WILLIAMSBURG TOURISM COUNCIL MEETING

Williamsburg, Virginia

March 12, 2025

Finance Meeting Minutes

A meeting convened at 11:30 a.m. on March 12, 2025, in the 2nd-floor loft conference area at 421 N. Boundary Street.

**Tourism Council Members Present:**

TREASURER Doug Pons, Mayor, City of Williamsburg

PRESIDENT Ruth Larson, Chair, James City County Board of Supervisors

**Staff Members Present:**

Ed Harris, CEO

David Turner, Finance Director

Lorine Ottarson, Accountant

1. **Call to order**

* Doug Pons called the meeting to order
* February 11, 2025, finance meeting minutes were acknowledged

1. **FY 2024 Audit Report**

Clifton Larson Allen (CLA) partner Sean Walker presented the results of the fiscal year 2024 audit. CLA presented an unqualified opinion of the fiscal year 2024 financial results and stated:

“In our opinion, the financial statements referred to ‘in the annual report’ present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of WTC, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

Sean Walker will present the audit findings and the annual report at the March 18, 2025, WTC Board Meeting.

1. **January 2025 Activity**

*January Activity*

* January 2025 revenues were $1.5M – over budget by $50K
  + Sales tax receipts (58.1-603.2) totaled $1.3M, over budget by $31K
  + Transient tax receipts totaled $131K, over budget by $19K
  + Maintenance of Effort funds totaled $39K, in line with budget
  + Other revenue was $13K, in line with budget
* January 2025 expenses were $740K – under budget by $723K
  + Destination Marketing expenses were $409K, under budget by $596K
    - Paid Media expenditures were $549K under budget due to changes in marketing tactics away from television and more in digital, plus the change in marketing firms has delayed some planned spending
  + Sales activities were $150K, under budget by $81K
    - Activity in event sponsorships is occurring, but the timing of commitment letters to the budgeted expense is resulting in Sales being $80K favorable to budget on Incentive Programs in January
  + Total administrative expenses were $181K, under budget by $46K
    - Staffing costs were $142K, under budget by $50K on the timing of hiring open positions
    - Other administrative expenses were $39K, over budget by $5K. Legal expenses were the key driver in the over-budget spending for January.

*Fiscal YTD Activity*

* Fiscal 2025 revenues were $10.4M – over budget by $18K
  + Sales tax receipts (58.1-603.2) totaled $9.1M, under budget by $49K
  + Transient tax receipts totaled $1.0M, over budget by $10K
  + Maintenance of Effort funds totaled $102K, in line with budget
  + Other revenue was $129K, over budget by $57K, primarily on interest income from the state
* Fiscal 2025 expenses were $7.2M – under budget by $1.0M
  + Destination Marketing expenses were $5.1M, under budget by $528K
    - Marketing spend is $528K under budget, primarily in the timing of onboarding a new advertising firm and changes in marketing tactics, resulting in paid media being under budget by $336K and new creative production costs under budget by $112K
  + Sales activities were $790K, under budget by $222K
    - Payouts and commitments for sports and conference sponsorships total $301K, $209K under budget, and account for most of the favorable variance to budget
  + Total administrative expenses were $1.3M, under budget by $278K
    - Staffing costs were $1.1M, under budget by $41K
    - Other administrative expenses were $195K, under budget by $237K due to delays in office renovations (favorable $175K), office equipment purchases (favorable $27K), travel (favorable $15K), and training (favorable $13K)

*Cash on Hand Slide*

* + The Tourism Council has $7.2 million in the bank for operations
    - Cash on Hand for Operations on January 31 is over budget by $606K, with accounts payable liabilities of $828K, leaving free Cash on Hand for Operations at $6.3M

*Tax Slides*

**Reminder:** The tax slides show 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 increased by $75K or 5.1% year-over-year
    - $1.53M in 2024 versus $1.46M in 2023
  + The three-month moving average increased by $211K or 5.4% versus the same period in 2023
  + YTD sales tax receipts are up $475K or 3.2% versus the same period in 2023
* Transient Tax
  + December transient tax increased by $3K or 2.9% year-over-year
    - $115K in 2024 versus $111K in 2023
  + The three-month moving average increased by $31K or 8.8% versus the same period in 2023
  + YTD tax receipts are up $105K or 6.7% versus the same period in 2023

1. **Next Finance Meeting**

* The next Finance meeting will be on April 8, 2025

1. **Adjournment**

* Doug Pons adjourned the meeting