

ATTACHMENT A

APPROVED MEETING MINUTES

December 17, 2019
Williamsburg Tourism Council

**WILLIAMSBURG TOURISM COUNCIL MEETING
STRYKER CENTER, WILLIAMSBURG, VIRGINIA**

December 17, 2019

Meeting Minutes

A meeting of the Williamsburg Tourism Council (WTC) was convened at 1:00 p.m. on December 17, 2019, at the Stryker Center, City of Williamsburg. A quorum was present with the following attendees:

Tourism Council Members Present:

Ruth Larson	James City County Board of Supervisors
Doug Pons	Vice Mayor, City of Williamsburg
Neal Chalkley	President, Williamsburg Hotel & Motel Association
Mickey Chohany	Williamsburg Area Restaurant Association
Kevin Crossett	Vice President of Strategic Communications, Colonial Williamsburg
Susan Bak	Senior Director of Marketing and Retail Operations, Jamestown-Yorktown Foundation
Kevin Lembke	President, Busch Gardens/Water Country USA
James Horn	President and Chief Officer – Jamestown Rediscovery
Cheri Green	Chair, Greater Williamsburg Chamber and Tourism Alliance

Staff Members Present:

Vicki Cimino	Executive Director
Julie O'Neil	Marketing Communications Director
David Turner	Finance Director
Jodie Lumley	Executive Assistant/Operations Manager
Jill Pongonis	Familiarization Tour Coordinator
Dave Potter	Industry Relations Manager
Vivian Bunting	Associate Director of Group Tours and Consumer Sales
John Heck	CPA

I. Call to Order

Neal Chalkley called the meeting to order at 1:00 p.m. Roll call was called, noting Jeff Wassmer and Rita McClenny were not present.

Chalkley noted the Tourism Council's new advertising agency was in attendance – introducing Steve Connelly (President) and Scott Madden (Senior Partner and Director of Strategy).

II. Public Comment

None.

III. Minutes

Chalkley requested a motion to approve November 19, 2019, meeting minutes. Doug Pons motioned, and Mickey Chohany seconded. Minutes approved.

IV. Treasurer's Report

Ruth Larson presented Year-to-Date financials (through October 31).

Revenue/Expenses:

- Sales tax revenue (SB 942/§58.1.603.2) is \$3 million over budget
- Transient Tax is \$257,000 over budget
- Maintenance of Effort (MOE) revenue under budget by \$419K
- Expenses under budget by \$1.6 million
 - Larson explained billings were not yet received, citing program evaluation and staffing

Cash on Hand:

- Total = \$6.8 million

Transient Tax:

- August 2019 Total = \$153,854
 - \$5,160 increase (August 2018)

Sales Tax:

- August 2019 Total = \$1.1 million
 - \$391,400 decrease (August 2018)
 - Cimino reminded the Council that sales tax reported in August 2018 also included half of July. Averaging July/August 2018, shows a 9 percent increase YOY

Monthly Finance Meeting:

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

Smith Travel Research:

- Cimino reviewed Current Month October 2019 vs. October 2018 report
 - Occupancy decreased less than one percent (less than the Commonwealth's decrease)
 - Average Daily Rate (ADR) and Revenue per Available Room (RevPAR) increased over October 2018
 - Chalkley stated that occupancy is on a positive trajectory; June, October, and November, actuals were better than initially forecasted

2020 Budget (January – June):

- David Turner opened the discussion
- This is a six-month budget in order to align future budgets with Commonwealth and locality budgets
- Fiscal Year 2021 budget (July 2020 – June 2021) will be presented in Spring 2020 for Council approval
- Turner based revenue budget on a two percent increase, which would be in-line with projected economic growth in 2020
- Expense categories include:
 - Marketing/Communication
 - Increased over 2019 spending levels, reflecting an investment of 2019 savings into 2020 marketing activities
 - Research
 - Increased over 2019 spending levels following vendor selection and subsequent contract execution
 - Sales
 - Increased over 2019 spending levels; presumed team build-out and sales activities
 - Administrative Overhead
 - New hires
- Pons asked if analytics and metrics dashboard are included in research contract; Turner responded yes
- Pons asked if increased payroll was within industry standard range; Cimino responded that it was well below industry standards
- Mickey Chohany questioned locality line item; Turner explained these are Maintenance Of Effort funds received as revenue from localities and described timing
- Chohany then asked if funds will be received via Alliance or directly from the localities to the Tourism Council
 - Turner explained it was “without distinction” and went on to describe process
- Pons asked if the title should be changed from “Localities” to “Alliance”
 - Turner explained it is more straightforward to label the line item “Localities” from a tracking standpoint
- Bak offered that the budget is a public document and the Tourism Council needed to be sure that the localities would like this line labeled in this manner
- Chohany asked if the dollar amount is an estimate or an amount agreed to by the Alliance
 - Turner cited statute (58.1.603.2), the localities are required to continue funding at Fiscal Year 2018 levels – which is \$1,978,600
 - Turner went on to say that in a previous discussion, it was agreed that \$300,000 of Maintenance of Effort (MOE) funds would be available for the Business Council for the FY19 time period; to the best of his knowledge that has not been approved for FY20, however in the absence of having those expenses documented in FY20, it was included in the Tourism Council budget at the same running rate as FY19
 - Chohany then asked if the Tourism Council is “beholden to the Alliance for money or is this thought that the Tourism Council is already getting this money that they have allocated this number for”
 - Turner responded that his understanding from reading the statute is that the funds are a pass-through through the Alliance to the Tourism Council

for advertising that would drive overnight visitation

- Pons stated that an audit would take place and the process will include policy/procedure development
 - He went on to say that a later amendment to budgets could be made if needed
 - Turner responded that yes – and for this reasoning he held to FY19 standard
- Chalkley requested a motion to approve the budget as presented
- Chohany responded that he had no problem approving the budget with the understanding that there are areas that are in-flux
- Crossett asked for the annual ad agency contract amount
 - Turner responded \$13.6 million
- Crossett asked if anyone had considered asking the SB 942 patron re: Alliance pass-through clarification
- Green responded that yes, she had met with Senator Norment on this point
- Larson offered that the statute is now law and the three localities are trying to work through issues related to Maintenance of Effort funds
- Conversation continued around the audit and need for clarification
- Pons motioned to approve the budget with one correction to change “localities” to “Greater Williamsburg Chamber and Tourism Alliance”
- Larson asked to wait until audit is complete to change the title around Maintenance of Effort funds
- Chohany offered a second
- Green asked David for clarification on statute language re: distribution of funds; Turner responded that it states only that it “shall not be less than Fiscal Year 2018”
- Bak noted her confusion around Maintenance of Effort funds, and whether or not these funds should be included in the Tourism Council budget
 - Bak further stated that she could not support voting to approve the budget with the confusion around Maintenance of Effort funds
- Pons described a Memorandum of Understanding created in 2018 that the three municipalities provided the Business Council with a portion of Maintenance of Effort funds and the balance of funds would go to the Tourism Council
- Bak noted a last-minute addition to Senate Bill 942 and her continued concern around the line item
- Pons restated his motion
- Chalkley asked for a Roll Call around Pons’ earlier motion
 - Yes Vote: Chalkley, Pons
 - No Vote: Chohany, Crossett, Bak, Lembke, Horn
 - Abstain: Larson
- Budget motion was defeated
- Chalkley asked for discussion on changes needed to achieve an approved budget
 - Chohany suggested the Alliance had determined a dollar amount (\$719,000 for six month period of time) that he felt comfortable using
 - Larson asked for clarification, expressing concern around the Alliance and its use of MOE funds was increasing without support for the expenses
 - Green suggested that clarifying conversations take place
 - Bak objected to having any reference to the MOE income and

- expenses without clarity on the amounts due to the lack of a commitment of what the income will be
 - Bak recommended zeroing out the MOE income line and any related expenses until the Alliance provides funding information
 - Pons asked for clarification on the organizational support line item
 - Turner provided that the localities are funding \$1.9M as MOE funds of which \$300K is being allocated to the Business Council with the balance \$1.6M to the Tourism Council and expenses for operations due to the Alliance for building rent (\$110K) , insurance and other items are shown in expenses in the budget to have the revenue and expenses accounted consistently with standard accounting practices
 - Pons asked if this is in-line with the 2019 budget
 - Turner responded, “yes”
 - Larson raised that the expense sharing allocation of 65% (Tourism Council) and 35% (Business Council) needs to be agreed to every year
 - Bak raised issue with the Tourism Council making budget decisions that affect the Alliance and the budget should not reflect revenue that has not been determined by the Alliance to be sent to the Tourism Council
- Larson proposed the approval of the budget as presented, Pons offered a second the motion
- Chalkley asked for a Roll Call vote on the motion
 - Yes Vote: Chalkley
 - No Vote: Chohany, Crossett, Bak, Lembke, Horn
 - Abstain: None
- Budget motion was defeated
- Larson asked for explanation on “No” votes
- Bak expressed continuing concerns over revenue and expense lines
- Bak made a motion to remove the amounts for revenue in the “Localities” line (\$839K) along with the corresponding administrative expenses, to have staff come back in two or three months (after the audit and other program reviews) with the future consideration would be for these budget items, and to approve the amended budget with these items removed
 - Pons offered a second, with discussion
- Chohany added comments:
 - Bak’s motion is conservative
 - The Alliance does have a number that could allow for some funding (\$719K) to be added without jeopardizing the forward work on the budget
 - Reducing the amount would allow the Alliance funding to fund their operations – to take care of themselves – and to fund the Business Council with the the remainder going to the Tourism Council
 - The problem with the presented budget is that the numbers that are allocated are not enough to cover what has been identified on the Chamber side
- Bak added that the Tourism Council needs to know what is the legal agreement for how much money we are getting and the liability that we have
- Larson commented
 - Budget and funding shortfalls cannot be a request made to the localities
 - There was an agreement in place with the localities for funding and we are not sticking with the agreement
 - The funding from James City and York Counties is supposed to be going towards marketing efforts, as outlined in statute

- Pons/Bak engaged in further conversation
 - Bak reiterated that she is still not clear on Maintenance of effort funds
- Cimino provided further information on several expense lines, and asked Turner to further clarify items, i.e. rent
 - Turner described historic handling of funds, as well as statute/municipality budget documents
 - Bak asked Turner if this description is based on his interpretation, he replied yes – based on documentation
 - Bak indicated that she had read that same documentation and disagreed
- Crossett suggested zeroing out the “locality” line item and went on to summarize that once the audit was complete, a new MOU should be put in place
- Bak’s previous motion was again brought to the floor, adding the removal of corresponding administrative expense
 - Pons offered a second
 - Chalkley asked for a Roll Call vote on the Bak motion to remove the dollar amount from the Localities revenue line (\$839K) and corresponding administrative expense
 - Yes Vote: Pons, Chalkley, Chohany, Crossett, Bak, Lembke, Horn
 - No Vote: Larson
 - Abstain: None
 - Budget motion was approved

V. Executive Director Report

- Sales Director and Marketing Communications Manager positions will be offered before the end of the week
 - PIO position to be posted in near-term
- Cimino stated WTC is modeling its Personnel Handbook after Virginia Tourism Corporation; anticipated completion date is on or before January 31, 2020
- Research and Advertising Agency of Record procurement processes are complete and contracts have been awarded
- Requests for Proposals (RFP) have been issued for strategic planning and mail/distribution
 - Cimino hopes to announce contracted partners at January meeting
- Turner is drafting RFPs for Audit and Legal Services
 - Anticipate completion by first of year
- Cimino presented the augmented fall/holiday campaign media flowchart and creative; noting an increased spend from November to December of \$750,000.00
- Early results, tracked via Adara, show that program generated \$6.7 million in hotel revenue in November
- The region earned coverage in Boomer Magazine, AARP, Ford’s Travel Guide, New York Times, Select Traveler, Daily Meal and more
 - Thirty-five media placements, which is in line with November 2018
 - Impressions generated totaled approximately 289 million impressions, which more than doubled impressions achieved November 2018 (117 Million)

- Cimino previewed future Tourism Council meetings:
 - January (60 minutes), noting a different venue – Colonial Williamsburg Lodge – Allegheny Room
 - February (60 minutes)
 - March (90 minutes) – summer 2020 campaign overview

VI. Connelly Partners Presentation

- Cimino introduced Steve Connelly and Scott Madden
- Steve Connelly introduced his company, Connelly Partners – a full service agency based in Boston
- Scott Madden provided overview on strategy
- Cimino stated the Tourism Council will develop a series of listening sessions as it begins to develop its strategic marketing plan. She went on to say the 2019 ad effectiveness/return on investment study will soon be complete

VII. Chair Report

Chalkley stated the organization's goal is to serve the public/community and give back. Concerns brought to the meeting are noted, and once the audit is complete, a lot of these concerns will be addressed.

V. Old Business

None.

VI. New Business

None.

VII. Adjournment

The next meeting will take place on January 21, 2020, at 1:00 p.m. at Williamsburg Lodge – Allegheny Room.