Experience Prince George's - Fiscal Year 2021 Budget Review Summary

Fund	_	Y 2020 oproved		FY2 Estim			FY 20 Propo			20/202 CEX justme		FY 20 Revis Propo	ed		\$ Change		% Change
County Grant	\$	1,341,400	\$	1,34	41,400	\$	1,52	4,400		(183,0		\$ 1,341		\$		-	0.0%
Other Sources		504,300			29,000			1,000			-						
Fotal	\$	1,845,700	\$	1,67	70,400	\$	1,86	5,400	\$	(183,0	000)	\$ 1,682	,400	\$	(163,30	0)	-8.8%
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THE PRINCE GEORGE'S COUNTY GOVERNMENT Office of Audits and Investigations

May 4, 2020

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TO: Todd M. Turner, Chair Committee of the Whole (COW)
THRU: David H. Van Dyke, County Auditor
FROM: Josh Hamlin, Senior Legislative Budget and Policy Analys
RE: Experience Prince George's, Inc. -Fiscal Year 2021 Budget Review (Non-Departmental Grants & Transfer Payments)

Budget Overview

Experience Prince George's (ExPGC), formerly Prince George's Conference and Visitors Bureau, is funded through an annual County grant in the Non-Departmental section of the budget. ExPGC's proposed FY 2021 budget reflects County grant funding in the amount of \$1,524,400, which is an increase of \$183,000 (13.6%) over the FY 2020 County approved funding level.

Approved Fiscal Year 2020 to Proposed Fiscal Year 2021:

Category	FY 2019	FY 2020	FY 2020	FY 2021	Change	Percentage
	Actual	Approved	Estimated	Proposed	Amount	Change
Prince George's County Grant	\$ 1,385,200	\$1,341,400	\$1,341,400	\$ 1,524,400	\$ 183,000	13.6%

Budget Comparison - Consolidated Budget

FY 2021 proposed revenues for the ExPGC total \$1,865,400, an increase of \$19,700 or 1.1% over the FY 2020 approved budget. The organization's grant from the County, which includes \$531,600 in hotel tax proceeds under CB-77-2016, totals \$1,524,400, an increase of \$183,000 or 13.6% over the FY 2020 County grant. CB-77-2016 amended Section 10-219 of the County Code to require that at least five percent (5%) of the Hotel and Motel tax levied under the section be reserved for appropriation to the Prince George's Conference and Visitors Bureau (now ExPGC). In FY 2021, ExPGC's share of Hotel and Motel tax revenue is expected to increase by \$0.2 million over FY 2020, to \$10,632,000.

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Approved Fiscal Year 2020 to Proposed Fiscal Year 2021

Approved Fiscal Year 2020 to Prop	_	FY 2019	_	FY 2020		FY 2020		FY 2021	Change	Percentage
Category		Actual	ł	Approved	ł	Estimated]	Proposed	Amount	Change
REVENUES:										
County Grant	\$	897,000	\$	820,200	\$	820,200	\$	992,800	\$ 172,600	21.0%
Hotel Tax Proceeds (CB-77-2016)		488,200		521,200		521,200		531,600	10,400	2.0%
Cooperative Marketing & Promotions		2,500		10,000		10,000		20,000	10,000	100.0%
State of MD Grant Funds		274,100		275,000		299,000		299,000	24,000	8.7%
Dues/Sponsorships/Fundraising		16,625		50,000		20,000		22,000	(28,000)	-56.0%
Other Income		77,153		169,300		-		-	(169,300)	
Total Revenues	\$	1,755,578	\$	1,845,700	\$	1,670,400	\$	1,865,400	\$ 19,700	1.1%
EXPENDITURES:										
Compensation	\$	619,108	\$	552,400	\$	677,846	\$	775,000	\$ 222,600	40.3%
Fringe Benefits		137,343		182,300		149,985		171,200	(11,100)	-6.1%
Sub-Total	\$	756,451	\$	734,700	\$	827,831	\$	946,200	\$ 211,500	28.8%
Operating:										
Travel	\$	22,042	\$	35,000	\$	35,000	\$	35,000	\$ -	0.0%
Operations (Supplies, Equipment,										
MIS)		77,755		75,000		75,000		75,000	0	0.0%
OIT Charges				0		11,612		45,800	45,800	100.0%
Consultants/Contracts/Insurance		31,179		55,000		33,000		25,500	(29,500)	-53.6%
Meeting Expense		13,758		17,500		22,000		22,000	4,500	25.7%
Sub-Total	\$	144,734	\$	182,500	\$	176,612	\$	203,300	\$ 20,800	11.4%
Marketing:										
Advertising	\$	735,590	\$	800,000	\$	452,957	\$	532,900	\$ (267,100)	-33.4%
Research		5,170		23,500		45,000		45,000	21,500	91.5%
Publications		97,680		35,000		98,000		78,000	43,000	122.9%
Trade Shows		5,295		45,000		45,000		35,000	(10,000)	-22.2%
Events/Promotions		10,658		25,000		25,000		25,000	-	0.0%
Sub-Total	\$	854,393	\$	928,500	\$	665,957	\$	715,900	\$ (212,600)	-22.9%
Total Operating & Marketing	\$	999,127	\$	1,111,000	\$	842,569	\$	919,200	\$ (191,800)	-17.3%
Total Expenditures:	\$	1,755,578	\$	1,845,700	\$	1,670,400	\$	1,865,400	\$ 19,700	1.1%
Excess Revenues over Expenditures:		\$0		\$0		\$0		\$0	\$0	

Funded Positions

	FY 2020 Staffing Level	FY 2021 Staffing Level	Change Amount	Percentage Change
Full-Time	6	7	1	16.7%
Part-Time	1	1	0	0.0%
Total	7	8	1	14.3%

Staffing Changes and Compensation

- In FY 2021, compensation is proposed at \$775,000. This is an increase of \$222,600 or 40.3% over the FY 2020 approved level. FY 2021 proposed compensation includes a 1.5% mid-year cost-of-living adjustment and up to a 3.5% merit increase for ExPGC employees.
- The FY 2021 proposed budget includes funding for seven (7) full-time employees and one (1) part-time employee, an increase of one (1) full-time employee over FY 2020. The additional employee funded in the FY 2021 proposed budget is a Digital Marketing Specialist to develop and implement marketing campaigns and increase the organization and County presence across digital platforms.

Fringe Benefits

• Fringe benefit expenditures are proposed at \$171,200 in FY 2021. This is a decrease of \$11,100 or 6.1% from the FY 2020 approved level.

Operating and Marketing Expenses

- FY 2021 total operating and marketing expenses are proposed to decrease by \$191,800 or 17.3% below the FY 2020 approved level. This decrease is attributed to decreases in the following categories:
 - Consultants/Contracts/Insurance/Recruiting which decreases by \$29,500 or 53.6% (digital marketing contracts);
 - Advertising which decreases by \$267,100 or 33.4% due to increased use of digital marketing; and
 - Trade Shows which decreases by \$10,000 or 22.2% due to increased use of digital marketing.

<u>Highlights</u>

• In FY 2020, ExPGC extended its "Experience Prince George's" marketing campaign with new digital advertising in key feeder markets from New York to North Carolina and new advertising in train stations and airports on the East Coast; launched a new, more dynamic and responsive website; and identified additional non-County funding sources for the organization and its membership.

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- ExPGC's FY 2021 priorities include:
 - increasing the County hotel occupancy rates through increased advertising placement, sports and electronic marketing, social media use and direct sales efforts to key market segments;
 - continuing to implement strategies and recommendations from the branding study;
 - ➢ increasing conventions, meetings, and tour bookings in the County; and
 - increasing visibility of and attendance to County events with regional residents and travelers.
- ExPGC is dependent on County hotel tax revenues for a significant portion of its revenue. County hotel occupancy rate, revenue per available room (RevPAR) and average daily rate (ADR) are in line with national trends. Pre-COVID-19 research forecasts that revenue growth will continue to diminish but will remain strong through CY 2021.
 - > Occupancy rates are expected to dip slightly, but remain above 68% through CY 2021.
 - RevPAR is expected to increase at less than one (1) percent.
 - > ADR growth is expected to be less than 1.5% for CY 2021.
- Performance measures:
 - > Total visitor count is expected to continue the recent trend of fairly modest increases.
 - > Unique visits to the ExPGC website are expected to remain stable.
 - > Tourism direct employment is expected to increase in line with the recent trend.
 - County admission and amusement tax collection is expected to decline slightly from FY 2020.
- ExPGC produces the exclusive Visitors Guide to Prince George's County, which is a complete source for visitors, new residents, relocating employees and businesses. The guide includes comprehensive information on events, attractions, accommodations, and maps for Prince George's County. The guide is available by request on the ExPGC website and is also available in a digital format.
- ExPGC was able to attract and retain several events in the County; events scheduled for FY 2021 include:
 - > Delta Sigma Theta Eastern Regional Conference (August 2020);
 - > National Baptist Association Conference (September 2020); and
 - National Funeral Directors and Morticians Association Annual National Convention (Fall 2020).