



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

May 2, 2019

M E M O R A N D U M

TO: Dannielle M. Glaros, Chair
 Planning, Housing and Economic Development (PHED) Committee

THRU: David H. Van Dyke, County Auditor *DHV*

FROM: Martina Alston, Staff Auditor *MA*

RE: Prince George's Conference and Visitor's Bureau, Inc. -
 Fiscal Year 2020 Budget Review (Non-Departmental Grants & Transfer Payments)

Budget Overview

The Conference and Visitor's Bureau (CVB) is funded through an annual County grant in the Non-Departmental section of the budget. The Bureau's proposed FY 2020 budget reflects County grant funding in the amount of \$820,200 which is unchanged from the FY 2019 County approved funding level.

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020:

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	Change Amount	Percentage Change
Prince George's County Grant	\$ 822,805	\$ 820,200	\$ 966,500	\$ 820,200	\$ -	0.0%

Budget Comparison - Consolidated Budget

FY 2020 proposed revenues for the Conference and Visitor's Bureau total \$1,845,700, an increase of \$130,500 or 7.6% over the FY 2019 approved budget. The increase in funding is primarily attributed to a one-time usage of prior year funds and an anticipated increase in State of Maryland grant funds. The formula used to determine the amount of State of Maryland grant funding allocated to each county is based on what a county spends on eligible marketing expenditures as compared to the other jurisdictions in the State.

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	Change Amount	Percentage Change
REVENUES:						
County Grant	\$ 822,805	\$ 820,200	\$ 966,500	\$ 820,200	\$ -	0.0%
Hotel Tax Proceeds (CB-77-2016)	\$ 507,295	\$ 565,000	\$ 509,500	\$ 521,200	\$ (43,800)	-7.8%
Cooperative Marketing & Promotions	-	40,000	10,000	10,000	(30,000)	-75.0%
State of MD Grant Funds	165,003	250,000	350,000	275,000	25,000	10.0%
Dues/Sponsorships/Fundraising	43,613	40,000	45,000	50,000	10,000	25.0%
Other Income	-	-	-	169,300	169,300	
Total Revenues	\$ 1,538,716	\$ 1,715,200	\$ 1,881,000	\$ 1,845,700	\$ 130,500	7.6%
EXPENDITURES:						
Compensation	\$ 375,861	\$ 514,000	\$ 463,200	\$ 552,400	\$ 38,400	7.5%
Fringe Benefits	122,620	169,600	152,900	182,300	12,700	7.5%
Sub-Total	\$ 498,481	\$ 683,600	\$ 616,100	\$ 734,700	\$ 51,100	7.5%
Operating:						
Travel	\$ 19,947	\$ 35,000	\$ 35,000	\$ 35,000	\$ -	0.0%
Operations (Supplies, Equipment, MIS)	63,276	60,000	75,000	75,000	15,000	25.0%
Consultants/Contracts/Insurance	19,854	55,000	55,000	55,000	-	0.0%
Meeting Expense	12,097	15,000	17,500	17,500	2,500	16.7%
Sub-Total	\$ 115,174	\$ 165,000	\$ 182,500	\$ 182,500	\$ 17,500	10.6%
Marketing:						
Advertising	\$ 682,854	\$ 746,600	\$ 798,000	\$ 800,000	\$ 53,400	7.2%
Research	9,520	20,000	20,000	23,500	3,500	17.5%
Publications	39,498	35,000	35,000	35,000	-	0.0%
Trade Shows	10,765	35,000	35,000	45,000	10,000	28.6%
Event Promotion	18,344	30,000	15,000	25,000	(5,000)	-16.7%
Sub-Total	\$ 760,981	\$ 866,600	\$ 903,000	\$ 928,500	\$ 61,900	7.1%
Total Operating & Marketing	\$ 876,155	\$ 1,031,600	\$ 1,085,500	\$ 1,111,000	\$ 79,400	7.7%
Total Expenditures:	\$ 1,374,636	\$ 1,715,200	\$ 1,701,600	\$ 1,845,700	\$ 130,500	7.6%
Excess Revenues over Expenditures:	\$164,080	\$0	\$179,400	\$0	\$0	

Funded Positions

	FY 2019 Staffing Level	FY 2020 Staffing Level	Change Amount	Percentage Change
Full-Time	5	5	0	0.0%
Part-Time	1	1	0	0.0%
Total	6	6	0	0.0%

Staffing Changes and Compensation

- In FY 2020, compensation is proposed at \$552,400. This is an increase of \$38,400 or 7.5% over the FY 2019 approved level. FY 2020 proposed compensation includes a 1.5% mid-year cost-of-living adjustment and up to a 3.5% merit increase for CVB employees.
- The FY 2020 proposed budget includes funding for five (5) full-time employees and one (1) part-time employee. The staffing level remains unchanged from the FY 2019 approved level.
- In FY 2019, eligible CVB employees received a 2.0% cost-of-living adjustment and a 3.5% merit increase.
- The Bureau currently has three (3) vacancies consisting of one (1) full-time Destination Sales Manager position, one (1) full-time Marketing and Communications Manager position, and one (1) part-time Visitor Services Coordinator position.

Fringe Benefits

- Fringe benefit expenditures are proposed at \$182,300 in FY 2020. This is an increase of \$12,700 or 7.5% over the FY 2019 approved level.

Operating and Marketing Expenses

- FY 2020 total operating and marketing expenses are proposed to increase by \$79,400 or 7.7% over the FY 2019 approved level. This increase is attributed to increases in the following categories:
 - Advertising – increased costs associated with the County’s branding campaign, which will be coordinated with the Economic Development Corporation (EDC); and
 - Operating – supplies, equipment, MIS, and meeting expenses are increased to meet anticipated needs.

Highlights

- CVB's marketing budget increased substantially as a result of CB-77-2016 (effective 7/1/2017), which allocated at least five (5%) percent of the County's revenue from the imposition of the hotel and motel tax for an appropriation to the Conference and Visitors Bureau. The Bureau used the additional funding provided by CB-77-2016 to relaunch the Experience, Expand, Explore! marketing campaign to drive visitation and economic investment in the County through a mix of digital, social, print, electronic, and out-of-home media. The campaign resulted in 98 million impressions and nearly 99,217 click-throughs to the website.
- County hotel performance has leveled off and shown a slight decline, reflecting national trends. Some key statistics include:
 - In FY 2018, hotel occupancy decreased to 69.2% (down from 70.3% in FY 2017);
 - In FY 2018, the hotel average daily rate has slightly decreased to \$136.24 (down from \$136.65 in FY 2017), and;
 - Revenue per available room (RevPar), a key industry benchmark, fell to \$94.29 in FY 2018 (down from \$96.03 in FY 2017).
- The Bureau's main website www.visitprincegeorges.com, which incorporates the County Brand's design, includes an aggregator feature to collect social media feeds from County events and attractions. It also serves as a destination for planning trips for individuals and groups. Unique visitor counts on the website decreased from 653,365 in FY 2017 to 440,453 in FY 2018 due in part to an analytics/data collection link going offline. The mobile application "Explore Prince George's", which launched in FY 2015, continues to be well reviewed by residents.
- The Bureau produces the exclusive Visitor's Guide to Prince George's County, which is a complete source for visitors, new residents, relocating employees and businesses. The guide includes CVB member listings, comprehensive information, and maps for Prince George's County. The guide has a print distribution of 50,000 and was also produced digitally to be viewed on the Bureau's website.
- The Bureau's Tourism News and Notes e-newsletter was honored by Constant Contact with the "All Star" award for 2017 and 2018. Constant Contact is an online marketing company that annually presents the "All Star" award based on marketing success which includes high average open and click through rates and a low bounce rate.
- The Bureau was able to attract and retain several events as a result of successful marketing partnerships with the Maryland-National Capital Park and Planning Commission. These events include the 2019 AAU National Indoor Track & Field Championships and the 2018 and 2019 Marine Corps Marathons.