

ATTACHMENT A
WILLIAMSBURG TOURISM COUNCIL MEETING
Williamsburg, Virginia
May 17, 2022
Meeting Minutes

A meeting of the Williamsburg Tourism Council (WTC) was convened at 1:00 p.m. on May 17, 2022. The meeting was held at the Williamsburg Lodge. A quorum was present.

Tourism Council Members Present:

CHAIR Ruth Larson, James City County Board of Supervisors
TREASURER Doug Pons, Mayor, City of Williamsburg
Mickey Chohany, Williamsburg Area Restaurant Association
Christy Coleman, Executive Director, Jamestown-Yorktown Foundation (JYF)
Chad Green, Chair, York County Board of Supervisors
James Horn, President and Chief Officer, Jamestown Rediscovery Foundation
Ron Kirkland, Williamsburg Hotel & Motel Association (WHMA)
Kevin Lembke, President, Busch Gardens/Water Country USA
Rita McClenny, President and CEO, Virginia Tourism Corporation

Staff Members Present:

Victoria Cimino, CEO
Miranda Jarrell, Communications Director
Julie O'Neil, Marketing Director
Tamara Paris, Partnerships & Content Director
Jill Pongonis, FAM Tour Coordinator
Julia Smyth-Young, Sales Director
David Turner, Finance Director

I. Call to Order

- Ruth Larson called the meeting to order at 1:00 p.m.

II. Public Comment

- No public comments were presented

III. STR Briefing – Vail Ross, Senior Vice President - Sales & Marketing

- Victoria Cimino introduced Vail Ross
- Ross provided a briefing
 - High-level overview of national hotel data - occupancy, average daily rate (ADR), revenue per available room (RevPAR)
 - Total U.S. occupancy is 58% year to date (YTD), ADR is \$141 YTD, RevPAR is \$82
 - Room demand has been at 94% of 2019 comps since last summer
 - Largest demand gap remains in business travel
 - Group demand slowed at the beginning of the year, but is now strengthening
 - Forecasting that demand will reach a record high in 2023
 - Leisure will continue to lead the recovery

IV. Virginia Tourism Corporation (VTC) Briefing - Rita McClenny, President and CEO

- Larson introduced Rita McClenny
 - April Longwoods Sentiment Study highlights
 - 89% have intent to travel in the next 6 months
 - 18% consider gas prices when traveling
 - Only 6% of people canceled due to health and safety issue
 - Ross added that the high cost of gas typically does not impact travel
 - For the first time, VTC is advertising in-state

V. Roundtable Discussion

- Larson introduced the roundtable discussion
 - McClenny stated that 2,200 people are in Richmond for the National Main Street Conference
 - Kevin Lembke stated that Busch Gardens had a strong spring break
 - Labor needs remain
 - Ticket sales at or above 2019 levels
 - Not yet at capacity
 - Concert series to begin
 - School groups are recovering, but there is still a ways to go
 - James Horn stated Historic Jamestowne's seawall construction project (estimated cost is \$30M) is advancing; seeking assistance from federal, state, and local government
 - Christy Coleman reported JYF has seen individual ticket sales have met 2019 numbers, but only 30-40% of group tours have returned
 - Director's Series has launched; will host Secretary Lonnie Bunch on Wednesday, May 25
 - Stressed the need for authenticity and truth in telling history

- Mickey Chohany discussed the labor shortage as it relates to the region's restaurants
 - 85% of restaurants are closed one day a week
 - 15% are closed two days
 - Commented on holding graduation and Mother's Day on separate weekends was a big help to the industry
 - Recruiting high school students to work

VI. Minutes

- Larson requested a motion to approve the March 15, 2022 meeting minutes
- Ron Kirkland motioned
- Doug Pons provided a second
- Minutes were unanimously approved

VII. Chair Report

- Senate Bill (SB) 438 signed into law on April 11, 2022, establishes the Tourism Council as an advisory board to the legislative branch of state government and addresses housekeeping items
- The organization needs to elect its executive committee; realigning terms to be in-line with the Fiscal Year; Lembke volunteered to chair the Nominations Committee
- Larson will chair a Bylaws Committee; bylaws require revisions to address items impacted by the passage of SB 438

VIII. Treasurer's Report

- Pons shared financial statements through March 31, 2022
 - Total March 2022 revenues was \$951K; over budget by \$144K
 - Sales tax receipts (58.1-603.2) totaled \$854K, over budget by \$113K
 - Transient tax receipts totaled \$93K, under budget by \$32K
 - Maintenance of Effort (MOE) revenue was \$0, in-line with budget
 - March expenses were \$1.7M, under budget by \$413K
 - Destination Marketing expenses were \$1.5M, \$395K under budget for the month
 - Sales activities were \$37K, over budget by \$23K
 - Administrative costs were \$133K, under budget by \$4K
 - Staffing costs were \$96K, under budget by \$21K
 - Other administrative expenses were \$36K, over budget by \$17K
 - Variance due to staff recruitment costs
 - Fiscal Year to Date (FYTD) 2022 revenue was \$13M, over budget by \$1.3M
 - FYTD sales tax receipts (58.1-603.2) totaled \$10.5M, over budget by \$1.2M
 - FYTD transient tax receipts totaled \$1.2M, over budget by \$119K
 - FYTD MOE revenues were \$1.3M, in-line with budget

- FYTD 2022 expenses were \$9.9M, under budget by \$1.7M
 - Destination Marketing expenses were \$8.6M, under budget by \$1.6M
 - Sales activities were \$242K, under budget by \$22K due to the timing of invoices and expenses
 - Total administrative expenses were \$1.1M, under budget by \$119K
- Cash on Hand
 - The Tourism Council has \$15.6M in the bank; \$10.6M for operations and \$5M for product development
 - Cash on Hand for operations is over budget by \$3.7M as of the month of March
 - Cash on Hand for product development is in-line with budget at \$5M
- Sales tax revenue
 - March increased \$162K or 21.9% year-over-year
 - \$902K in 2022 versus \$740K in 2021
 - The 3-month moving average increased 20.6% versus the same period in 2021
- Transient tax revenue
 - March increased \$46K or 89.8% year-over-year
 - \$98K in 2022 versus \$51K in 2021
 - The 3-month moving average increased 71.7% versus the same period in 2021

IX. FY23 Budget Presentation

- Cimino presented the FY23 Budget
 - Revenue is budgeted to be \$15.3M in FY23 vs. \$16.1M in FY22
 - \$1.45M in maintenance of effort dollars will be allocated to the Historic Triangle Sports Authority rather than the Tourism Council
 - Remaining \$127K maintenance of effort dollars will be allocated to operations
 - Sales tax revenue budgeted at \$13.7M, a 4.9% increase over FY22 projections; in-line with Virginia Department of Taxation forecast
 - Transient tax revenue is budgeted \$1.4M, \$18k over 2022 projections, 5% below 2019 levels due to continued COVID recovery
 - "Other" revenue is budgeted at \$33K, \$9K over FY22
 - The budget will utilize \$1.8M in cash reserves leaving a balance of \$5M
 - Expenses are budgeted to be \$17.1M
 - Destination marketing expenses are budgeted at \$14.6M, an increase of \$2.7M over the FY22 forecast
 - Sales activities are budgeted at \$550K, versus the \$250K FY22 forecast
 - Increasing sales activities/trade shows, sponsorships, and cooperative marketing opportunities
 - Administrative expenses are budgeted at \$2M in FY23, versus \$1.5M FY22 forecast

- Staff expenses are budgeted at \$1.6M; includes the addition of a senior level marketing communications position and two sales positions
 - Less than 11% of total budget (industry standard is 16%)
 - Pons commented that while it's a conservative budget allocation, it should not prohibit the organization from increasing the expense if deemed necessary
 - Chohany complemented the frugality
 - Administrative expenses are budgeted at \$280K, versus \$116K FY22 forecast
- Cimino requested questions
 - Kirkland commented on the increased advertising budget, asked how the ad agency will be held accountable; Cimino responded that she'd like to see increased occupancy (5%) and return on investment data
 - McClenny added that frequency and reach is how you meet occupancy goals
 - Kirkland asked if sales salaries were accounted for in the sales budget; Cimino responded that the sales budget is purely programmatic, all salaries are accounted for in the administrative budget
- Larson requested a motion to approve the FY23 budget
 - Pons motioned
 - Chohany provided a second
 - The FY23 budget was unanimously approved

X. CEO Report

- Key Performance Indicators
 - STR Report data
 - March 2022 occupancy totaled 45.6% vs. 32.6% in March 2021
 - Calendar YTD is 34% vs. 25% 2021
 - February and March 2022 exceeded 2019 occupancy and rate levels
 - U.S. Travel Association research shows domestic leisure travel has exceeded 2019 levels, however business travel remains 56% down and international travel is 78% down from 2019 levels
 - The destination is realizing an increase in out-of-state visitors, 56% percent vs. 44% in-state
 - Top five out-of-state origin markets are:
 - New York, NY
 - Raleigh-Durham, NC
 - Washington D.C.
 - Philadelphia, PA
 - Baltimore, MD
- Marketing and Communications, Public Relations, and Sales
 - 2022 Campaign Overview

- March Digital Advertising Performance
 - Hotel searches are up 70%
 - Hotel bookings are up 85%
 - Hotel booking conversion rates are up 11%
 - Flight booking conversion rates are even
 - Paid search volume is up 73%
- March/April Web Performance
 - Site sessions and users are up compared to 2019 levels
 - Site sessions are up 28% when compared to March/April 2021
- *The WilliamsBLOG*: March/April Performance
 - Performance continues to improve
 - Sessions are up 100%
 - Users are up 80%
 - New visitors are up 8%
 - Top posts include "7 Reasons Why Williamsburg is Good for Families," "15 Ideas for a Long Weekend Getaway With Your Kids," and "7 Charming Date Ideas in Williamsburg"
- Influencer Program
 - Recent trips:
 - Justin Chapple (culinary director, *Food & Wine*)
 - TikTok creators @staysandgetaways and @bennyOr
 - Mega Influencers Witney Carson McAllister and Jaime Chung will visit this summer
 - March/April Organic Social Media Performance
 - Engagement rates across social channels were a strong 4.6%
 - 24% increase year-over-year
 - Higher than industry benchmark
- Public Relations (March/April)
 - 223M impressions; 16 placements
 - Key media placements included *Travel+ Leisure*, *New Jersey Digest*, and *Southern Living*
- Sales (March/April)
 - Participated in 6 trade shows, events, and site visits, including:
 - Pennsylvania Bus Association Marketplace
 - Society for Collegiate Travel & Expense Management
 - African American Travel Conference
 - Triple Crown Baseball (Site Visit)
 - Virginia Society of Association Executives
 - Society of Government Meeting Professionals (Board Meeting)
 - Reminder: Sales leads are posted within 10 business days of the completion of a sales activities; issued via industry email
 - Visit Williamsburg issued 17 new business leads (represents 9,000 room nights) and 4 service leads

- Confirmed six bookings
 - Equates to 1,734 definite room nights
- Three upcoming trade shows and events
 - Connect Specialty Marketplace
 - IPW
 - Society for Government Meeting Professionals

XI. Old Business

- Kirkland requested an update on the potential of incentive dollars; Cimino noted that she continues to review with legal counsel

XII. New Business

- Kirkland noted WHMA's new Visitor Guide

XIII. Adjournment

- Meeting adjourned
- The next meeting will take place in-person on July 19, 2022