

WILLIAMSBURG TOURISM COUNCIL MEETING

Williamsburg, Virginia

January 9, 2024

Finance Meeting Minutes

A meeting convened at 10:00 a.m. on January 9, 2024, 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:

Julia Smyth-Young, Interim CEO

David Turner, Finance Director

Josue Ayala, Executive Assistant

Special Guests Present:

Aires Wright, Clifton Larson Allen Director – State & Local Government Audit

Victoria Cimino, Executive Consultant

I. Call to order

- Doug Pons called the meeting to order
- December 12, 2023, finance meeting minutes were acknowledged

II. Fiscal Year 2023 Audit Review

- Aires Wright presented the results of the fiscal year 2023 audit and required management disclosures
 - The audit identified no control issues
 - CLA issued a “clean” audit report
 - GASB 96 (Subscription-Based Information Technology Arrangements) was implemented successfully in 2023 with required restatements for 2022

III. November 2023 Activity

November Activity

- November 2023 revenues were \$1.4M – over budget by \$89K
 - Sales tax receipts (58.1-603.2) totaled \$1.2M, over budget by \$31K
 - Transient tax receipts totaled \$127K, over budget by \$34K
 - Maintenance of Effort funds totaled \$0K, in line with budget
 - Other revenue was \$27K, over budget by \$24K
- November 2023 expenses were \$781K – under budget by \$375K
 - Destination Marketing expenses were \$621K, under budget by \$329K

- Paid media is under budget by \$242K on lower marketing activity in broadcast media, partially offset by higher spending on social and digital media
- Online services are under budget by \$77K, largely due to an accounting adjustment for the implementation of GASB 96 (software license amortization)
- Sales activities were \$22K, under budget by \$17K
 - Savings in the Sports (\$10K under budget) and Group (\$4K under budget) segments were the key contributors to the savings
- Total administrative expenses were \$138K, under budget by \$29K
 - Staffing costs were \$112K, \$27K under budget due to the timing of hiring on two open positions
 - Other administrative expenses were \$26K, under budget by \$2K

Fiscal YTD Activity

- Fiscal 2024 revenues were \$7.3M – over budget by \$363K
 - Sales tax receipts (58.1-603.2) totaled \$6.5M, over budget by \$229K
 - Transient tax receipts totaled \$768K, over budget by \$93K
 - Maintenance of Effort funds totaled \$63K, in line with budget
 - Other revenue was \$57K, over budget by \$41K on interest received from the Virginia state treasurer
- Fiscal 2024 expenses were \$5.8M – under budget by \$662K
 - Destination Marketing expenses were \$4.9M, under budget by \$481K
 - Paid media expenses were \$3.2M, under budget by \$563K due to a shift this fall to increase digital media
 - Agency expenses were \$1.1M, over budget by \$113K due to market personas research and photo shoot expenses
 - Production expenses were \$355K, over budget by \$87K due to an increase in spending to update marketing materials
 - Sales activities were \$177K, under budget by \$61K
 - MICE, Group, and International segments are collectively under budget by \$7K due to the timing of payments for sales activities due to client availability
 - The Sports segment is under budget by \$54K due to canceled tradeshow and sales events, but these savings will be used in the fourth quarter for cooperative marketing programs for several sports events
 - Total administrative expenses were \$714K, under budget by \$121K
 - Staffing costs were \$584K, \$103K under budget due to the timing of hiring for open staff positions
 - Other administrative expenses were \$130K, under budget by \$17K

Cash on Hand Slide

- The Tourism Council has \$6.2 million in the bank for operations
 - Cash on Hand for Operations on November 30 is over budget by \$2.1M, with accounts payable liabilities of \$1.3M, leaving free Cash on Hand for Operations at \$4.9M

- Chesapeake Bank has increased the interest rate of funds on-hand to 2% effective from January 2024, an increase of 1% over the rate in 2023
- Mayor Doug Pons recommended moving \$500K of the free cash on hand to a 7 month certificate of deposit with Chesapeake Bank at a current 5% interest rate
 - This recommendation is to be presented at the upcoming WTC Board Meeting for approval

Tax Slides

Reminder: The tax slides have the month the actual activity took place, not when the payment was received. This month is October – a one-month lag to the financial reports.

- Sales Tax (58.1-603.2)
 - October sales tax increased by \$38K or 3.2% year-over-year
 - \$1.22M in 2023 versus \$1.18M in 2022
 - The three-month moving average increased by 7.0% versus the same period in 2022
 - YTD sales tax receipts are up 7.5% versus the same period in 2022
- Transient Tax
 - October transient tax decreased by \$10K or -7.1% year-over-year
 - \$135K in 2023 versus \$145K in 2022
 - The three-month moving average decreased by 6.3% versus the same period in 2022
 - YTD tax receipts are up 2.4% versus the same period in 2022

IV. Next Finance Meeting

- The next Finance meeting will be on February 16, 2024

V. Adjournment

- Doug Pons adjourned the meeting