



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 11, 2018

M E M O R A N D U M

TO: Andrea C. Harrison, Chair
Planning, Zoning and Economic Development (PZED)

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

FROM: Kendal Gray, Staff Auditor

RE: Prince George's Conference and Visitor's Bureau, Inc. -
Fiscal Year 2019 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 2019 budget reflects County grant funding in the amount of \$820,200, an increase of \$77,000, or 10.4%, over the FY 2018 County approved funding level of \$743,200.

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019:

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	FY 2019 Proposed	Change Amount	Percentage Change
Prince George's County Grant	\$ 743,200	\$ 743,200	\$ 743,200	\$ 820,200	\$ 77,000	10.4%

Budget Comparison - Consolidated Budget

FY 2019 proposed revenues for the Conference and Visitor's Bureau total \$1,715,200, an increase of \$200,100, or 13.2%, over the FY 2018 approved budget. The increase in funding is primarily attributed to an increase in County support and State of Maryland Grant Funds. The formula used to determine the amount of State of Maryland Grant funding allocated to each Maryland County is based on what a County spends on eligible marketing expenditures as compared to the other jurisdictions in the State. 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 allocated funding from CB-77-2016 can be used to promote travel and economic investment in the County.

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	FY 2019 Proposed	Change Amount	Percentage Change
REVENUES:						
County Grant	\$ 743,200	\$ 743,200	\$ 743,200	\$ 820,200	\$ 77,000	10.4%
Hotel Tax Proceeds (CB-77-2016)	\$ -	\$ 586,900	\$ 586,900	\$ 565,000	\$ (21,900)	-3.7%
Cooperative Marketing & Promotions	35,700	60,000	35,000	40,000	(20,000)	-33.3%
State of MD Grant Funds	83,879	85,000	165,000	250,000	165,000	194.1%
Membership Dues/Sponsorships/ Fundraising	40,164	40,000	40,000	40,000	0	0.0%
Total Revenues	\$ 902,943	\$ 1,515,100	\$ 1,570,100	\$ 1,715,200	\$ 200,100	13.2%
EXPENDITURES:						
Compensation	\$ 365,716	\$ 444,400	\$ 405,000	\$ 514,000	\$ 69,600	15.7%
Fringe Benefits	114,811	146,700	130,000	169,600	22,900	15.6%
Sub-Total	\$ 480,527	\$ 591,100	\$ 535,000	\$ 683,600	\$ 92,500	15.6%
Operating:						
Travel	\$ 18,620	\$ 25,000	\$ 25,000	\$ 35,000	\$ 10,000	40.0%
Operational (Supplies, Equipment, MIS)	53,055	60,000	60,000	60,000	0	0.0%
Consultants/Contracts/Insurance	31,137	50,000	55,000	55,000	5,000	10.0%
Meeting Expense	10,691	11,800	12,000	15,000	3,200	27.1%
Sub-Total	\$ 113,503	\$ 146,800	\$ 152,000	\$ 165,000	\$ 18,200	12.4%
Marketing:						
Advertising	\$ 232,602	\$ 662,200	\$ 773,100	\$ 746,600	\$ 84,400	12.7%
Research	16,486	20,000	20,000	20,000	\$0	0.0%
Publications	20,723	35,000	45,000	35,000	\$0	0.0%
Trade Shows	7,800	30,000	20,000	35,000	\$5,000	16.7%
Event Promotion	17,600	30,000	25,000	30,000	\$0	0.0%
Sub-Total	\$ 295,211	\$ 777,200	\$ 883,100	\$ 866,600	\$ 89,400	11.5%
Total Operating & Marketing	\$ 408,714	\$ 924,000	\$ 1,035,100	\$ 1,031,600	\$ 107,600	11.6%
Total Expenditures:	\$ 889,241	\$ 1,515,100	\$ 1,570,100	\$ 1,715,200	\$ 200,100	13.2%
Excess Revenues over Expenditures:	\$13,702	\$0	\$0	\$0	\$0	

Funded Positions

	FY 2018 Staffing Level	FY 2019 Staffing Level	Change Amount	Percentage Change
Full-Time	4	5	1	25.0%
Part-Time	1	1	0	0.0%
Total	5	6	1	20.0%

Staffing Changes and Compensation

- In FY 2019, compensation is proposed at \$514,000, which is an increase of \$69,600, or 15.7%, over the FY 2018 approved level. FY 2019 proposed compensation includes a 2.0% mid-year cost-of-living increase, and up to a 3.5% merit for all employees.
- The FY 2019 proposed budget includes funding for five (5) full-time employees and one (1) part-time employee. This is an increase of one (1) full-time employee from the FY 2018 approved staffing levels. The new position is a Communications/Marketing Manager.
- In FY 2018, CVB employees received 1.0% cost-of-living, and a 3.5% merit increase.
- The Bureau currently has one (1) vacant full-time Marketing Manager position, and one (1) vacant part-time Special Events/Project Manager position.

Fringe Benefits

- Fringe benefits expenditures are proposed at \$169,600 in FY 2019, \$22,900, or 15.6% over the FY 2018 Approved Budget.

Operating Expenses

- FY 2019 total operating expenses are proposed to increase \$107,600, or 11.6%, over the FY 2018 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
 - Travel, Trade Shows, and Consultant/Contracts/Insurance – increased to meet anticipated needs.

Highlights

- Prince George’s County hotel industry performance has leveled off and shown a slight decline from CY 2016 historic highs. Some key statistics include:
 - In CY 2017, hotel occupancy decreased to 67.6% (down from 69.3% in CY 2016);
 - The hotel average daily rate has increased to \$132.55 (up from \$128.77 in 2016), and;
 - Revenue per available room (RevPar), a key industry benchmark, rose to \$89.63 (the 2016 figure was \$89.23);
- 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. The Bureau won the “Best Use of Social Media” award at the 2017 Maryland Travel

and Tourism Summit. It also serves as a destination for planning tips for individuals and groups. Unique visitor counts on the website increased from 369,271 in FY 2014 to 653,365 in FY 2017. The mobile application “Explore Prince George’s”, which launched in FY 2015 continues to be well received by residents.

- The Bureau produced 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 and comprehensive information and maps about 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 has been selected again as a 2017 Readers Choice Award Winner in Sports Events magazine. This designation was based on votes from sports events planners, tournament directors and event owners.
- 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 2018 USA Masters National Indoor Track & Field Championships and the 2017 and 2018 Marine Corps. Marathons.