

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

Proposed FY 2021 Operating Budget

Revenue							
Fund	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	\$ Change	% Change
County Grant	\$ 1,341,400	\$ 1,341,400	\$ 1,524,400	\$ (183,000)	\$ 1,341,400	\$ -	0.0%
Other Sources	504,300	329,000	341,000	-			
Total	\$ 1,845,700	\$ 1,670,400	\$ 1,865,400	\$ (183,000)	\$ 1,682,400	\$ (163,300)	-8.8%

FY 2021 Proposed Budget – Key Highlights

- 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.
- FY 2021 total operating and marketing expenses are proposed to decrease by \$191,800 or 17.3% below the FY 2020 approved level.
- ExPGC is dependent on County hotel tax revenues for a significant portion of its revenue. Section 10-219 of the County Code requires 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).
- 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.

County Executive's Recommended Adjustments

- Reduce County Grant (\$183,000).

Category	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	FY 2021 Revised Proposed
Compensation	\$ 552,400	\$ 677,846	\$ 775,000	\$ 775,000
Fringe Benefits	182,300	149,985	171,200	171,200
Operating Expenses	1,111,000	842,569	919,200	919,200
Reduction per CEX adjustment	-	-	-	(183,000)
Total	\$ 1,845,700	\$ 1,670,400	\$ 1,865,400	\$ 1,682,400

Proposed FY 2021 -FY 2026 Capital Improvement Program

N/A



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

May 4, 2020

MEMORANDUM

TO: Todd M. Turner, Chair
 Committee of the Whole (COW)

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

FROM: Josh Hamlin, Senior Legislative Budget and Policy Analyst *JH*

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 Actual	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	Change Amount	Percentage 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.

Approved Fiscal Year 2020 to Proposed Fiscal Year 2021

Category	FY 2019 Actual	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	Change Amount	Percentage 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.

Highlights

- 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.

- 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).