

ATTACHMENT A
WILLIAMSBURG TOURISM COUNCIL MEETING
Williamsburg, Virginia
May 18, 2021
Meeting Minutes

A meeting of the Williamsburg Tourism Council (WTC) was convened at 1:00 p.m. on May 18, 2021, by zoom/conference call. A quorum was present.

Tourism Council Members Present:

CHAIR	Ruth Larson, James City County Board of Supervisors
VICE CHAIR	Cliff Fleet, President and CEO, Colonial Williamsburg
TREASURER	Doug Pons, Mayor, City of Williamsburg

Neal Chalkley, President, Williamsburg Hotel & Motel Association (WHMA)
Mickey Chohany, Williamsburg Area Restaurant Association (WARA)
Chad Green, Chair, York County Board of Supervisors
Cheri Green, Chair, Greater Williamsburg Chamber and Tourism Alliance (GWCTA)
Denise Kellogg, Director, Development, Jamestown Rediscovery Foundation
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
Joey Pierce, Content Manager
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.
- Victoria Cimino stated, "Due to the Governor's Declared State of Emergency due to COVID-19, it is impractical and unsafe for the Tourism Council to assemble in a single location; this meeting is being held electronically pursuant to 2020 Amendments to the 2019 Appropriations Act. The purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Tourism Council and the discharge of its lawful purposes, duties, and responsibilities. The public is welcome to use the Zoom link to attend electronically. The Tourism Council will make available a recording or transcript of the meeting on its website in accordance with the timeframes established in Sections 2.2-3707 and 2.2-3701.1 of the Code of Virginia."

- James Horn was represented by Denise Kellogg

II. Public Comment

- Ron Kirkland thanked the Tourism Council for its efforts and recognized the increase in leisure visitation

III. American Bus Association – Peter Pantuso, President and CEO

- Victoria Cimino introduced guest speaker Peter Pantuso, President and CEO of the American Bus Association (ABA)
- Pantuso stated that 2019 was one of the best years for group travel, having many operators investing in more buses, making the reduction due to the pandemic even more devastating
 - Of the 100,000 employees in the motorcoach industry, almost 85,000 were out of work for most, if not all, of 2020
- Reports from operators show bookings in late summer and fall
- Demand is incredible for domestic large group tours, especially outside of urban destinations
- Lack of drivers is causing a delay in recovery, as many drivers went to other driving industries during the pandemic
- Larson asked what ABA is doing to combat the labor shortage
 - Pantuso stated the ABA has created the Women in Busses Council to increase interest in driving as a career for women; additionally, a campaign called The Driving Force has put out the idea of driving as a career to those who may not have considered it
- Cimino asked if operators have used the last year as an opportunity to evaluate itineraries/offers and whether or not it's a good time to discuss new product development
 - Pantuso stated reinventing the itinerary is a critical way to move forward, as the market is now different, and reaching out to operators would be a great opportunity

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

- McClenny reported the 65+ travel segment is recovering quickly
- The American Recovery Act is presenting an opportunity for legacy investment
- Marketing Leverage Grant Program opened May 11 and will close June 22, with awards presented on July 30
- Advertising efforts are live in target markets, with the WanderLove campaign running in-state through the summer
- Governor Northam has stated all COVID-19 mitigation and occupancy restrictions will end on June 15

- One Virginia, the diversity plan required by the General Assembly, is in development and will be in place by July 1
- Workforce development is an area of concern and focus
- Recovery has been uneven, with business and convention travel coming back more slowly than leisure

V. **Board Updates**

- Larson asked board members for updates
 - Kevin Lembke stated Busch Gardens has announced it will stop the mask mandate; the announcement has been well received
 - Doug Pons informed the group that the Colonial Williamsburg vaccination clinic has closed and thanked those involved in the effort
 - Cliff Fleet reported that Colonial Williamsburg has strong leisure visitation, with group business coming back slowly
 - Due to labor shortages, some services have been limited
 - Colonial Williamsburg will maintain its mask mandate until the Governor lifts restrictions
 - Neal Chalkley stated hotels have reported strong occupancy for Memorial Day weekend; starting to see longer reservation windows
 - Mickey Chohany mentioned there is great demand for restaurant dining, but many have had to modify operations due to labor shortages

VI. **Minutes**

- Larson requested a motion to approve the March 16, 2021 meeting minutes
- Pons motioned
- Chalkley provided a second
- Roll call; all in favor
 - Minutes were approved

VII. **Chair Report**

- Larson commented on labor shortage and its impact on the hospitality industry
- Larson thanked the WTC staff for their efforts and mentioned Cimino's willingness to present a Tourism Council overview to community groups/organizations
- Alliance to send a lease for office space, which will be negotiated by Cimino and communicated to the board as a whole

VIII. **UHY Audit Presentation – Bacary Badiaga, UHY Audit Manager**

- Badiaga stated UHY performed the financial statement audit of the Alliance and the WTC and found no material weaknesses or significant deficiencies in FY20
- The current cash ratio represents a healthy status for an organization of the WTC's size
- Badiaga stated the final findings of the UHY audit included

- Financial statements are not materially misstated, and there were no material weaknesses or significant deficiencies noted for internal controls
- Accounting policies are applied consistently and transactions recognized in the proper period
- No difficulties, disagreements, consultation, or unusual findings
- No material journal entries

IX. FY22 Budget

- Cimino presented the FY22 proposed budget, covering July 1, 2021 – June 30, 2022
 - Revenue
 - Sales tax is budgeted at 3% higher than 2019, \$11.9M
 - Transient occupancy tax is budgeted at 5% less than 2019
 - Expenses budgeted at \$15.4M, 2% increase over FY21
 - Advertising agency contract budgeted at \$13M, a reduction from the previous year due to completed, one-time projects
 - Mailhouse contract has increased due to increase in visitor guide requests
 - Public relations contract is capped at \$240K
 - Market research contract is capped at \$220K
 - Sales budget has increased by \$100K, due to increase of in-person tradeshows and sales events
 - Employee expenses will increase as the WTC plans to add five positions in the next fiscal year, three sales positions, an administrative assistant, and an accountant
 - WTC will contract with a strategic development organization to facilitate team building, vision, mission, and values statements, and organizational foundation
 - Rent and organization support is budgeted at \$90K, which will cover both the rent and front desk support
 - Net position of negative \$2M
 - WTC proposed to utilize cash reserves, leaving \$2.3M in reserves at the end of FY22
 - Maintenance of Effort funds from the municipalities are directed to the organization's product development fund
 - Beginning FY22 with 3.5M starting cash position, 1.45M will be added in FY22, ending with a 4.9M ending balance
 - The WTC is currently developing the process by which these funds will be distributed
 - Chad Green asked for clarification on the five positions being added to the staff
 - Cimino stated there will be two sales managers, a sales administrative position, an executive assistant, and an accountant
 - Larson asked what percentage of the budget will be administrative costs
 - Cimino stated it will be about 13%, with 16% being the industry standard

- Pons motioned to approve the budget
- Fleet seconded the motion
- Roll call vote, all in favor
 - The FY22 budget was approved

X. Treasurer's Report

- Pons shared financial statements through March 31, 2020
- Total March 2021 revenues were \$848K – under budget by \$13K
 - March sales tax receipts (58.1-603.2) totaled \$783K, over budget by \$130K
 - Transient Tax receipts totaled \$64K, under budget by \$19K
 - Maintenance of Effort (MOE) revenue was \$0, under budget by \$121K
- March expenses were \$1.4M, under budget by \$64K
 - Destination Marketing expenses were \$1.3M, \$22K under budget for the month
 - Sales activities are under budget by \$47K due to the timing of sales events and association membership fees
 - Staffing costs were \$26K below budget due to delays in staff hires
 - Other administrative expenses were \$13K under budget due to lower office expenses
- Fiscal Year to Date
 - 2021 Fiscal YTD revenues were \$10.0M, over budget by \$2.7M
 - YTD sales tax receipts (58.1-603.2) totaled \$8.2M, over budget by \$2.2M
 - YTD Transient Tax receipts totaled \$585K, under budget by \$210K
 - YTD MOE revenues were \$1.2M, over budget by \$791K
 - Reminder: MOE balance activity was removed from the budget in CY20 at the Board's request
- 2021 Fiscal YTD expenses were \$11.2M, under budget by \$1.7M
 - Destination Marketing expenses were \$10.0M, under budget by \$1.2M
 - Sales activities were \$189K, under budget by \$202K due to reduced sales events and canceled tradeshow
 - Staff costs were \$820K, under budget by \$261K due to changes in hiring plans and other cost reductions
 - FY2021 budget was intended to utilize the carry-over savings from FY2020 – FYTD net position is positive by \$4.4M
- Cash on Hand
 - The Tourism Council has \$10.5 million in the bank; \$7.1M for operations and \$3.4M reserved for product development
 - Cash on Hand for Operations is over budget by \$3.3M as of the month of March
 - Cash on Hand for Product Development is over budget by \$1.4M
- Sales tax revenue

- February increased \$29K or 4.1% year-over-year
 - \$740K in 2021 versus \$711K in 2020
 - The 3-month moving average decreased 0.2% versus the same period in 2019/2020
- Transient tax revenue
 - February decreased \$4K or 7.6% year-over-year
 - \$51.5K in 2021 versus \$55.7K in 2020
 - The 3-month moving average decreased 22.6% versus the same period in 2019/2020
- Cimino presented the Smith Travel Research report
 - February (most recent information available) occupancy was 25.1% vs 33.7% in 2020
 - February 2019 occupancy was 27.5%
- March occupancy is showing increases for the first time in a year
- March 2021 occupancy 35.1% v March 2020 occupancy 22%
- March 2019 occupancy was 45%; however, it was inclusive of business and group travel
- Year to Date occupancy shows a 1%, and rate change of 1.7%

XI. CEO Report

- Public Body Compliance
 - Quickbooks separation is complete
 - Tasks to be completed:
 - Office space lease
 - Compliance training for Board and staff
- Marketing and Communications
 - Life. At Your Pace Campaign
 - Launched full campaign in February, with much of the annual spend occurring February through July
 - The campaign is testing at the 25 percentile of SMARI's client benchmark
 - Digital impressions increased 33%
 - Click-through-rate is holding steady above the industry benchmark
 - Connected TV completion rates are 97% compared to the industry benchmark of 70%
 - Increase in paid social engagement (300%)
 - Adara
 - In March, WTC can directly attribute 1,200+ hotel bookings to exposure to Visit Williamsburg advertising
 - Visit Williamsburg will begin working with SMARI on monthly ad effectiveness studies, and the Zartico data platform will add additional performance metrics
 - Web Performance

- Sessions are up 78% vs. 2019
- Users are up 78% vs. 2019
- Visitor guide downloads are up 32% v 2019
- The WilliamsBLOG
 - Sessions are up 900%+ YOY vs. Trip Ideas 2019
 - Over five times the number of users vs. 2019
 - Top performing content, i.e. "Seven Things to Do for First Time Visitors," reflects that 80% of site users are new users
- Content Partnerships
 - Golf.com partnership launched with 2.2M impressions to-date, with video, articles, and social media content to launch in July
 - National Geographic Traveler partnership running March 15 through June 15, with an emphasis on science, aquaculture, and community vibrance
 - The completion rate is 97.13%, above Nat Geo's average of 75%
 - Nat Geo Traveler Instagram Takeover has generated more than 187K engagements
- Influencers
 - Hosted six influencers in March and April
 - Topics included healthy cafes, gardens, minority owned businesses, family getaways, dog-friendly travel
 - Six LPGA players will be exploring the destination and posting to Instagram in May
 - Influencer marketing has contributed 3.5M+ impressions, 401K engagements, and featured 13 industry partners
- Organic Social
 - Hyper-focused on imagery that will produce the greatest engagement rates; Visit Williamsburg continues to outperform industry benchmarks
- Public Relations
 - 2.9 billion global impressions with 35 placements
- Sales
 - Completed six conferences, two site visits, eight virtual sales calls, with two additional conferences in the near future
 - The resulting new business leads represent 4,837 room nights in 2021 and beyond

XII. Old Business

- No old business was presented

XIII. New Business

- Larson mentioned the LPGA Pure Silk Tournament will take place at Kingsmill this weekend
- Larson relayed that the next meeting will likely be virtual or hybrid

XIV. Adjournment

- Meeting adjourned
- The next meeting will take place on July 20, 2021