

WILLIAMSBURG TOURISM COUNCIL MEETING

Williamsburg, Virginia

May 10, 2022

Finance Meeting Minutes

A meeting convened at 11:30 a.m. on May 10, 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

I. Call to order

- Doug Pons called the meeting to order
- Pons requested revised language in April 12, 2022, meeting minutes re: reserve funds
 - Victoria Cimino revised the minutes

II. March 2022 Activity

- Total March 2022 revenues were \$951K – over budget by \$144K
 - March 2022 sales tax receipts (58.1-603.2) totaled \$854K, over budget by \$113K
 - Transient tax receipts totaled \$93K, \$32K over budget
 - Maintenance of Effort (MOE) revenue was \$0K, in-line with budget
- Total March 2022 expenses were \$1.7M, over budget by \$413K
 - Destination Marketing expenses were \$1.5M, \$395K over budget for the month
 - Sales activities were \$37K, \$23K over budget
 - Staffing costs were \$96K, \$21K under budget
 - Other administrative expenses were \$36K, \$17K over budget
 - Majority of the variance was for staff recruiting costs (\$12K) incurred in March recruiting for open positions

III. Fiscal Year-to-Date Activity

- 2022 Fiscal YTD revenues were \$13.0M, over budget by \$1.3M

- YTD sales tax receipts (58.1-603.2) totaled \$10.5M, over budget by \$1.2M
- YTD transient tax receipts totaled \$1.2M, over budget by \$119K
- YTD Maintenance of Effort (MOE) revenues were \$1.3M, in-line with budget
- 2022 Fiscal YTD expenses were \$9.9M, under budget by \$1.7M
 - Destination Marketing expenses were \$8.6M, \$1.6M under budget
 - Sales activities were \$242K, \$22K under budget due to the timing of conference expenses/invoices
 - Total administrative expenses were \$1.1M, \$119K under budget
 - Staffing costs were \$843K, \$107K below budget on the timing of hiring
 - Other administrative expenses were \$223K, \$12K under budget

IV. Cash on Hand

- The Tourism Council has \$15.5 million in the bank; \$10.6M for operations and \$5.0M reserved 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

V. Tax Revenue

- Sales Tax (58.1-603.2)
 - February sales tax 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 2020/2021
- Transient Tax
 - February 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 2020/2021

VI. FY23 Budget Key Points

- Revenue
 - Total FY 2023 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 tax revenue budgeted at \$1.4M, \$18K over FY22 projected 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 \$17.1M versus \$13.6M FY22 forecast, an increase of \$3.5M
 - Destination Marketing is budgeted at \$14.6M versus \$11.9M forecast for FY22, an increase of \$2.7M
 - Utilizing \$1.8M 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 \$2.0M in FY23 versus \$1.5M forecast for FY22
 - Staffing levels in FY23 are increasing to fill vacant sales roles and add a chief marketing officer
 - Administrative services are budgeted at \$280K, an increase of \$116K over FY22
 - Rent expenses/Organization Support for the office is budgeted at \$100K
 - Cimino responded to a question put forward by Pons re: incentive dollars – Cimino stated that she continues to work with legal counsel; early research shows that incentive funding over \$29,999 must be in-line with the procurement act
- Cash Position
 - Total spending is projected to exceed revenues by \$1.8M in FY23 for an ending cash on hand for operations balance of \$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 \$1.8M of cash reserves to fund expanded marketing activities
 - Cash held for Product Development is forecast to be \$5.2M at the start of FY23
- The FY23 budget presented is the final budget recommendation and will be presented to the Board of Directors at the next board meeting for approval

VII. Next Finance Meeting

- The next Finance Committee meeting will be on June 14, 2022

VIII. Adjournment

- Doug Pons adjourned the meeting