



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

May 17, 2017

MEMORANDUM

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

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

FROM: Amy Lee, Staff Auditor *AL*

RE: Prince George's Conference and Visitor's Bureau, Inc. -
 Fiscal Year 2018 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 2018 budget reflects County grant funding in the amount of \$1,330,100, an increase of \$586,900, or 79.0%, over the FY 2017 County approved funding level of \$743,200.

Approved Fiscal Year 2017 to Proposed Fiscal Year 2018:

Category	FY 2016 Actual	FY 2017 Approved	FY 2017 Estimated	FY 2018 Proposed	Change Amount	Percentage Change
Prince George's County Grant	\$ 728,900	\$ 743,200	\$ 743,200	\$ 1,330,100	\$ 586,900	79.0%

Budget Comparison - Consolidated Budget

FY 2018 proposed revenues for the Conference and Visitor's Bureau total \$1,515,100, an increase of \$611,900, or 67.7%, over the FY 2017 approved budget. The increase in funding is primarily attributed to an increase in County support and State of Maryland Grant Funds. The proposed increase in County support is due to the enactment of CB-77-2016 (effective 7/1/2017), which will allocate 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 can be used to promote travel and economic investment in the County.

In FY 2017, the Maryland Office of Tourism altered its formula for the distribution of Destination Marketing grant funding amongst Maryland counties. The formula will still primarily be based on what a County spends on eligible marketing expenditures as compared to the other jurisdictions in the State. CVB expects to receive the benefit from the formula change in FY 2019, with their anticipated increase in eligible marketing expenditures in FY 2018.

Approved Fiscal Year 2017 to Proposed Fiscal Year 2018

Category	FY 2016 Actual	FY 2017 Approved	FY 2017 Estimated	FY 2018 Proposed	Change Amount	Percentage Change
REVENUES:						
County Grant	\$ 728,900	\$ 743,200	\$ 743,200	\$ 1,330,100	\$ 586,900	79.0%
Cooperative Marketing & Promotions	30,950	75,000	45,000	60,000	(15,000)	-20.0%
State of MD Grant Funds	171,990	50,000	83,879	85,000	35,000	70.0%
Membership Dues/Sponsorships/ Fundraising	54,160	35,000	35,000	40,000	5,000	14.3%
Total Revenues	\$ 986,000	\$ 903,200	\$ 907,079	\$ 1,515,100	\$ 611,900	67.7%
EXPENDITURES:						
Compensation	\$ 373,720	\$ 395,700	\$ 366,000	\$ 444,400	\$ 48,700	12.3%
Fringe Benefits	130,036	161,400	120,300	146,700	(14,700)	-9.1%
Sub-Total	\$ 503,756	\$ 557,100	\$ 486,300	\$ 591,100	\$ 34,000	6.1%
Operating:						
Travel	\$ 26,080	\$ 22,000	\$ 25,000	\$ 25,000	\$ 3,000	13.6%
Operational (Supplies, Equipment, MIS)	59,598	55,000	60,000	60,000	5,000	9.1%
Consultants/Contracts/Insurance	35,178	30,000	40,000	50,000	20,000	66.7%
Meeting Expense	11,802	10,000	11,000	11,800	1,800	18.0%
Sub-Total	\$ 132,658	\$ 117,000	\$ 136,000	\$ 146,800	\$ 29,800	25.5%
Marketing:						
Advertising	\$ 169,680	\$ 85,300	\$ 250,000	\$ 662,200	\$ 576,900	676.3%
Research	4,236	7,500	10,500	20,000	\$12,500	166.7%
Publications	15,095	35,000	45,000	35,000	\$0	0.0%
Trade Shows	13,880	15,000	18,000	30,000	\$15,000	100.0%
Event Promotion	9,772	86,300	10,000	30,000	(\$56,300)	-65.2%
Sub-Total	\$ 212,663	\$ 229,100	\$ 333,500	\$ 777,200	\$ 548,100	239.2%
Total Operating & Marketing	\$ 345,321	\$ 346,100	\$ 469,500	\$ 924,000	\$ 577,900	167.0%
Total Expenditures:	\$ 849,077	\$ 903,200	\$ 955,800	\$ 1,515,100	\$ 611,900	67.7%
Excess Revenues over Expenditures:	\$136,923	\$0	(\$48,721)	\$0	\$0	

Funded Positions

	FY 2017 Staffing Level	FY 2018 Staffing Level	Change Amount	Percentage Change
Full-Time	4	4	0	0.0%
Part-Time	1	1	0	0.0%
Total	5	5	0	0.0%

Staffing Changes and Compensation

- In FY 2018, compensation is proposed at \$444,400. The compensation level increases \$48,700, or 12.3%, over the FY 2017 approved level. FY 2018 proposed compensation includes merit (3.5%), and cost-of-living (1%) adjustments for all employees.
- The FY 2018 proposed budget includes funding for four (4) full-time employees and one (1) part-time employee. There is no change from the FY 2017 approved staffing levels.
- In FY 2017, CVB employees received a 3.5% cost-of-living increase.
- The Bureau currently has one (1) vacant full-time Marketing Manager position.

Fringe Benefits

- Fringe benefits expenditures are proposed at \$146,700 in FY 2018, \$14,700, or 9.1% under the FY 2017 Approved Budget.

Operating Expenses

- FY 2018 total operating expenses are proposed to increase \$611,900, or 67.7%, over the FY 2017 approved level. This increase is attributed to increases in the following categories:
 - Consultants/Contracts/Insurance – increased level of business activity, insurance costs, and consulting costs for the development of a strategic plan;
 - Advertising – increased costs associated with the County’s branding campaign, which will be coordinated with the Economic Development Corporation (EDC);
 - Research – additional research costs related to brand development among target audiences;
 - Trade Shows – increased participation in trade shows.
- Operating expenses are offset by a decrease in Event Promotion due to the discontinuance of the Six Flags event in FY 2018.

Highlights

- Prince George’s County hotel industry performance continues to show improvement over the previous years. Some key statistics include:
 - In CY 2016, hotel occupancy increased to 69.3% (up from 67.2% in CY 2015);
 - The hotel average daily rate has increased to \$128.74 (up from \$124.14 in 2015), and;
 - Revenue per available room (RevPar), a key industry benchmark, rose to \$89.25 (the 2015 figure was \$83.38);
 - All of these figures are historic highs.

- 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, attractions, and tourism service providers ("OneNews"). The website received the "Best Website" award at the recent Maryland Travel and Tourism Summit. It also serves as a destination planning tips for individuals and groups. Unique visitor counts on the website increased from 369,271 in FY 2014 to 631,814 in FY 2016. 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 2016 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 included the 2016 and 2017 AAU National Indoor Track & Field Championships, and the 2018 USA Masters National Indoor Track & Field Championships.