

Experience Prince George's - Fiscal Year 2022 Budget Review Summary

Proposed FY 2022 Operating Budget

| Revenue | | | | | | | |
|---------------|---------------------|---------------------|----------------------|------------------------|---------------------|---------------------|---------------|
| Fund | FY 2020 Actual | FY 2021 Approved | FY 2021 Estimated | % Change Est vs App | FY 2022 Proposed | \$ Change | % Change |
| County Grant | \$ 1,341,400 | \$ 1,341,400 | \$ 1,341,400 | 0.0% | \$ 1,228,900 | \$ (112,500) | -8.4% |
| Other Sources | 368,737 | 341,000 | 473,000 | 38.7% | 142,000 | (199,000) | -58.4% |
| Total | \$ 1,710,137 | \$ 1,682,400 | \$ 1,814,400 | 7.8% | \$ 1,370,900 | \$ (311,500) | -18.5% |

FY 2022 Proposed Budget – Key Highlights

- FY 2022 Proposed Budget for Experience Prince George's (ExPGC) is approximately \$1.37 million, a decrease of \$311,500, or 18.5%, below the FY 2021 Approved Budget. ExPGC is primarily funded through an annual County grant in the Non-Departmental section of the budget, which is proposed at \$1.23 million for FY 2022.
- In FY 2022, compensation is proposed at \$690,000, which is an increase of \$64,900, or 10.4%, over the FY 2021 approved level. FY 2022 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 2022 proposed budget includes funding for six (6) full-time employees and one (1) part-time employee.
- In FY 2022, operating and marketing expenditures are proposed at \$563,600, which is a decrease of \$355,600, or 38.7%, below the FY 2021 approved level. The most significant dollar decrease between the FY 2022 Proposed Budget and the FY 2021 Approved Budget are in marketing expenses.
- **Impact of the Pandemic on Operations:**
 - Programming and events were cancelled, as venues and gatherings were either closed or limited. Conventions and meetings went virtual along with tradeshow and site visits; as a result, anticipated costs for FY 2022 were significantly reduced compared to FY 2021.
 - The Organization reported that while the pandemic did not allow for the opportunity to bring people together for events, ExPGC participated in virtual tradeshow and continued to meet virtually with planners, potential customers, and industry partners looking at meetings in the future.
 - In FY 2021, ExPGC pivoted to a Social Distance Here Campaign and promoted the outdoor spaces in the County when all gatherings were limited and prohibited from occurring in the State and the County.
- ExPGC was able to attract and retain several events in the County for FY 2021 and FY 2022. A list of these activities is provided in the full FY 2022 Proposed Budget report prepared by A&I.

Expenditures by Category

| Category | FY 2020 Actual | FY 2021 Approved | FY 2021 Estimated | FY 2022 Proposed | \$ Change | % Change |
|--------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------|
| Compensation | \$ 721,205 | \$ 625,100 | \$ 702,773 | \$ 690,000 | \$ 64,900 | 10.4% |
| Fringe Benefits | 120,541 | 138,100 | 174,720 | 117,300 | \$ (20,800) | -15.1% |
| Operating Expenses | 734,215 | 919,200 | 936,907 | 563,600 | \$ (355,600) | -38.7% |
| Total | \$ 1,575,961 | \$ 1,682,400 | \$ 1,814,400 | \$ 1,370,900 | \$ (311,500) | -18.5% |



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

May 6, 2021

MEMORANDUM

TO: Calvin S. Hawkins, II, Chair
 Committee of the Whole (COW)

THRU: David H. Van Dyke, County Auditor
 Turkessa M. Green, Deputy County Auditor

FROM: Jude S. Moise, Senior Staff Auditor

RE: Experience Prince George's, Inc.
 Fiscal Year 2022 Budget Review (Non-Departmental Grants & Transfer Payments)

Budget Overview

Experience Prince George's (ExPGC) is primarily funded through an annual County grant in the Non-Departmental section of the budget. ExPGC's proposed FY 2022 budget reflects County grant funding in the amount of \$1,228,900, which is a decrease of \$112,500, or 8.4%, below the FY 2021 County approved funding level.

Approved Fiscal Year 2021 to Proposed Fiscal Year 2022:

| Category | FY 2020 Actual | FY 2021 Approved | FY 2021 Estimated | FY 2022 Proposed | Change Amount | Percentage Change |
|------------------------------|-------------------|---------------------|----------------------|---------------------|------------------|----------------------|
| Prince George's County Grant | \$ 1,341,400 | \$ 1,341,400 | \$ 1,341,400 | \$ 1,228,900 | \$ (112,500) | -8.4% |

Budget Comparison - Consolidated Budget

FY 2022 proposed revenues for ExPGC total \$1,370,900, a decrease of \$311,500, or 18.5%, below the FY 2021 approved budget. The organization's grant from the County, includes \$419,000 in hotel tax proceeds under CB-77-2016. 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 2022, Hotel and Motel Tax revenue is expected to decrease by \$0.8 million below FY 2021, to \$7,000,000.

Approved Fiscal Year 2021 to Proposed Fiscal Year 2022

| Category | FY 2020 Actual | FY 2021 Approved | FY 2021 Estimated | FY 2022 Proposed | Change Amount | Percentage Change |
|---------------------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|----------------------|
| REVENUES: | | | | | | |
| County Grant | \$ 921,400 | \$ 809,800 | \$ 1,226,400 | \$ 809,900 | \$ 100 | 0.0% |
| Hotel Tax Proceeds (CB-77-2016) | 420,000 | 531,600 | 115,000 | 419,000 | (112,600) | -21.2% |
| Cooperative Marketing & Promotions | - | 20,000 | - | - | (20,000) | -100.0% |
| State of MD Grant Funds | 341,309 | 299,000 | 451,000 | 120,000 | (179,000) | -59.9% |
| Dues/Sponsorships/Fundraising | 27,428 | 22,000 | 22,000 | 22,000 | - | 0.0% |
| Total Revenues | \$ 1,710,137 | \$ 1,682,400 | \$ 1,814,400 | \$ 1,370,900 | \$ (311,500) | -18.5% |
| EXPENDITURES: | | | | | | |
| Compensation | \$ 721,205 | \$ 625,100 | \$ 702,773 | \$ 690,000 | \$ 64,900 | 10.4% |
| Fringe Benefits | 120,541 | 138,100 | 174,720 | 117,300 | (20,800) | -15.1% |
| Sub-Total | \$ 841,746 | \$ 763,200 | \$ 877,493 | \$ 807,300 | \$ 44,100 | 5.8% |
| Operating: | | | | | | |
| Travel | \$ 15,349 | \$ 35,000 | \$ 5,000 | \$ 5,000 | \$ (30,000) | -85.7% |
| Operations (Supplies, Equipment, MIS) | 113,275 | 75,000 | 30,000 | 30,000 | (45,000) | -60.0% |
| OIT Charges | 12,588 | 45,800 | 23,000 | 54,000 | 8,200 | 17.9% |
| Consultants/Contracts/Insurance | 41,343 | 25,500 | 50,000 | 50,000 | 24,500 | 96.1% |
| Meeting Expense | 27,990 | 22,000 | 5,000 | 5,000 | (17,000) | -77.3% |
| Sub-Total | \$ 210,545 | \$ 203,300 | \$ 113,000 | \$ 144,000 | \$ (59,300) | -29.2% |
| Marketing: | | | | | | |
| Advertising | \$ 450,959 | \$ 532,900 | \$ 682,907 | \$ 389,600 | \$ (143,300) | -26.9% |
| Research | 7,370 | 45,000 | 96,000 | 10,000 | (35,000) | -77.8% |
| Publications | 27,370 | 78,000 | 35,000 | 10,000 | (68,000) | -87.2% |
| Trade Shows | 20,315 | 35,000 | 5,000 | 5,000 | (30,000) | -85.7% |
| Events/Promotions | 17,655 | 25,000 | 5,000 | 5,000 | (20,000) | -80.0% |
| Sub-Total | \$ 523,670 | \$ 715,900 | \$ 823,907 | \$ 419,600 | \$ (296,300) | -41.4% |
| Total Operating & Marketing | \$ 734,215 | \$ 919,200 | \$ 936,907 | \$ 563,600 | \$ (355,600) | -38.7% |
| Total Expenditures: | \$ 1,575,961 | \$ 1,682,400 | \$ 1,814,400 | \$ 1,370,900 | \$ (311,500) | -18.5% |
| Excess Revenues over Expenditures: | \$134,176 | \$0 | \$0 | \$0 | \$0 | |

Funded Positions

| | FY 2021 Staffing Level | FY 2022 Staffing Level | Change Amount | Percentage Change |
|--------------|------------------------|------------------------|---------------|-------------------|
| Full-Time | 6 | 6 | 0 | 0.0% |
| Part-Time | 1 | 1 | 0 | 0.0% |
| Total | 7 | 7 | 0 | 0.0% |

Staffing Changes and Compensation

- In FY 2022, compensation is proposed at \$690,000, which is an increase of \$64,900, or 10.4%, over the FY 2021 approved level. FY 2022 proposed compensation includes a 1.5% mid-year cost-of-living adjustment and up to a 3.5% merit increase for ExPGC employees.
- ExPGC reported that there was one (1) salary increase in FY 2021. The Destination Sales Manager assumed the position of Acting Director of Sales and Marketing upon the departure of the previous Director. The new Acting Director received a 3% increase.
- The FY 2022 proposed budget includes funding for six (6) full-time employees and one (1) part-time employee.

Fringe Benefits

- Fringe benefit expenditures are proposed at \$117,300 in FY 2022. This is a decrease of \$20,800, or 15.1%, from the FY 2021 approved level, to align with anticipated costs.

Operating and Marketing Expenses

- In FY 2022, operating and marketing expenditures are proposed at \$563,600, which is a decrease of \$355,600, or 38.7%, below the FY 2021 approved level. The most significant dollar decreases between the FY 2022 Proposed Budget and the FY 2021 Approved Budget are in the following categories:
 - Advertising - which decreases by \$143,300, or 26.9%,
 - Publications – which decreases by \$68,000, or 87.2%,
 - Operations (Supplies, Equip., MIS) - which decrease by \$45,000, or, 60%,
 - Research – which decreases by \$35,000, or 77.8%,
 - Trade Shows – which decreases by \$30,000, or 85.7%.
- Programming and events were cancelled, as venues and gatherings were either closed or limited. Conventions and meetings went virtual along with tradeshows and site visits; as a result, anticipated operating costs for FY 2022 were significantly reduced compared to FY 2021.

Highlights

- ExPGC has 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.
- The Organization reported that while the pandemic did not allow for the opportunity to bring people together for events, ExPGC participated in virtual tradeshow and continued to meet virtually with planners, potential customers, and industry partners looking at meetings in the future.
- In FY 2021, ExPGC pivoted to a Social Distance Here Campaign and promoted the outdoor spaces in the County when all gatherings were limited and prohibited from occurring in the State and the County.
- ExPGC reported that continuous reductions in the Hotel Tax Collections will challenge its ability to participate in all the marketing activities that would have allowed ExPGC to promote and advertise the County and its destinations.
- With the launch of the new website, ExPGC plans to continue building its digital marketing and enhance its social media experience to help increase traffic in a crowded regional space. ExPGC hopes to increase visibility and attendance to County events with regional residents and travelers.
- ExPGC reported that the County hotel occupancy rate, revenue per available room (RevPAR) and average daily rate (ADR) are expected to recover to national pre-pandemic levels and should return to a steady growth pattern into the near future. It further states that if conditions are favorable for national travel as expected, there should be a sustained expansion starting in CY 2022.
- 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.
- ExPGC was able to attract and retain several events in the County. Events scheduled for FY 2021 and anticipated for FY 2022 include:
 - National Association of Counties (pending July 2021);
 - U.S Junior Nationals (Girls Basketball Tournament) (definite July 2021); and
 - Black Women’s Roundtable (definite March 2022 & 2023)
 - Marine Corps Marathon (definite May 2022)
 - Scripts Spelling Bee (definite May 2022)