WILLIAMSBURG TOURISM COUNCIL MEETING

Williamsburg, Virginia

April 8, 2025

Finance Meeting Minutes

A meeting convened at 2:30 p.m. on April 8, 2025, in the 1st-floor conference room 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
* March 12, 2025, finance meeting minutes were acknowledged

1. **February 2025 Activity**

*February Activity*

* February 2025 revenues were $1.7M – over budget by $56K
  + Sales tax receipts (58.1-603.2) totaled $1.5M, over budget by $30K
  + Transient tax receipts totaled $115K, in line with the budget
  + Maintenance of Effort funds totaled $0K, in line with the budget
  + Other revenue was $35K, over budget by $25K on interest received from the state
* February 2025 expenses were $1.0M – under budget by $128K
  + Destination Marketing expenses were $672K, under budget by $56K
    - Paid Media expenditures were under budget due to changes in marketing tactics away from television and more to digital, plus the change in marketing firms has delayed some planned spending.
  + Sales activities were $171K, under budget by $25K
    - Cooperative marketing activity was favorable to the budget by $26K on the timing of requests.
  + Total administrative expenses were $180K, under budget by $47K
    - Staffing costs were $147K, which was under budget by $22K based on the timing of hiring open positions.
    - Other administrative expenses were $32K, under budget by $25K. Corporate membership expenses were under budget by $27K.

*Fiscal YTD Activity*

* Fiscal 2025 revenues were $12.1M – over budget by $73K
  + Sales tax receipts (58.1-603.2) totaled $10.7M, under budget by $19K
  + Transient tax receipts totaled $1.2M, over budget by $11K
  + Maintenance of Effort funds totaled $102K, in line with the budget
  + Other revenue was $164K, over budget by $82K, primarily on interest income from the state
* Fiscal 2025 expenses were $8.2M – under budget by $1.2M
  + Destination Marketing expenses were $5.8M, under budget by $586K
    - Marketing spend is $586K 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 $413K and new creative production costs under budget by $136K
  + Sales activities were $963K, under budget by $245K
    - Payouts and commitments for sports and conference sponsorships total $438K, $197K under budget, and account for most of the favorable variance to budget
  + Total administrative expenses were $1.5M, under budget by $323K
    - Staffing costs were $1.2M, under budget by $63K on the timing of hiring open budgeted positions
    - Other administrative expenses were $229K, under budget by $260K due to delays in office renovations (favorable $170K), office equipment purchases (favorable $27K), memberships (favorable $24K), travel (favorable $9K), and training (favorable $14K) partially offset by higher legal expenses (unfavorable $22K)

*Cash on Hand Slide*

* + The Tourism Council has $7.8 million in the bank for operations
    - Cash on Hand for Operations on February 28 is over budget by $1.2M, with accounts payable liabilities of $686K, leaving free Cash on Hand for Operations at $7.1M

*Tax Slides*

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

* Sales Tax (58.1-603.2)
  + January sales tax increased by $31K or 3.3% year-over-year
    - $978K in 2025 versus $946K in 2024
  + The three-month moving average increased by $175K or 4.8% versus the same period in 2023/2024
  + YTD sales tax receipts are up $31K or 3.3% versus the same period in 2024
* Transient Tax
  + January transient tax decreased by $15K or -12.9% year-over-year
    - $102K in 2025 versus $117K in 2024
  + The three-month moving average increased by $9K or 2.7% versus the same period in 2023/2024
  + YTD tax receipts are down $15K or -12.9% versus the same period in 2024

1. **Fiscal Year 2026 budget revenue projection**

In anticipation of the 2026 fiscal year budget being presented at the May 13, 2025, finance meeting and submitted for approval at the May 20, 2025, board of directors meeting, the fiscal year revenue projection was prepared and submitted for discussion.

* Sales tax revenues are expected to increase by 2.8%, driven by modest economic growth and inflation. The 2026 budgeted sales tax receipts are $15.74M
* Transient Tax receipts are expected to increase by 2%, driven by an expectation that occupancy will increase by 2% in fiscal year 2026. The 2026 budgeted transient tax receipts are $1.64M
* Locality or maintenance of effort funds will be in line with statute and continue at $127K for fiscal year 2026.
* Other income, mostly interest earned on deposits, is budgeted at $129K for fiscal year 2026.

A proposal was included to use $1M from the reserve balances for advertising and promotion in fiscal year 2026 to increase marketing efforts for the 250th anniversary of the Declaration of Independence. Doug Pons asked if it might be possible to hold back some spending in 2025 to increase the spending from reserves to $1.5M or $2.0M. Final discussions will be a part of the 2026 budget submission at the May finance meeting.

Total budgeted revenue projections are $18.6M, including the $1M from reserves. This is an 8.1% increase over FY2025 revenue projections of $17.2M.

1. **Next Finance Meeting**

* The next Finance meeting will be on May 13, 2025

1. **Adjournment**

* Doug Pons adjourned the meeting