

WILLIAMSBURG TOURISM COUNCIL MEETING
Williamsburg, Virginia
May 9, 2023
Finance Meeting Minutes

A meeting convened at 11:30 a.m. on May 9, 2023, in the 1st-floor conference room at 421 North Boundary Street.

Tourism Council Members Present:

TREASURER Doug Pons, Mayor, City of Williamsburg
CHAIR Ruth Larson, James City County Board of Supervisors

Staff Members Present:

Victoria Cimino, CEO
David Turner, Finance Director
Lorine Ottarson, Accountant

I. Call to order

- Doug Pons called the meeting to order
- April 17, 2023 finance meeting minutes were acknowledged

II. March 2023 Activity

- Total March 2023 revenues were \$1.1M – over budget by \$52K
 - Sales tax receipts (58.1-603.2) totaled \$938K, over budget by \$42K
 - Transient tax receipts totaled \$106K, over budget by \$11K
 - Maintenance of Effort funds were \$25K, under budget by \$13K
 - Balance due on an ARPA grant of \$6K was paid, over budget by \$6K
 - Other revenue was \$8K, over budget by \$5K
- Total March 2023 expenses were \$2.1M, over budget by \$137K
 - Destination Marketing expenses were \$1.9M, \$172K over budget
 - Sales activities were \$26K, \$20K under budget
 - Staffing costs were \$106K, \$35K under budget due to the timing of hiring
 - Other administrative expenses were \$45K, \$20K over budget primarily due to employee relocation expenses that were \$5K over budget, travel expenses \$6K over budget, and legal and consulting expenses \$5K over budget

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

- 2023 Fiscal YTD revenues were \$12.7M, over budget by \$288K
 - Sales tax receipts (58.1-603.2) totaled \$11.0M, over budget by \$7K
 - Transient tax receipts totaled \$1.2M, under budget by \$23K
 - Maintenance of Effort (MOE) revenue was \$102K, over budget by \$1K
 - ARPA Grant receipts totaled \$255K, over budget by \$255K
 - Other revenue was \$73K, over budget by \$48K
- 2023 Fiscal YTD expenses were \$16.9M, over budget by \$5.5M
 - Destination Marketing expenses were \$10.3M, \$840K over budget
 - Sales activities were \$359K, \$101K under budget
 - The product development fund of \$5.2M was paid to the Historic Triangle Recreational Facility Authority (HTRFA), which was over budget by \$5.2M
 - Staffing costs were \$762K, \$404K below budget due to the timing of hiring
 - Other administrative expenses were \$295K, \$23K under budget – primarily due to lower than budget expenses for travel (\$15K) and professional services (\$23K) offset by employee recruiting costs \$18K over budget

IV. Cash on Hand

- The Tourism Council has \$8.5 million in the bank for operations
- Cash on Hand for Operations is over budget by \$616K as of March

V. Tax Revenue

- Sales Tax (58.1-603.2)
 - February sales tax increased \$115K or 12.8% year-over-year
 - \$1.0M in 2023 versus \$902K in 2022
 - The three-month moving average increased by 8.3% versus the same period in 2021/2022
 - YTD sales tax receipts are up 11.4% versus the same period in 2022
- Transient Tax
 - February decreased \$10K or -9.9% year-over-year
 - \$88K in 2023 versus \$98K in 2022
 - The three-month moving average decreased -4.6% versus the same period in 2021/2022
 - YTD tax receipts are up 1.4% 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
- WTC had expenses related to the use of the ARPA funds received totaling \$250K
- 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 the 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 the \$17.5M forecast for FY23, an increase of \$300K or 1.7%
 - The Advertising Agency contract is budgeted at \$450K
 - Public Relations is budgeted at \$250K
 - Market Research is budgeted at \$220K
 - Sales activities are budgeted at \$650K versus the \$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 an additional presence at key events increasing costs by

