



May 2, 2007

Casey Liebst
Budget Manager
City of Lawrence
PO Box 708
Lawrence, Kansas 66044

Dear Casey,

Attached you will find a proposed 2008 budget for the Lawrence Convention & Visitors Bureau (CVB). The anticipated transient guest tax revenue is a conservative \$829,800. This represents an annual increase of 4% based on actual collections in 2006.

The CVB budget is guided by a 13 member CVB Advisory Board appointed by the City Commission. Funding comes from the 5% hotel room tax. We understand that the city cannot distribute to the CVB more than it collects through this tax. Revenues from the transient tax are on the rise; however, we are still not realizing our potential for convention business due to the lack of a high-quality convention facility. Additionally, developments in the surrounding area are making it more challenging to compete for the visitor business.

CVB makes every effort to responsibly manage tax funds in the context of a well-thought-out market plan with benchmarking and research to measure our effectiveness. Overall direct spending by visitors to Lawrence in 2006 is conservatively calculated at \$46.13 million resulting in approximately \$922,626 in local sales tax. Increased competition for the visitor dollar reinforces our belief that we must continue to invest in marketing our community to the maximum level possible.

Thanks to the city staff and the Lawrence City Commission for their continued support of the Lawrence Convention & Visitors Bureau and its work to promote our wonderful community.

Sincerely,

Judy Billings
Director

**LAWRENCE CONVENTION VISITORS BUREAU
City Budget Proposal 2008**

REVENUES

Interest Income	\$1,500.00	*It has been proven over the years that good hotel management makes a positive difference in overnight business. Lawrence still needs upgraded properties in order to attract the types of conventions we believe would be interested in this market. Weekday business continues to be difficult to attract. Lawrence hosts multiple events on weekends causing increased sell-outs and driving business to surrounding areas. *The "leisure" market is where we are making the most impact at the moment. *Visitor Guide does not appear in this budget as ad sales are expected to cover expenses.
Transient Guest Tax	\$820,800.00	
Merchandise	\$1,000.00	
Web Site advertising	\$500.00	
Online Booking	\$6,000.00	
TOTAL REVENUES	\$829,800.00	

EXPENSES

Operating Expenses

Staff Salaries	\$222,600.00	*Staff salary increases are figured at 3%. This includes 5 staff members.
Temporary Services	\$700.00	
Retirement costs	\$22,000.00	
Group Health Insurance	\$23,000.00	
Group Life/Disability	\$780.00	
Payroll & Unemployment taxes	\$20,600.00	
Rent & Utilities	\$9,600.00	
Janitorial & Maintenance	\$2,000.00	
Telephone/Internet	\$2,500.00	
Postage/mail service fees	\$10,000.00	
Supplies	\$6,000.00	
Equipment purchase & repair	\$3,000.00	*We are beginning to use new technology that adds to our ability to create a series of podcast tours to be downloaded for "itours."
Equipment maintenance	\$2,200.00	
Technology purchase	\$3,500.00	
Technology maintenance	\$3,120.00	
Auto leases & expense	\$9,000.00	
Insurance	\$2,500.00	
Accounting and legal	\$8,480.00	
Property taxes	\$240.00	
Mgtment & professional development	\$10,000.00	
Memberships & Subscriptions	\$4,800.00	
Community Relations	\$1,000.00	
Total CVB Operating Expenses	\$367,620.00	

Visitor Center Operating Expenses

Staff Salary	\$35,800.00	*The CVB operates the Visitor Information Center in the Depot with 1.5 paid staff and 45+ volunteers and 21,000+ hours of volunteer help. The center is open to the public 7 days/58 hours a week. We also assist Parks & Rec. staff by providing assistance with groups using the facility.
Retirement costs	\$3,580.00	
Payroll taxes	\$2,700.00	
Group Health Insurance	\$7,150.00	
Supplies	\$200.00	
Telephone/Internet	\$1,500.00	
Merchandise	\$500.00	*The Visitor Center is a "hot spot" for online communication for visitors.
Volunteer hospitality	\$500.00	
Miscellaneous administrative fees	\$500.00	
Total Visitor Center Operating Expenses	\$52,430.00	

TOTAL OPERATING \$420,050.00

MARKETING PROGRAM EXPENSES

PR/Legislative

TIAK membership	\$1,800.00	*It continues to be important to work with our state lobbying organization, the Travel Industry Association of Kansas. This program expense has not changed significantly in a number of years.
Misc. PR/legislative	\$1,200.00	
Total Program Expense	\$3,000.00	

Convention Sales & Services

Assn. Memberships	\$3,000.00	*Convention sales is the program where we have the most influence with the customer. Many of our other programs also work into this effort. It is necessary for us to be more aggressive in
Travel & Trade Shows	\$12,000.00	
Direct Mail	\$2,500.00	
Printing/website developme	\$4,000.00	

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Bid promotion/hospitality	\$6,000.00	finding new types of business with the increase in competitive facilities in the region. Co-operative efforts with Big-12 Cities and our "Meet Kansas" coalition allow us to stretch our dollars to attend trade shows to generate new leads.
Telephone	\$500.00	
Advertising	\$10,000.00	
Promo materials/hospitality	\$9,000.00	
Total Program Expense	\$47,000.00	

International & Group Tour Promotion

Travel/Trade Shows	\$4,500.00	*The Kansas State Travel Office continues to place more emphasis on international promotion. This budget continues \$\$ to take advantage of the co-operative opportunities in this market. *We work cooperatively with the state office to host familiarization tours and to provide services when hosting a group tour. We are generating increased business for this market during the holidays.
Direct Mail	\$900.00	
Telephone	\$0.00	
Hospitality	\$500.00	
State advertising co-ops	\$5,000.00	
Total program Expense	\$10,900.00	

Public Relations/Leisure travel marketing

Advertising		Our advertising efforts are focused on driving potential visitors to our website. Website use continues to grow significantly. On-line hotel booking is slowing due to corporate policies preventing the use of outside web bookings. We continue to develop a database of potential visitors that allows us to target "e-messages" and direct mail campaigns. We also continue to research demographics of potential visitors with the same demographic of those already visiting. as well as conducting an advertising effectiveness study to determine the value of business advertising drives to Lawrence. *We promote many local events such as Civil War on the Western Frontier by printing brochures & advertising. *Freedom's Frontier National Heritage Area is beginning to develop to give the area tremendous new resources & publicity.
Broadcast	\$27,800	
Online	\$11,500	
Magazine	\$84,000	
Outdoor	\$9,600	
International	\$6,500	
Development	\$27,600	
Other	\$11,650	
Total advertising	\$230,650.00	
Ad response fulfillment	\$5,500.00	
Business Reply Mail	\$2,500.00	
Special Project/Event Prom	\$20,000.00	
Direct Mail	\$18,000.00	
Printing/promo materials	\$8,000.00	
Memberships/meetings	\$2,000.00	
Media Relations	\$6,500.00	
Website & database	\$11,500.00	
Photography	\$4,000.00	
Heritage Area	\$10,000.00	
Market Research	\$12,000.00	
Total program expense	\$330,650.00	

Film

AFCI membership	\$600.00	*Forces affecting the decline of on-location film production are beyond our control. An independent film festival is still under consideration. We continue to assist local crew base to develop film production skills.
Film Festival Development	\$1,000.00	
Hospitality	\$500.00	
Total program expense	\$2,100.00	

Sports Marketing

Travel/Trade Shows	\$6,500.00	*We are having success working with local sport organizations to bring new events to Lawrence. There continues to be great potential in hosting amateur sport events. *The Lawrence Sports Corporation is advised by a self-appointed advisory board and is staffed by the Lawrence CVB. It's focus is to develop new amateur sports events such as the National Collegiate Cycling Championships first held in 2005 with a multi-year commitment to Lawrence. We hope to hold on to this event.
Bid Promo/Hospitality	\$2,800.00	
Advertising	\$2,500.00	
Assn. Memberships	\$300.00	
Direct Mail	\$1,500.00	
Misc. Expense	\$500.00	
Event Management	\$2,000.00	
Total program expense	\$16,100.00	
TOTAL MARKETING	\$409,750.00	

Total Operating Expenses	\$420,050.00
Total Marketing Expenses	\$409,750.00
TOTAL EXPENSES	\$829,800.00