably upward and are currently running approximately 5% -6% ahead of FY11.

TWIN CITIES GATEWAY

2013 BUDGET

Approved by Board of Directors
September 25, 2012

	2011 Actual	2012 Budget	2013 Budget
FUND RESERVE AT BEGINNING OF YEAR	\$ 255,461	\$ 359,301	\$ 399,679
<u>REVENUES AND OTHER SOURCES</u>			
Lodging Taxes	\$ 673,559	\$ 675,000	\$ 700,000
Grants	-	9,000	4,000
Investment income	202	200	200
Other	-	-	-
	673,761	684,200	704,200
<u>OPERATING EXPENDITURES</u>			
Management contract	86,346	100,000	100,000
Other administrative costs	15,221	35,000	35,000
Blaine (Fiscal Agent)	6,513	7,500	12,000
Organizational insurance	-	2,000	2,000
Organizational memberships	1,465	2,500	2,500
Contractual	-	-	-
<u>MARKETING EXPENDITURES</u>			
Website enhancement/Social media	18,537	25,000	30,000
On-line Marketing	44,550	90,000	150,000
Promotions/collateral materials	27,673	30,000	30,000
Public/media relations	1,105	6,000	6,000
New Venue/Public Facilities promotion	19,947	20,000	-
Member City Grants	38,379	75,000	75,000
Meeting & conference marketing & promotion	48,743	36,200	47,500
Destination Marketing	150,301	100,000	100,000
Sports Marketing	70,000	80,000	85,000
Regional Grant program	41,141	100,000	75,000
TOTAL BUDGET	569,921	709,200	750,000
Revenue over (under) Expenditures	103,840	(25,000)	(45,800)
FUND RESERVE	\$ 359,301	\$ 334,301	\$ 353,879