

ATTACHMENT A
WILLIAMSBURG TOURISM COUNCIL MEETING
Williamsburg, Virginia
November 15, 2022
Meeting Minutes

A meeting of the Williamsburg Tourism Council (WTC) was convened at 1 p.m. on November 15, 2022. The meeting was held at Great Wolf Lodge, Oak B Meeting Room. A quorum was present.

Tourism Council Members Present:

CHAIR Ruth Larson, James City County Board of Supervisors
TREASURER Doug Pons, Mayor, City of Williamsburg
Neal Chalkley, Williamsburg Hotel and Motel Association
Mickey Chohany, Williamsburg Area Restaurant Association
Chad Green, Chair, York County Board of Supervisors
James Horn, President and Chief Officer, Jamestown Rediscovery Foundation
Mike Rock, Chair, Greater Williamsburg Chamber of Commerce

Staff Members Present:

Victoria Cimino, CEO
David Turner, Finance Director

I. Call to Order

- Doug Pons called the meeting to order at 1:00 p.m.
 - Pons noted that he will lead the meeting in lieu of Ruth Larson, due to an initial scheduling conflict

II. Public Comment

- No public comments were presented

III. MMGY Global Briefing – Clayton Reid, CEO

- Victoria Cimino introduced Clayton Reid, noting that Reid is considered to be one the travel industry's top minds in marketing and strategic planning
 - Reid is a sought-after speaker and has been featured by news organizations such as Bloomberg, NPR, *Wall Street Journal*, *The New York Times*, and CNN

- Discussed macro-economic conditions
 - The United States is experiencing recessionary conditions; the labor class is bearing the brunt of the economic downturn
 - Luxury brands are growing revenue; 98% of travel expenditures are made by those with a household income of \$75K (rather than the labor class)
 - Saving rates are markedly less than during peak-COVID timeframe
 - Individuals aged 17 – 25 are missing from the labor pool
- Highlighted travel headwinds
 - Demand will remain strong
 - Air travel is returning, but polls show customer satisfaction is at an all-time low
 - Consumers expect reliability and service
 - Millennials are worth half of what their parents are worth; “screenagers” or Gen Z is the wealthiest generation – inheriting \$68T, and \$360B in discretionary income
- Trip planning trends
 - Consumers use an average of 35 websites and 18 sessions to book travel; online travel agencies have never been more important
 - Uber is adding trip itineraries to its app
 - Blockchain and NFTs are growing in relevance in the travel space
- Mickey Chohany asked if the pilot shortage will impact airlines’ ability to meet demand; Reid explained that airlines are adjusting models/aircraft and recertifying pilots in order to add inventory

IV. Roundtable Discussion

- Pons introduced the roundtable discussion
 - Kevin Lembke communicated strong demand/spending from drive markets
 - Chohany shared continued concern around restaurant labor
 - Neal Chalkley indicated that hotels had a strong September; Ron Kirkland discussed labor trends
 - Jim Horn shared that Historic Jamestowne experienced a healthy September, but November may be soft
 - Mike Rock promoted upcoming Chamber events; shared perspective regarding Williamsburg House of Mercy (increased demand for food)

V. Minutes

- Pons requested a motion to approve the September 20, 2022 meeting minutes
- Chalkley motioned
- Chad Green provided a second
- Minutes were unanimously approved

VI. Product Development Fund Transfer Request – Andrew Trivette, City Manager, Williamsburg

- Pons noted that the Williamsburg Tourism Council (WTC) has received a product development fund transfer request from Andrew Trivette, City Manager, Williamsburg, and Chair, Historic Triangle Recreational Facilities Authority (HTRFA)
- Pons introduced Trivette
 - Trivette provided background on a regional sports center to be constructed at the Colonial Williamsburg Visitor Center site
 - Hired a sports marketing and economic impact consultant
 - Reports were positive
 - Formed the HTRFA and an advisory panel, which is tasked with procuring a vendor to design/build the complex
 - HTRFA has selected a vendor; expect to have an interim agreement on its' next meeting agenda
 - Expect preliminary drawings, estimated costs, and operational recommendations within 3-6 months
 - Trivette explained the conceptual funding model; WTC product development funds will serve as a partial match to the City of Williamsburg's annual commitment
- Chad Green asked if the HTRFA intended to come back to the WTC with future funding requests; Trivette indicated that would not be the case
- Chohany sought clarification around Maintenance of Effort funding as outlined in the amended statute; Trivette shared that those dollars are now directed to the HTRFA
- Chalkley inquired about the lease/location; Trivette indicated that HTRFA has an agreement in principle with Colonial Williamsburg
- Larson motioned to approve the transfer request
 - Larson commented on the significant economic impact of sports tourism, as well as the lead time required to book events/business
- Green provided a second
- Roll call; transfer unanimously approved

VII. Treasurer's Report

- Pons shared financial statements through September 30, 2022
 - Total September 2022 revenues were \$1.6M – over budget by \$71K
 - September sales tax receipts (58.1-603.2) totaled \$1.4M, over budget by \$11K
 - Transient Tax receipts totaled \$193K, \$54K over budget
 - Localities receipts for Maintenance of Effort was \$0, in-line with budget
 - Other revenue was \$6K over budget
 - Expenses were \$1.1M – under budget by \$55K for September
 - Destination Marketing expenses were \$1M, \$35K over budget
 - Sales activities were \$33K, \$14K under budget
 - Total administrative expenses were \$106K, \$76K under budget
 - Staffing costs were \$81K, \$52K under budget
 - Other administrative expenses were \$25K, \$24K under budget

- 2023 Fiscal YTD revenues were \$4.3M, under budget by \$10K
 - YTD sales tax receipts (58.1-603.2) totaled \$3.8M, over budget by \$10K
 - YTD transient tax receipts totaled \$489K, over budget by \$11K
 - YTD Maintenance of Effort (MOE) revenue was \$0, under budget by \$37K
 - Payments were received in October
 - Other revenue was \$14K, over budget by \$6K
- 2023 Fiscal YTD expenses were \$3.0M, under budget by \$770K
 - Destination Marketing expenses were \$2.6M, \$556K under budget
 - Sales activities were \$95K, \$45K under budget
 - Total administrative expenses were \$324K, \$170K under budget
 - Staffing costs were \$249K, \$118K below budget on the timing of hiring
 - Other administrative expenses were \$75K, \$52K under budget – lower than budget expenses for travel (\$12K), professional services (\$15K), and employee recruiting (\$23K)
- Cash on Hand
 - The Tourism Council has \$12.6M in the bank; \$7.4M for operations and \$5.2M for product development
 - Cash on Hand for operations is under budget by \$23K
 - Cash on Hand for product development is in-line with budget at \$5.2M
- Sales tax revenue
 - August increased \$172K or 16.1% year-over-year
 - \$1.24M in 2022 versus \$1.07M in 2021
 - The 3-month moving average increased 6.6% versus the same period in 2021
 - Year-to-Date sales tax receipts are up 9.7% versus the same period in 2021
- Transient tax revenue
 - August decreased \$29K or 15% year-over-year
 - \$167K in 2022 versus \$196K in 2021
 - The 3-month moving average increased 1.3% versus the same period in 2021
 - Year-to-Date tax receipts are up 16.1% versus the same period in 2021

VIII. CEO Report

- Key Performance Indicators
 - STR Report data
 - September 2022
 - Occupancy totaled 49%, exceeding 2021 and 2019 occupancy levels
 - Average daily rate (ADR) totaled \$136.33, above 2021 levels (\$134.03) and 2019 levels (\$108.88)
 - Revenue continues to outpace 2021 and 2019
 - CYTD
 - Occupancy totals 51.1% versus 51.2% in CY2019; shy by 0.1%

- ADR (\$146.84) has increased by 17.3% when compared to 2019
 - RevPAR (\$75.10) has increased by 17.1% when compared to 2019
 - The destination is realizing an increase in out-of-state visitors (57.1%); out-of-state visitors stay longer, spend more, and tend to be weatherproof
 - New York showing gains, leapt to the #6 origin market
 - Bulk of visitors continue to originate from metro-Washington D.C.
 - The region's average visitor spend (\$156) is consistently above Zartico's benchmark (\$120)
 - Zartico is Visit Williamsburg's metric dashboard provider (180 clients nationwide)
- Marketing and Communications, Public Relations, and Sales
 - Campaign overview
 - WTC has transitioned to holiday creative; 6% of the media buy is spent November – December
 - September/October digital advertising performance (results attributed to advertising)
 - Hotel searches up 9% YOY
 - Hotel bookings up 8% vs. August 2022; up 5% vs. September 2021
 - Hotel revenue down vs. August 2022 (normal activity as summer concludes); up 5% vs. September 2021
 - Advertising conversion rate up 10% vs. August 2022
 - Highest rate YTD
 - September/October Web Performance
 - Site traffic from expansion markets continues to show significant gains
 - NY up 486%
 - Boston up 333%
 - Cleveland up 472%
 - Organic traffic is also on the rise
 - Most visited pages include attractions, lodging, and restaurants; showing strong intent to travel
 - Site sessions are on par with 2021 and up 52% over 2019
 - New users continue to dominate at 82%
 - *The WilliamsBLOG*: September/October Performance
 - 80K sessions, a 27% increase YOY
 - 89% new users
 - September/October Social Media Performance
 - Follower growth: 1K (+112% YOY)
 - Post clicks: 3.4K (+39% YOY)
 - Shares and saves: 1.2K (+113%)
 - Video views: 57.3K (+2,095%)
 - September/October Influencer Program
 - Short-form video is king
 - The last six videos on Instagram have 53,000+ views combined

- Top performing content: @RioTravelers
 - 21,000 views
 - 1,600 engagements
 - 600 shares and saves
 - Notable mega influencers
 - Tamera Mowry-Housley (actress, talk show host, author)
 - Impressions: 4M+
 - Engagements: 244K+
 - New followers: 300
 - Jamie Chung (actress and former reality television personality)
 - Impressions: 1.2M+
 - Engagements: 48K+
 - New followers: 280
 - September/October Familiarization Tours
 - Influencers
 - Anela Malik
 - Monet Hambrick
 - Travel writers
 - Jim Byers
 - Jason Oliver Nixon
 - Jeryl Brunner
 - 2023 Media Strategy
 - 2023 will be a continuation of 2022
 - Evolve markets
 - Lean into travel endemics (travel specific websites)
 - Refine key performance indicators to own more site traffic
 - Integrate platforms that evolve programs away from cookie reliance
 - Tactics:
 - Linear/TV
 - Out-of-Home
 - Travel endemic
 - Audio
 - Non-endemic digital
 - Email
 - Influencer
 - Paid social
 - Native
 - Market strategy:
 - Saturate
 - Influence
 - Elevate
 - Establish
 - Launch Atlanta (digital-only)
 - Maintain

- Audience evolution to include first party data sources to track and analyze activity (preparing for cookie evolution)
- Campaign will launch the week of January 2; six weeks earlier than prior years
- Annual budget: \$13.6M
 - 5% increase over 2022 annual budget
- September/October Public Relations Program
 - 1.4B impressions; 36 placements
 - Key media placements included *Forbes*, "TODAY," *Esquire*, and *Town&Country*
- September/October Accolades
 - ConventionSouth
 - 2022 Readers' Choice Award
 - Travel Weekly Magellan Awards
 - Gold
 - Blog
 - Television commercial
 - Silver
 - Social media
 - Advertising/marketing campaign
- Sales (September/October)
 - Participated in three trade shows
 - Small Market Meetings Conference
 - Capital Region USA Global Market Exchange
 - TEAMS
 - Visit Williamsburg issued 18 new business leads (represents 4,487 room nights) and 4 service leads
 - Confirmed five pieces of business
 - Equates to 645 definite room nights
 - Four upcoming trade shows and events
 - National Tour Association Travel Exchange
 - Travel South International
 - SYTA Summit
 - RCMA Emerge

IX. Old Business

- None

X. New Business

- None

XI. Adjournment

- Meeting adjourned
- The next meeting will take place on January 17, 2023