

ATTACHMENT A

APPROVED MEETING MINUTES

March 17, 2020
Williamsburg Tourism Council

WILLIAMSBURG TOURISM COUNCIL MEETING

Williamsburg, Virginia

March 17, 2020

Meeting Minutes

A meeting of the Williamsburg Tourism Council (WTC) was convened at 1:00 p.m. on March 17, 2020 by conference call. A quorum was present with the following attendees:

Tourism Council Members Present:

Jeffrey D. Wassmer	District 4 Supervisor, York County Board of Supervisors
Ruth Larson	James City County Board of Supervisors
Neal Chalkey	President, Williamsburg Hotel & Motel Association (WHMA)
Mickey Chohany	Williamsburg Area Restaurant Association (WARA)
Christy Coleman	Executive Director, Jamestown-Yorktown Foundation
Cliff Fleet	President and CEO, Colonial Williamsburg
Cheri Green	Chair, Board of Directors, GWCTA
Kevin Lembke	President, Busch Gardens/Water Country USA
Rita McClenny	President and CEO, Virginia Tourism Council

Staff Members Present:

Victoria Cimino	CEO
Vivian Bunting	Destination Specialist
Mikey Jasiczek	Marketing Manager
Jodie Lumley	Executive Assistant/Operations Manager
Julie O'Neil	Marketing Director
Jill Pongonis	Fam Tour Coordinator
Dave Potter	Industry Relations Manager
Julia Smyth-Young	Sales Director
David Turner	Finance Director

I. Call to Order

Jeffrey Wassmer called the meeting to order at 1:00 p.m.

- Neal Chalkey and Ruth Larson joined during the U.S. Travel Association briefing
- Rita McClenny joined during the Treasurer's Report
- James Horn was not in attendance

II. Public Briefing on COVID-19 by U.S. Travel Association

Erik Hansen, Vice President of Government Relations for the U.S. Travel Association (USTA), was introduced by Victoria Cimino. Hansen greeted the group and shared the following:

It's been a busy week and a sad time for the country, but the USTA is working on full workforce stabilization and recovery policy. Public health and safety measures that are in place are absolutely critical; though, the unintended consequences have created a virtual shutdown of the travel economy.

Oxford Economics has forecasted 4.6 Million jobs could be lost by the end of June, increasing the unemployment rate to 6.3% nationally. Travel businesses are forecasted to lose \$355 Billion in revenue this year. This would impact total economic output by negative \$890 Billion this year. These projections assume recovery will begin in June.

The USTA is asking Congress to pass legislation that provides liquidity loans and tax relief for travel businesses, 83% of which are small businesses, to help keep their workers employed and to stay afloat during these challenging economic times.

The USTA is seeking \$150 Billion in direct grants that protect the travel workforce and for Congress to convert a portion of small business administration loans to grants for small businesses and non-profits, in order to keep employment at pre-coronavirus levels.

The U.S. Travel Association is also looking to Congress to provide travel dependent businesses and nonprofits with low interest loans to the SBA program, to increase loan limits above \$2 million, increase guarantee percentages, waive loan fees, and provide forbearance on interest and loan payments through 2020.

The USTA is also asking to establish liquidity funds at the U.S. Department of Treasury that would provide zero interest loans and unsecured lines of credit through the end of this year.

Lastly, the USTA is requesting tax relief to mitigate the economic losses and help to spur recovery. The USTA is requesting the temporary deferred tax liability, delay or eliminate estimated quarterly tax payments, and filing deadlines for affected businesses and to allow for an extended carry back on net-net operating loss deductions.

The potentially substantial unemployment rate and losses to businesses are a need to make sure that Congress is acting soon to provide an economic stabilization package for the travel industry.

Wassmer opened it up to questions from the board.

Mickey Chohany thanked Hansen for the update noting the uncertain times and requested that the U.S. Travel Association look into H.R. 6201, the Families First Response Act, which is in front of Congress. Chohany provided further explanation:

There's burdensome legislation that may be passed. Within the bill, paid sick leave would be mandated; the bill would automatically trigger an effect of up to 21 days of paid leave for employees.

Hansen thanked Chohany for the comments and noted that is something being worked on with the restaurant association in Washington and with the International Franchise Association. Hansen went on to provide further explanation:

There is simply no way, when there isn't revenue coming through the door and there is a liquidity crisis, that we can have this unfunded mandate.

The bill, as it's currently written, does nothing to ensure that travel business can even keep workers on payroll, let alone paid leave.

Those changes are being worked on, in addition to highlighting the need for immediate action to provide financial relief to the small businesses. The USTA is hopeful that those provisions will be sorted out with a little more clarity and definition.

Most importantly, the USTA wants to make sure that this isn't done in a vacuum and that Congress isn't planning to pass unfunded mandates now with a need to figure out an economic support package later.

Chohany thanked Hansen for his reply and for taking questions. Chohany emphasized the dire situation and went on to explain that the restaurants are empty and will probably have to close the doors tomorrow.

Hansen again thanked Chohany for the comments and noted that the USTA is about to send out a request to members to share their stories directly with members of Congress. Hansen explained that as the USTA shares large figures, Congress needs to know what is happening within their districts.

Chohany expressed his gratitude.

Wassmer asked the board for any further questions. There were none. Wassmer thanked Hansen for his time and wished him good luck.

III. Public Comment

None.

III. Minutes

Wassmer requested a motion to approve the January 21, 2020 meeting minutes. Doug Pons motioned, and Ruth Larson provided a second. Minutes were approved.

IV. Treasurer's Report

Ruth Larson reminded the Council that the finance meeting continues to be held on the second Thursday of each month; all are invited to attend.

Larson requested that Cimino provide the Treasurer's Report.

Cimino shared Year-to-Date financials (through January 31, 2020).

Revenue/Expenses:

- Total January revenue was \$1.16 Million over budget by \$134K
- Sales tax revenue (SB 942/\$58.1.603.2) was \$1 Million over budget by \$64K
- Transient Tax was \$127K over budget by \$62K
- Cimino noted we are exceeding budget, which is based on the previous year's actuals
- Expenses are \$760K under budget
 - Cimino explained that this was due to timing on invoices and pulling back on sales activities, staffing up, etc.

Cash on Hand:

- Total = \$9.6 Million
- Over budget by \$1.5 Million

Transient Tax:

- Cimino noted that numbers are based on when the activity took place; not necessarily when the Council received the deposit from the state.
- November 2019 Total = \$127K
 - A 16.3% increase from November 2018 total of \$109K

Sales Tax:

- November 2019 Total = \$1.02 Million
 - November 2019 was a 9% increase over November 2018
- Cimino assured that the WTC is well positioned to be able to handle a short-term disruption in state tax funding
 - WTC has exceeded budget revenue by roughly a million dollars in the last three months
 - WTC expenses have been lower as staff and a new partner has been brought in
- Cimino noted that a 50% reduction in revenue for the second quarter would result in a \$1.3 million reduction of budgeted income

Smith Travel Research:

- Cimino showed the Current Month December 2019 vs. December 2018 report and cites that occupancy hit 50% for the first time since 2007
- January 2020 was at 26% versus 24.2% in 2019
- Cimino emphasized the WTC was on the right path and that the current situation will forever have and Asterix next to it

Virginia Tourism Council Update:

- Rita McClenny noted that she will have to go back to a Governor's call and provided a brief update:
 - Things are moving fast and this is unprecedented territory
 - Restaurants and hotels are closing; hotels are looking at 10 to 20 percent occupancy
 - The peninsula has been hit hard
 - On March 17, the Governor announced recommendation of no groups of 10 or more are to gather
 - Abatements on tax collection are being reviewed
 - People are encouraged to file for unemployment through the DEC; there are various links to resources on VATC.org
 - Amazon, grocery stores and many big box stores are hiring; those are good referrals to act as a stop gap for restaurants that have had layoffs
 - The supply chain seems to be pretty even; shipments are moving in to fill the grocery stores and the big box stores with supplies
 - There is no doubt that hospitality and travel has been the first and hardest hit by this disaster
 - The VTC has paused advertising and has crafted a new social media strategy
 - Expect an aggressive reentry into the marketplace, getting people to travel immediately
 - The theory is best case scenario is in 30 days we'll be inviting visitors back; worst case scenario 90 days.

V. Executive Director Report

Victoria Cimino shared that the Williamsburg Tourism Council has been in daily contact with the Virginia Tourism Corporation, U.S. Travel Association, and it is proactively reaching out to area businesses.

Cimino expressed that Greater Williamsburg is uniquely positioned from both a product and geographic perspective.

The Council is focused on collecting any sort of economic impact information that can be shared with our congressional delegation and VTC.

Cimino emphasized that the WTC is here to help and can be contacted at any time.

A. Listening Sessions/Tourism Forum

- Cimino shared that the listening sessions scheduled for the week of March 24, will be postponed
- The annual tourism forum scheduled to take place on May 14, will be postponed

B. Hiring

- Communications Director/PIO position has been posted
 - 127 resumes were received
- A Content Manager position has been posted
 - 70 resumes have been received at this point

- Sales positions have yet to be posted and will be held for the time being

C. Procurement

- Two procurement processes are to be completed
 - Legal Services
 - Public Relations
 - In both cases, a procurement committee will be formed

D. Marketing/Communication Activities

- Six speaking engagements between January and February, reaching approximately 200 people
- Julie O'Neil met directly with the marketing teams at Busch Gardens, Jamestown-Yorktown Foundation, and Colonial Williamsburg to share the 2020 marketing program
- Cimino highlighted that sales staff attended the American Bus Association Tradeshow in Omaha, Nebraska, January 11-14
 - Forty-nine leads were posted on a leads page on visitwilliamsburg.com
- Public relations
 - Achieved roughly 157 million impressions and 35 placements
 - Impressions nearly doubled Year-over-Year
 - Five media familiarization trips
- Cimino introduced Joanne Borselli, Michelle Cappasso, and Steve Connelly (Connelly Partners) and David Seiferth (SMARI)
- Advertising
 - WTC plans to put \$5 million more into market in 2020 than in 2019
 - WTC launched paid media effort in mid-February, which included influencers, digital display, advertising, social advertising, and pay-per-click
 - Digital components focused on Adara, TripAdvisor, Undertone, Pandora and Verizon
 - Once the state of emergency was declared by the President the WTC put paid advertising efforts on hold
 - Phase two was intended to kick off in April
 - TV and out-of-home were planned for phase two and that digital remains a significant part of the budget
 - WTC will continue with the Pure Silk sponsorship for 2020; Connelly Partners was recognized for its role in negotiating a fee equal to the cost of ad placements
 - Forty-eight percent of the total budget will focus on families, 20 percent on couples without children, and 32 percent focused on active mature
 - WTC and its partners produced four customized landing pages, 67 unique digital banner files, 12 Facebook and Instagram ad units, three email blasts, and a 30 second Pandora spot
 - Cimino mentioned stats around the advertising program
 - The campaign launched earlier in 2020 than in 2019, two and a half weeks ahead of the previous year
 - WTC drove more awareness and more site traffic; travel media partners drove more engagement
 - a. At the end of February, Adara drove 193 Hotel bookings and 523 room nights
 - WTC scheduled social media influencers Charlotte Chatman and Julia Engle; both trips were postponed due to COVID

- Jeff Wassmer opened it up to questions
 - Larson commented on her appreciation for the work that has been done
 - Neal Chalkey asked if there are any predetermine triggers to putting the money back in the marketplace
 - Cimino responded that once the national emergency is lifted, the WTC will follow the Virginia Tourism Corporation's lead
 - Chohany added that the WTC may want to show some caution on bringing on more people that would bring down the resources at this moment in time
 - David Turner responded that the WTC looked at the potential impact going through the June 30 period plus the period of time that it would take for the WTC to actually work through the cash reserves, noting most of WTC's funding is a result of the sales tax and not the transient tax

E. Ad Effectiveness Study/Metrics Dashboard

- Cimino introduced research partner David Seiferth to present the Tourism Council's ad effectiveness study and demonstrate its new metrics dashboard
 - The ad effectiveness study looked at advertising impact
 - The rate of travel among aware leisure travelers to Williamsburg was 13.6 percent and non-aware was 4.6 percent
 - Ads tested in 2019 resulted in 39 percent awareness, which translated into 4.4 million traveling households in target markets
 - Creative ratings on ad effectiveness measured from last year's advertising was in the top 25 percent of the hundreds of items tested
 - WTC has advertised to over 11 million traveling households
 - There are 4 million aware households in the US; those households traveled at an 8 percent higher level than the unaware, leading to 350,000 incremental trips
 - Measured trip spending is over \$1,000; that equates to a \$40.53 cent tax impact
 - That results in \$405 million in influenced spending and \$14 million in taxes
 - Last year's media spend of \$4.7 million yields \$3 in tax return for every media dollar spent
 - Cimino emphasized that for every dollar invested in media, the municipalities saw a \$3 return on investment in the form of taxes
- Seiferth shared two perceptual maps
- Seiferth shared geolocation data from 300,000 visitors from 2019; the data tracked visits, length of stay, attractions visited
- Data showed Busch Gardens and Colonial Williamsburg are top attractions
 - Busch Gardens' visitors come from nearby and don't stay as long
 - Colonial Williamsburg visitors come from further away and also visit other historic activities
 - People who came from the less than 150 miles, only 17% went to Colonial Williamsburg versus 48% to Busch Gardens
 - People who came from over 300 miles, 43% went to Colonial Williamsburg versus only 32% to Busch Gardens
- Seiferth shared the metrics dashboard tool
 - The dashboard has been mapped back to 2014 to show trends
 - Includes the ability to filter by location, quarter, and different categories such as overnight visitor volume, employment and tax revenue

F. Sales Director Report

- Julia Smyth-Young shared a sales action – focused on six key segments Sports, Social/Military/Educational/Religious/Fraternal (SMERF), Association, International, Corporate, and Group
- Smyth-Young covered key tactics and goals
 - Build and develop a new sales team
 - Audit existing accounts
 - Implement new Customer Relationship Management Software (Simpleview)
- Tactics include
 - Exhibit at trade shows
 - Host familiarization tours
 - Facilitate sales missions and client events
 - Participate in professional organizations
 - Secure key memberships

G. Future Meetings

- The next meeting will occur on May 19; budget 90 minutes as the Fiscal Year 2021 budget will be presented

VI. Chair Report

Wassmer welcomed Cliff Fleet (Colonial Williamsburg) and Christie Coleman (Jamestown-Yorktown Foundation).

Wassmer noted a future need to discuss the Tourism Council's "capital/product development" fund.

Wassmer thanked Cimino, staff, and partners for their work and recognized the importance of the ad effectiveness study.

Members were encouraged to reach out to Congress to ensure impacts on the region are understood.

V. Old Business

None.

VI. New Business

None.

VII. Adjournment

The next meeting will take place on May 19, 2020 at 1:00 p.m., location to be determined.