

WILLIAMSBURG TOURISM COUNCIL MEETING

Williamsburg, Virginia

April 12, 2022

Finance Meeting Minutes

A meeting convened at 11:30 a.m. on April 12, 2022, in the 1st floor conference area at 421 North Boundary Street.

Tourism Council Members Present:

CHAIR Ruth Larson, James City County Board of Supervisors

TREASURER Doug Pons, Mayor, City of Williamsburg

Staff Members Present:

Victoria Cimino, CEO

David Turner, Finance Director

Melissa Hall, Accountant

I. Call to order

- Doug Pons called the meeting to order
- Finance meeting minutes from March 8, 2022 were acknowledged

II. February 2022 Activity

- Total February 2022 revenues were \$2.0M – over budget by \$340K
 - February 2022 sales tax receipts (58.1-603.2) totaled \$1.5M, over budget by \$206K
 - Spending started for the Spring/Summer advertising campaign
 - Transient tax receipts totaled \$115K, \$28K over budget
 - Maintenance of Effort (MOE) revenue was \$470K, over budget by \$106K
- Total February 2022 expenses were \$1.8M, over budget by \$492K
 - Destination Marketing expenses were \$1.6M, \$462K over budget for the month
 - Sales activities were \$49K, \$39K over budget
 - Staffing costs were \$95K, \$8K under budget
 - Other administrative expenses were \$21K, \$1K under budget

III. Fiscal Year-to-Date Activity

- 2022 Fiscal YTD revenues were \$12.1M, over budget by \$1.3M
 - YTD sales tax receipts (58.1-603.2) totaled \$9.7M, over budget by \$1.1M
 - YTD transient tax receipts totaled \$1.1M, over budget by \$86K

- YTD Maintenance of Effort (MOE) revenues were \$1.3M, over budget by \$106K
- 2022 Fiscal YTD expenses were \$8.2M, under budget by \$2.1M
 - Destination Marketing expenses were \$7.1M, \$2.0M under budget
 - Sales activities were \$205K, \$45K under budget due to the timing of conference expenses/invoices
 - Total administrative expenses were \$933K, \$115K under budget
 - Staffing costs were \$747K, \$86K below budget on the timing of hiring
 - Other administrative expenses were \$186K, \$29K under budget

IV. Cash on Hand

- The Tourism Council has \$14.5 million in the bank; \$9.8M for operations and \$4.7M reserved for product development
- Cash on Hand for Operations is over budget by \$2.1M as of the month of February
- Cash on Hand for Product Development is under budget by \$206K based on the timing of collections of the MOE funds from the localities

V. Tax Revenue

- Sales Tax (58.1-603.2)
 - January sales tax increased \$71K or 9% year-over-year
 - \$854K in 2022 versus \$783K in 2021
 - The 3-month moving average increased 21% versus the same period in 2021
- Transient Tax
 - January increased \$29K or 45.8% year-over-year
 - \$93K in 2022 versus \$64K in 2021
 - The 3-month moving average increased 62.7% versus the same period in 2020/2021

VI. FY23 Preliminary Budget Key Points

- Revenue
 - Total FY23 revenue budgeted to be \$15.3M versus \$16.1M forecast for FY22
 - Change in statute to reduce locality funding by \$1.45M, previously allocated to product development
 - Sales tax revenue budgeted to increase 4.9% over FY22 forecast to \$13.7M

- In-line with the economic outlook prepared by the VA Department of Taxation
 - Transient occupancy tax revenue budgeted at \$1.4M, \$18K over FY22 project revenues
 - Transient tax revenues are budgeted to be 5% below 2019 tax revenues
 - Maintenance of Effort revenue budgeted at \$127K, in-line with the change in statute
 - Other revenue is budgeted at \$33K, primarily interest earned on deposits
- Expenses
 - Total FY23 Expenses are budgeted to be \$19.6M versus \$13.6M FY22 forecast, an increase of \$6M
 - Destination Marketing is budgeted at \$17.4M versus \$11.9M forecast for FY22, an increase of \$5.5M
 - Utilizing \$4.3M of cash reserves
 - Sales activities are budgeted to increase to \$550K versus \$254K forecast for FY22
 - The sales team will have two additional sales managers in FY23 expanding trade shows/events
 - Administrative expenses are budgeted to be \$1.7M in FY23 versus \$1.4M forecast for FY22
 - Staffing levels in FY23 are increasing to fill vacant roles in the sales team, budgeted to be \$1.45M versus \$1.2M in FY22
 - Administrative Services are budgeted at \$183K, an increase of \$20K over FY22
 - Rent expenses/Organization Support for the office is budgeted at \$100K
 - Mayor Doug Pons inquired about budgeting funds for sports grants – Victoria Cimino will review with legal counsel
- Cash Position
 - Total spending is projected to exceed revenues by \$4.3M in FY23 for an ending cash on Hand for Operations balance of \$2.5M at June 30, 2023
 - Cash availability for Operations is forecast to be \$6.9M at the start of FY23
 - The Tourism Council will utilize cash reserves to fund expanded marketing activities
 - Pons suggested dividing cash reserves into multiple fiscal years
 - Cash held for Product Development is forecast to be \$5.2M at the start of FY23
- The FY23 budget presented is preliminary; the final budget recommendation will be presented to the Treasurer prior to the next finance meeting

VII. Next Finance Meeting

- The next meeting will be on May 10, 2022

VIII. Adjournment

- Doug Pons adjourned the meeting