

WILLIAMSBURG TOURISM COUNCIL MEETING
Williamsburg, Virginia
March 7, 2024
Finance Meeting Minutes

A meeting convened at 11:00 a.m. on March 07, 2024, in the 2nd-floor loft at 421 N. 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
Lorine Ottarson, Accountant

I. Call to order

- Doug Pons called the meeting to order
- February 16, 2024, finance meeting minutes were acknowledged

II. January 2024 Activity

January Activity

- January 2024 revenues were \$1.4M – over budget by \$48K
 - Sales tax receipts (58.1-603.2) totaled \$1.2M, over budget by \$63K
 - Transient tax receipts totaled \$110K, under budget by \$22K
 - Maintenance of Effort funds totaled \$39K, in line with budget
 - Other revenue was \$10K, over budget by \$7K
- January 2024 expenses were \$1.3M – under budget by \$308K
 - Destination Marketing expenses were \$1.1M, under budget by \$262K
 - Paid media is under budget by \$251K due to the timing of broadcast media (Digital \$103K under budget and Television \$129K under budget), partially offset by higher spending on co-op marketing (\$58K over budget)
 - Social Influencer spending is \$37K under budget due to a strategy shift
 - Sales activities were \$34K, under budget by \$42K
 - Savings in the MICE (\$29K under budget) and International (\$15K under budget) were from the timing of membership costs and advertising expense savings were the key contributors to the savings and were partially offset by higher than budgeted spending in the Sports and Group segments
 - Total administrative expenses were \$176K, under budget by \$4K

- Staffing costs were \$111K, \$36K under budget on delays in hiring for open positions
- Other administrative expenses were \$65K, over budget by \$31K on expenses associated with the CEO search

Fiscal YTD Activity

- Fiscal 2024 revenues were \$10.1M – over budget by \$365K
 - Sales tax receipts (58.1-603.2) totaled \$8.9M, over budget by \$328K
 - Transient tax receipts totaled \$1.0M, under budget by \$13K
 - Maintenance of Effort funds totaled \$102K, in line with budget
 - Other revenue was \$73K, over budget by \$50K on interest received from the Virginia state treasurer

- Fiscal 2024 expenses were \$8.2M, under budget by \$1.1M
 - Destination Marketing expenses were \$6.8M, under budget by \$840K
 - Paid media expenses were \$4.6M, under budget by \$905K due to a shift this fall to increase digital media (\$321K over budget), influencers (\$69K over budget), and co-op marketing (\$159K over budget) with savings in broadcast media (\$1.4M under budget)
 - Agency expenses were \$1.5M, over budget by \$124K due to market personas research and photo shoot expenses
 - Production expenses were \$367K, over budget by \$72K due to an increase in spending to update marketing materials – additional expenses are anticipated in the coming months for color corrections from the photoshoot that could increase the variance to \$100K
 - The favorability in destination marketing expenses is from spending shifts to the spring marketing campaign period. These savings are forecast to be spent in the periods from February to June.
 - Sales activities were \$292K, under budget by \$127K
 - The MICE segment is \$45K under budget on the timing of special client events and advertising activities
 - The Group segment is \$49K under budget due to tradeshow timing and staffing constraints
 - The International segment is \$12K over budget on the increased cost of memberships
 - The Sports segment is under budget \$45K due to the timing of sales events
 - The Sales favorability is due more to the budgetary timing of sales events and staffing rather than expenses. Sales favorability is forecast to be fully expensed by June 30.
 - Total administrative expenses were \$1.1M, under budget by \$103K
 - Staffing costs were \$848K, \$120K under budget due to the timing of hiring on open staff positions
 - Other administrative expenses were \$225K, over budget by \$17K on the expenses associated with the CEO search

Cash on Hand Slide

- The Tourism Council has \$7.0 million in the bank for operations
 - Cash on Hand for Operations on January 31 is over budget by \$3.1M, with accounts payable liabilities of \$1.7M, leaving free Cash on Hand for Operations at \$5.4M

Tax Slides

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

- Sales Tax (58.1-603.2)
 - December sales tax decreased by \$64K or -4.2% year-over-year
 - \$1.46M in 2023 versus \$1.52M in 2022
 - The three-month moving average increased by \$45K or 1.2% versus the same period in 2022
 - YTD sales tax receipts are up \$656K or 4.6% versus the same period in 2022
- Transient Tax
 - December transient tax increased by \$13K or 13.2% year-over-year
 - \$111K in 2023 versus \$98K in 2022
 - The three-month moving average decreased by \$19K or -5.0% versus the same period in 2022
 - YTD tax receipts are up \$23K or 1.5% versus the same period in 2022

III. Certificate of Deposit Update

- Truist Bank is evaluating the steps required to consolidate the WTC accounts so the accounts can be closed. The funds on hand at Truist Bank will be transferred to Chesapeake Bank to be invested in a short-term CD to gain more on interest income.

IV. 2025 Budget – Revenue Projection

- Preliminary revenue for FY2025 is \$16.7M, a \$500K increase over FY2024. Sales tax is projected to increase by 3.2% over 2024, and transient tax to increase by 2% over 2024.

V. Next Finance Meeting

- The next Finance meeting will be on April 12, 2024

VI. Adjournment

- Doug Pons adjourned the meeting