

WILLIAMSBURG TOURISM COUNCIL MEETING
Williamsburg, Virginia
April 17, 2023
Finance Meeting Minutes

A meeting convened at 12:30 a.m. on April 17, 2023, in the 2nd floor conference area at 421 North Boundary Street.

Tourism Council Members Present:

TREASURER Doug Pons, Mayor, City of Williamsburg

Staff Members Present:

Victoria Cimino, CEO

David Turner, Finance Director

I. Call to order

- Doug Pons called the meeting to order
- March 14, 2023 finance meeting minutes were acknowledged

II. February 2023 Activity

- Total February 2023 revenues were \$1.6M – under budget by \$14K
 - Sales tax receipts (58.1-603.2) totaled \$1.5M, under budget by \$5K
 - Transient tax receipts totaled \$98K, under budget by \$18K
 - Other revenue was \$13K, over budget by \$9K
- Total January 2023 expenses were \$2.1M, over budget by \$767K
 - Destination Marketing expenses were \$2.0M, \$842K over budget
 - Sales activities were \$19K, \$59K under budget
 - Staffing costs were \$101K, \$24K under budget due to the timing of hiring
 - Other administrative expenses were \$32K, \$8K over budget largely due to employee relocation expenses that were \$8K over budget

III. Fiscal Year-to-Date (YTD) Activity

- 2023 Fiscal YTD revenues were \$11.6M, over budget by \$236K
 - Sales tax receipts (58.1-603.2) totaled \$10.1M, under budget by \$35K
 - Transient tax receipts totaled \$1.1M, under budget by \$34K
 - Maintenance of Effort (MOE) revenue was \$77K, over budget by \$14K
 - ARPA Grant receipts totaled \$249K, over budget by \$249K

- Other revenue was \$65K, over budget by \$43K
- 2023 Fiscal YTD expenses were \$14.8M, over budget by \$5.4M
 - Destination Marketing expenses were \$8.4M, \$669K over budget
 - Sales activities were \$333K, \$81K under budget
 - The product development fund of \$5.2M was paid to the Historic Triangle Recreational Facility Authority (HTRFA), over budget by \$5.2M
 - Staffing costs were \$655K, \$369K below budget due to the timing of hiring
 - Other administrative expenses were \$249K, \$43K under budget – primarily due to lower than budget expenses for travel (\$20K) and professional services (\$35K) offset by employee recruiting costs \$19K over budget

IV. Cash on Hand

- The Tourism Council has \$9.3 million in the bank for operations
- Cash on Hand for Operations is over budget by \$470K as of the month of February

V. Tax Revenue

- Sales Tax (58.1-603.2)
 - January sales tax increased \$84K or 9.9% year-over-year
 - \$938K in 2023 versus \$854K in 2022
 - The three-month moving average increased 3.4% versus the same period in 2021/2022
 - YTD sales tax receipts are up 9.9% versus the same period in 2022
- Transient Tax
 - January increased \$12K or 13.3% year-over-year
 - \$106K in 2023 versus \$93K in 2022
 - The three-month moving average increased 7.7% versus the same period in 2021/2022
 - YTD tax receipts are up 13.3% versus the same period in 2022

VI. Fiscal Year 2023 Budget Amendment Recommendations

The FY23 budget did not anticipate a few key activities. The following amendments were recommended for submission to the Board of Directors for approval.

- The WTC received ARPA funds from two sources during FY23 totaling \$250K
 - The Virginia Tourism Council (VTC) awarded and paid the WTC \$45K in ARPA funds for two sports tournaments held during the summer of 2022

- The City of Williamsburg, James City County, and York County provided \$205,000 in ARPA funds for the promotion of the Historic Triangle in the Boston market
- The WTC had expenses related to the use of the ARPA funds received totaling \$250K plus the Board of Directors approved the distribution of \$5.2M in product development funds to the Historic Triangle Recreational Facility Authority (HTFRA)

VII. Fiscal Year 2024 Budget

- Revenue is budgeted to be \$15.9M, in-line with the FY23 forecast
 - Sales tax revenues are budgeted at \$14.2M, \$60K over FY23 projected tax revenues in-line with the economic outlook and revenue forecast prepared by the Virginia Department of Taxation
 - Transient occupancy tax revenues are budgeted at \$1.5M, in-line with FY23 projected tax revenues and 2% below 2019 revenues
 - Total Localities payments are budgeted at \$127K, in-line with current statute
 - Other revenue is primarily interest income and is budgeted at \$40K based on anticipated cash on hand balances in FY24
- Expenses are budgeted to be \$17.8M versus \$17.5M forecast for FY23, an increase of \$300K or 1.7%
 - Destination Marketing is budgeted at \$15.0M versus \$15.4M forecast for FY23
 - Paid Media is budgeted at \$12.0M (a decrease of \$380K from FY23) but will allow an advertising in the marketplace year-round
 - Public Relations is budgeted at \$250K, an increase of \$12K over FY23
 - Market Research is budgeted at \$220K, an increase of \$20K from FY23
 - Sales activities are budgeted at \$650K versus \$550K forecast for FY23
 - The sales team is recruiting an additional sales representative for FY2024 to facilitate an increase in sales activities and trade shows
 - Trade shows and sales events are expected to continue as in FY23 but with additional presence at key events increasing costs by \$100K over FY23, \$315K budgeted for FY24 versus \$215K forecast for FY23
 - Business development is budgeted at \$335K in-line with the FY23 forecast
 - Administrative expenses are budgeted at \$2.2M in FY24 versus \$1.6M forecast for FY23

- Staff expenses are budgeted to be \$1.7M versus \$1.2M forecast for FY23 with the marketing team recruiting to fill two positions and the sales team recruiting to fill a senior sales manager position
 - Administrative services are budgeted at \$341K, an increase of \$82K over FY23, due to inflation expectations and office relocation expenses
 - Rent expenses and organization support for the office is budgeted at \$121K and includes a 3-month overlap in rent between the current and new facilities
- Cash available for operations is forecast to be \$5M at the start of FY24 and budgeted to be \$3.0M at year-end based on spending within the budget
 - Total spending is projected to exceed revenues by \$1.97M in FY24 with the Tourism Council utilizing cash reserves from FY21/22 to fund operations
 - Vicki Cimino stated that at \$3M in reserve at the end of FY24 the WTC would have a 17% reserve for contingencies

VIII. Next Finance Meeting

- The next Finance meeting will be on May 9, 2023

IX. Adjournment

- Doug Pons adjourned the meeting