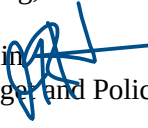




May 2, 2023

MEMORANDUM

TO: Jolene Ivey, Chair
Planning, Housing, and Economic Development (PHED) Committee

THRU: Joseph R. Hamlin 
Director of Budget and Policy Analysis

FROM: Arian Albear 
Budget and Policy Analyst

RE: Experience Prince George's, Inc.
Fiscal Year 2024 Budget Review

Budget Overview

Experience Prince George's (ExPGC) is funded primarily through an annual County grant in the Non-Departmental section of the budget. ExPGC's proposed FY 2024 budget reflects County Grant funding in the amount of \$1,556,900, a decrease of \$672,000 or 30.1% under the FY 2023 Approved Budget.

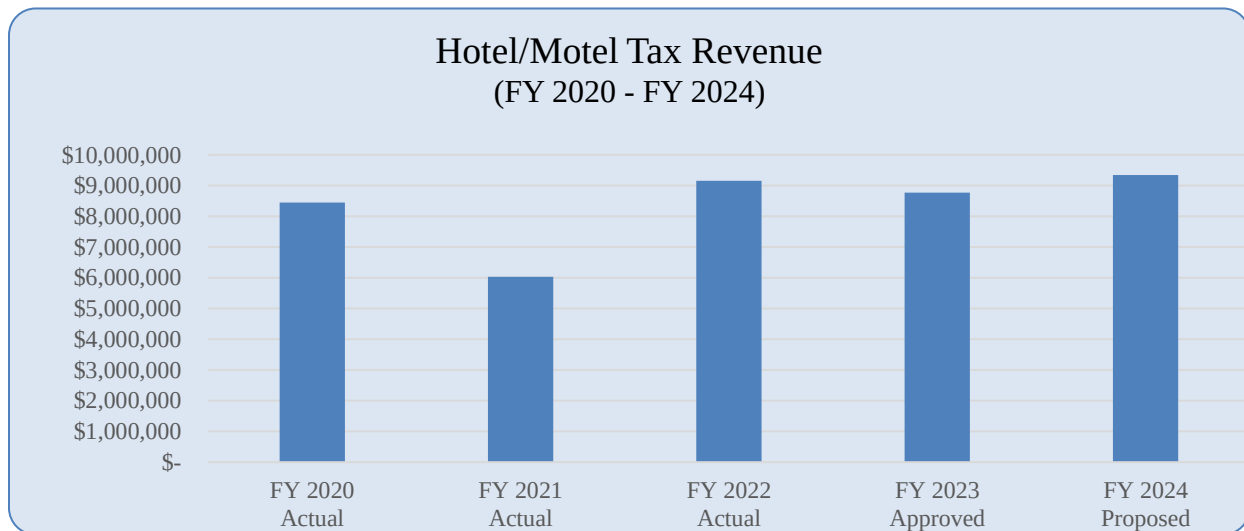
Budget Comparison – Revenue

- FY 2024 proposed revenues for ExPGC total \$1,841,900, a decrease of \$577,500, or 23.9%, under the FY 2023 Approved Budget.

Approved FY 2023 to Proposed FY 2024 Budget						
Category	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimate	FY 2024 Proposed	% Change	% Change
Other County Income	\$ 1,370,988	\$ 1,790,300	\$ 1,790,300	\$ 1,089,800	\$ (700,500)	-39.1%
Hotel Tax Proceeds	457,912	438,600	438,600	467,100	28,500	6.5%
County Contribution	\$ 1,828,900	\$ 2,228,900	\$ 2,228,900	\$ 1,556,900	\$ (672,000)	-30.1%
Cooperative Marketing & Promotions	\$ -	\$ -	\$ 3,500	\$ -	\$ -	N/A
State of MD grant Funds	\$ 200,951	\$ 160,500	\$ 350,800	\$ 250,000	\$ 89,500	55.8%
Membership Dues / Sponsorships / Fundraising	40,462	30,000	35,000	35,000	\$ 5,000	16.7%
Other Contributions	\$ 241,413	\$ 190,500	\$ 389,300	\$ 285,000	\$ 94,500	49.6%
Total	\$ 2,070,313	\$ 2,419,400	\$ 2,618,200	\$ 1,841,900	\$ (577,500)	-23.9%

County Contribution

- The FY 2024 proposed County Contribution to Experience Prince George's is \$1,556,900, a decrease of \$672,000, or 30.1% under the FY 2023 Approved Budget. The County Contribution represents 84.5% of the organization's total budget.
- The County Contribution is composed of County revenue from two sources discussed below:
 - General County Sources – proposed at \$1,089,800 for FY 2024, a decrease of \$700,500, or 39.1%.
 - Hotel/Motel Tax rate, set at 7% for FY 2024. CB-077-2016 requires that at least 5% of the tax levied be reserved for the organization to be used to promote travel and economic development in the County. The ExPGC FY 2024 expected proceeds from the Tax is \$467,100, an increase of \$28,500, or 6.5%, above the prior year's proceeds.
- Total proceeds from the Hotel/Motel Tax are expected to reach \$9,341,000 for FY 2024.



Other Contributions

- The Maryland State Grant to the organization is provided by the Maryland Tourism Board. The State grant is calculated based on a base amount of \$20,000, a calculation of investment in the County, and tax collection revenues. The FY 2024 proposed grant amount is \$250,000, an increase of \$89,500, or 55.8%, over the FY 2023 approved level.
- Membership Dues, Sponsorships, and Fundraising are proposed at \$35,000, an increase of \$5,000, or 16.7%, over the FY 2023 approved level.
 - ExPGC has just over 100 members from all over the County. The fee structure is being overhauled, and a new fee schedule will be announced at the annual meeting in June 2023.¹

¹ Fees have not been revisited since the organization was founded in 1979.

- ExPGC maintains that they remain on the lower tier of funding for the capital region Destination Marketing Organizations (DMOs).

Budget Comparison – Expenditures

Category	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimate	FY 2024 Proposed	\$ Change	% Change
Compensation	\$ 621,725	\$ 686,000	\$ 573,300	\$ 681,800	\$ (4,200)	-0.6%
Fringe Benefits	97,470	85,800	68,600	78,200	\$ (7,600)	-8.9%
Operating Expenses	1,351,118	1,647,600	1,976,300	1,081,900	\$ (565,700)	-34.3%
Total	\$ 2,070,313	\$ 2,419,400	\$ 2,618,200	\$ 1,841,900	\$ (577,500)	-23.9%

- For FY 2024, Compensation is proposed at \$681,800, a decrease of \$4,200, or 0.6%, under the FY 2023 level due to reduced salary for a full-time employee, partially offset by a FY 2023 annualization and planned FY 2024 salary adjustment.
- For FY 2024, Fringe Benefits are proposed at \$78,200, a decrease of \$7,600, or 8.9%, under the FY 2023 level due to a rate decreased from 12.5% to 11.5% to align with anticipated costs.
- Compensation and Fringe Benefits represent 41.3% of the organization's total budget.
- For FY 2024, Operating Expenses are proposed at \$1,081,900, a decrease of \$565,700, or 34.3%, under the FY 2023 level due to a one-time operating funding decrease for the County marketing campaign. The decrease is partially offset by an increase to support website development, sales, and membership services and an increase in the Technology Cost Allocation.

Operating and Marketing Expenses

- The FY 2023 Total Operating & Marketing expenditures are proposed at \$1,081,900.

Expenditure Categories						
Category	FY 2023 Approved	FY 2023 Estimate	FY 2024 Proposed	\$ Change	% Change	
<i>Compensation</i>	\$ 686,000	\$ 573,300	\$ 681,800	\$ (4,200)	-0.6%	
<i>Fringe Benefits</i>	85,800	68,600	78,200	(7,600)	-8.9%	
Sub-Total	\$ 771,800	\$ 641,900	\$ 760,000	\$ (11,800)	-1.5%	
<i>Operating</i>						
Travel	\$ 10,000	\$ 10,000	\$ 20,000	\$ 10,000	100.0%	
Operations (Supplies, Equipment, MIS)	60,000	60,000	60,000	-	0%	
OIT Charges	57,400	57,400	65,700	8,300	14.5%	
County Marketing Campaign	1,000,000	-	-	(1,000,000)	-100.0%	
Consultants/Contracts/Insurance	131,700	150,000	150,000	18,300	13.9%	
Meeting Expense	7,500	15,000	20,000	12,500	166.7%	
Research	-	107,400	107,400	107,400	N/A	
Event Promotion	-	300,000	250,000	250,000	N/A	
Sub-Total	\$1,266,600	\$ 699,800	\$ 673,100	\$ (593,500)	-46.9%	
<i>Marketing</i>						
Advertising	\$ 268,000	\$1,032,000	\$ 151,300	\$ (116,700)	-43.5%	
Research	8,100	-	-	(8,100)	-100.0%	
Publications	5,000	5,000	5,000	-	0%	
Trade Shows	5,000	6,500	7,500	2,500	50.0%	
Events/Promotions	5,000	-	-	(5,000)	-100.0%	
Website Development	89,900	90,000	95,000	5,100	5.7%	
Sales	-	88,000	90,000	90,000	N/A	
Membership Services	-	55,000	60,000	60,000	N/A	
Sub-Total	\$ 381,000	\$1,276,500	\$ 408,800	\$ 27,800	7.3%	
Total Operating & Marketing	\$1,647,600	\$1,976,300	\$1,081,900	\$ (565,700)	-34.3%	
Total Expenditures:	\$2,419,400	\$2,618,200	\$1,841,900	\$ (577,500)	-23.9%	

- The FY 2024 Proposed budget for Operating is \$673,100, a decrease of \$593,500, or 46.9%.
 - Travel* increases are driven by industry conferences.
 - OIT Charges* are driven by an increase in Office of Informational Technology allocation.
 - County Marketing Campaign* decreases as it is expended under Marketing.
 - Consultants/Contracts/Insurance* increase is driven by a sustainability study and a strategic plan.
 - FY 2024 Contracts total \$766,200.
 - Meeting Expenses* increase are due to increased membership engagements.
 - Research* increases are due to industry metrics and real-time hospitality statistics.
 - Event Promotion* increases are due to Sponsorships being divided from the marketing line.

- The FY 2024 Proposed Budget for Marketing is \$408,800, an increase of \$27,800, or 7.3%.
 - *Advertising* increases from the FY 2023 Estimate are due to advertising, digital marketing, and social media engagement.
 - *Trade Shows* increase due to added registrations.
 - *Website Development* increased to reflect Customer Relationship Management.
 - From FY 2023, Website Development totals \$185,000.

Employee Data

Funded Positions				
	FY 2023	FY 2024	Change	Percentage
	Staffing Level	Staffing Level	Amount	Change
Full-Time	6	6	0	0.0%
Part-Time	1	1	0	0.0%
Total	7	7	0	0.0%

- The FY 2024 proposed budget includes funding for six (6) full-time employees and one (1) part-time employee. All staff are partially funded by County sources.
- ExPGC has one vacancy: Director of Marketing.
- All employees received a 5% COLA increase at the beginning of the year and another 5% increase is planned for FY 2024.

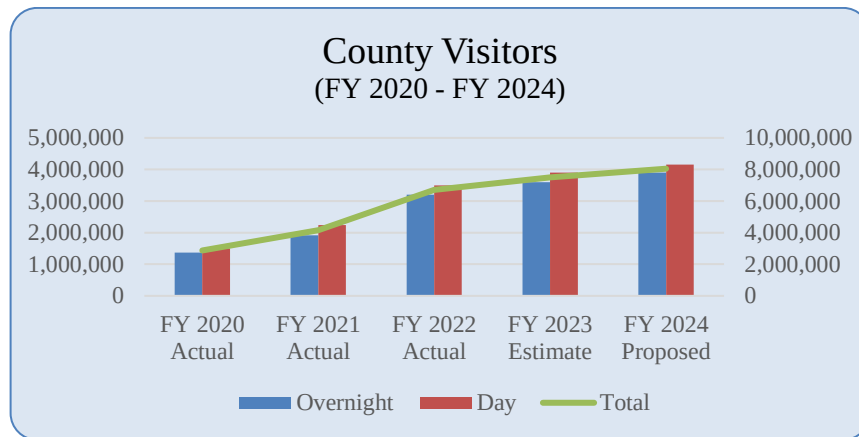
INFORMATIONAL AND PROGRAMMATIC SECTION

- Experience Prince George's FY 2023 accomplishments include:
 - A leisure campaign with new digital, print, radio, and television advertising in markets from New York to North Carolina.
 - Increased membership by 40%.
 - Secured nearly 54,000 hotel room night stays.
 - Secured a new travel and tourism data collection tool providing daily visibility for movement and spending.
 - Increased earned media opportunities for the County.
- The organization notes the following strategic focus and initiatives in FY 2024:
 - Increase direct sales and lead generation to hotels.
 - Increase the County hotel occupancy rate.
 - Continue to execute sponsorship opportunities that generate brand awareness.
 - Increase weekday business and weekend travel to the County.
 - Attract more sporting and special events and support those already located in the County.
 - Research, identify, and secure viable non-government funding sources.
- ExPGC noted that a County branding study has been tabled due to the decrease in funding for FY 2024. This may affect implementation of any strategies and objectives identified in the study.
- ExPGC was able to attract and retain several sports events in the County. A list of past and upcoming events for 2023 and 2024 can be found as a response to question 21 in the *First Round Budget Review Questions*.
- ExPGC notes that the ongoing COVID-19 pandemic restrictions continue to hamper tourism in the industry; however, data is beginning to recover to pre-pandemic levels.
- 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.

Service Delivery Plan and Performance

Goal 1: Expand Prince George's County's tourism economy.

- One of the primary goals of Experience Prince George's is to increase weekend travel and leisure to the County, one of the metrics is increasing hotel occupancy rates. Hotel occupancy rates are projected to increase to 63% in FY 2023.
- Overnight visitors to the County are proposed to increase to 3,900,000 in FY 2024.



- Direct employment in tourism is projected to increase to 25,000 in FY 2024.

