



Board of Directors Meeting
Wednesday, October 21 | 4 – 5 p.m.
Conference call via Zoom

Join Zoom Meeting

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Dial:+1 312 626 6799
Meeting ID: 815 4258 8393
Password: 5962626

AGENDA

Welcome

Minutes*

Executive Committee Report

Financials

- A. Audit – John Pittman*
- B. Reserves*
- C. [Year-to-Date Financials*](#)
- D. ADR/Occupancy Performance

Sales and Marketing Productivity Reports

- A. Sales / Pace Report
 - 1) COVID Impacts on Events
- B. Marketing

[Sales & Marketing Snapshot Report](#) | [Detailed Report](#)

Other Business

- A. Destination Master Plan Update
- B. Pandemic Action Plans

**Action Items*

RSVP to Laura McNichols at laura@catchdesmoines.com with your attendance.

Board of Directors Meeting
Wednesday, June 17 | 4 – 5 p.m.
Conference call via Zoom

MINUTES

Welcome

Angela Connolly called the meeting to order at 4:05 p.m. Those present were Bob Andeweg, Ann Atkin, Bobbie Bentz, Jay Byers, Dan Carlino, Jake Christensen, Angela Connolly, Chris Connolly, Frank Cownie, Greg Edwards, Jeff Fleming, Curt Gause, Greg Hudson, Eric Klein, Tom Mahoney, Marty Martin, John Parker Jr., Steve Peters, Paul Rottenberg and Gary Slater. Staff present were Marissa Brown, Trina Flack, Brock Konrad, Laura McNichols and Shannon Winters.

Minutes

Frank Cownie motioned to approve the April 15, 2020 minutes; Bob Andeweg seconded, all were in favor and the motion carried.

Executive Committee Report

Angela Connolly reported on the Executive Committee. Recent executive committee meetings covered the budget, sales/marketing strategies, and events throughout the metro.

Financials

Gary Slater began by first thanking everyone who reached out after the announcement of the cancelation of the 2020 Iowa State Fair. He then presented the year-to-date financials (critique provided in board packet). Cash position is down \$200K from last month, 3% under budget for hotel/motel tax, Jan-Mar hotel/motel tax collections will be received in June. Drastic measures taken on the expense side to save dollars, resulting in 15% under budget for expenses.

Gary Slater motioned to approve the year-to-date financials; Paul Rottenberg seconded, all were in favor and the motion carried.

FY 19/20 Projections

Projecting a net income of \$450K at fiscal year-end due to measures taken to save on expenditures, kudos to staff in taking these measures and to Tom Mahoney for his direction. Last week we learned that hotels were able to defer hotel/motel tax collections. Deferrals will be received in September (versus now). Greg Edwards added that the deferral was unexpected.

Proposed 2020-21 Budget

After further review of the market conditions the budget was lowered by \$270K. Greg Edwards noted that hotel occupancy is still down (slow/gradual trend upwards) and small movement upwards in ADR as well. Gary Slater added this was the most difficult budget process that anyone can remember and gave compliments to everyone who had a hand in giving us a positive budget. Gary Slater then presented the budget presentation. Greg mentioned it is a conservative projection and he is comfortable with these numbers.

Highlights from the presentation:

- Budgeted income of \$3,015,050. Utilize \$1,000,000 of operating reserves and \$250,000 of bid incentive reserves to provide a total expenditure of \$4,265,050. Overall income for FY 20/21 is down 50% and expenses are down 24%.
 - H/M tax revenues down 54.06%
 - Personnel expenses down 29.20% (6 full time positions eliminated)
 - Promotional expenses down 24.80%
 - Operational expenses down 4.73%
- Anticipated reserve funds after the audit and board approval in October:

	<u>Forecast</u>
Future Bid Incentive Reserve	328,000
IRONMAN Sponsorship	(250,000)
<u>Net</u>	<u>78,000</u>
Operating Reserves	956,662
FY'20 Savings (projection, subject to change)	450,000
Tap Reserves for FY'21 Budget	(1,000,000)
<u>Net</u>	<u>406,662</u>
 Total Reserves	 \$484,662

Opened for discussion. Angela Connolly mentioned the whole team worked hard and hats off to Tom Mahoney for his guidance, great report from Gary Slater. Tom Mahoney called out the team as the travel/hospitality/restaurant industries have been the hardest hit, impressed with the quality of people that lead.

Gary Slater moved to approve the FY 2020-2021 budget; John Parker seconded, all were in favor and the motioned carried.

Sales and Marketing Productivity Reports

Trina reported on sales productivity. More than 180 event cancellations and postponements have been tracked due to COVID-19, resulting in a loss of direct economic impact of more than \$100 million. These cancellations are stretching into the fall of 2020 and early 2021. There is a slight pick-up in bookings since the state of Iowa has reopened. 2022 is looking strong, this was a year that was once a need time for our region. Sales efforts moving forward will look different, but the team is working on creative strategies to leverage all opportunities.

Brock Konrad reported on marketing productivity. The marketing team is at 191% to goal for impressions, this number continues to increase even with reduced spending. Engagements are at 97%, this number is largely driven by website visits, this goal should be met by the year end. Marketing opportunities are at 53%. Future messaging is focused on the region being safe, clean and fun to visit.

Other Business

- Election of Officers
 - 2020-21 Officers were appointed by a vote of (12) yea, (0) nay, and (6) no responses:
 - Angela Connolly, Chair
 - Gary Slater, Vice Chair and Secretary/Treasurer
 - Tom Mahoney, Past Chair
 - Frank Cownie, At Large
 - Marty Martin, At Large
- Destination Master Plan Update
 - Starting weekly meetings to review the eight criteria they have identified. Greg is confident the final plan should be completed by the next board meeting. With the pandemic, by suggestion of the Executive Committee, it's not feasible to start the plan in 2020 or 2021.
- Community Development Report
 - Hotel Fort Des Moines is set to open soon.
 - Update from Marty Martin regarding the Drake/DMPS soccer stadium.
 - Chris Connolly mentioned that the first event back at the IEC is on Friday. Out of town people will be here. They are picking up more business and letting people know they are open.

Meeting adjourned at 5 p.m.



RESERVE FUNDS

After Audit Reserves (FY19/20 budget - \$6,555,360)

Reserve Funds	Policy	Target	Actual	% funded
Future Bid Incentives	5%	\$327,768	\$327,768	5%
Operating Reserves	17%	\$1,114,411	\$1,496,005	23%
Total	22%	\$1,442,179	\$1,823,773	28%

Projected Reserves (After \$1.25M Moved into Current Fiscal Year Budget)

Reserve Funds	Policy	Target	Actual	% funded
Future Bid Incentives	5%	\$327,768	\$77,768	1%
Operating Reserves	17%	\$1,114,411	\$496,005	8%
Total	22%	\$1,442,179	\$573,773	9%

SEPTEMBER 2020 BUDGET CRITIQUE

Descriptions in italics are the same information provided in prior months and are reported again due to being a continuing variance.

Balance Sheet

- *Our Repurchase Agreement (Repo) investment account has changed to CDARS (Certificate of Deposit Account Registry Service) Insured Cash Sweep. It's the same principle as our Repo Account, but is now fully FDIC insured. Funds are distributed to interest bearing savings accounts at other ICS banks in amounts under the limit of \$250,000, which is how the entire amount is able to be FDIC insured. Interest is now accrued monthly rather than on a weekly basis. We are also keeping \$250,000 in a preferred money market that is fully FDIC insured. Operating Cash consists of the portion of the primary checking account that we expect to utilize for cash flow until the next cycle of hotel/motel tax revenues arrive.*
- *According to our reserve policy, the reserve fund breakout is now located at the bottom of the balance sheet under the Equity section. Per board direction, reserves now consist of two funds: Future Bid Incentives and Operating Reserves. The Future Bid Incentives fund is 5% of the current year operating budget, and will be available for business opportunities that may arise outside of the normal operating budget. The Operating Reserves fund was approved at 17% of the current year operating budget. This fund will be available for emergency use.*
- *Accounts Receivable is higher than last month due to hotel/motel tax being invoiced in September.*
- *Sponsorship Liability is a new account that Denman had us create to record capital leases. This includes our computers that we lease through Great America Financial. This will slowly go back to zero as we pay our monthly lease amount using an amortization schedule provided by Denman.*
- *Deferred Lease Incentive is also a new account that Denman had us create to show the savings in rent that we've taken last fiscal. We received three free months of rent in fiscal year 15/16, but rather than taking all of those savings in the fiscal year they occurred, Denman is having us show those saving over the entire term of the lease. This will occur in the current fiscal as well.*
- *Capital Lease – Current Portion is also an account set up by Denman that is used in amortizing the computer capital leases.*
- *The Reserve amounts have been updated to the new totals after the approval of the FY18/19 audit by the board. The new target amounts are based on the FY19/20 budget number (\$6,555,360), and the actuals have been adjusted according to the policy. The actual total increased by the net income from last fiscal year (\$5,214). These will be updated again after the audit is approved by the board at the October meeting.*
- *The overall cash position is higher by approximately \$538,000 from last month.*

Revenues

- *4000 – Hotel Motel Tax is over budget by 177% (\$523,000) due to deferred payments from the previous fiscal year being paid with this quarter's totals. Occupancy was slightly higher than budget at 25.8% and ADR was about right on with budget at \$68.41 for the quarter.*
- *4025 – Marketing Opportunities is over budget by 14% (\$15,000) due to event sponsorships that were already paid from last fiscal year due to events postponing dates (IRONMAN and Rodeo).*
- *4060 – Event Hosting is under budget by \$3,000 due to the Iowa State Pool Players event in September being canceled.*
- *Revenues are higher than budget by 129% (\$531,000).*

Expenses

- 5000 – Salary Base is under budget 17% (\$59,000) from the accrual made on the 7/3/20 payroll to backdate that into FY19/20 (staff is paid two weeks in arrears). It's also due to our open Sports Sales position and Social Media Manager position that were budgeted for, but are not being filled yet.
- 5008 – FICA taxes are under budget by 27% (\$8,700) from the accrual made as well.
- 5017 – Employee Individual Insurance is over budget by 17% (\$4,200) from us paying a month ahead on our medical and dental.
- 5099 – Travel & Business Development is under budget by 98% (\$12,000) as our travel planned for the first quarter got pushed to later dates.
- 5120 – Trade Show Participation is under budget by 44% (\$3,200) due to Connect Faith being pushed back to November instead of August. It's also under budget due to Nursing Organization Alliance being canceled.
- 5130 – FAM Tours/Site Visits are under budget by \$4,200 due to the planners still being cautious about travel.
- 5140 – Event Hosting Industry Sales is under budget by 84% (\$15,000) due to ISAE sponsorship coming in under budget, and CVB Reps Social being canceled. Several events that were budgeted were fall are now pushed back to spring including the CEO Dinner, Catch Champion Event, and the Chicago Client Event.
- 5150 – Event Hosting Member/Community is under budget by 75% (\$41,000) due to not yet receiving invoices from Global Spectrum and Drake University. It's also due to the IMT Marathon being canceled, and not yet paying the sponsorship for the Iowa Wild.
- 5160 – Advertising/Marketing is under budget by 53% (\$82,000) as we have not received our September invoice from Strategic America yet. We also haven't yet spent our top account line item for digital billboards, and are evaluating how to best utilize those dollars.
- 5239 – Fulfillment is under budget by 86% (\$1,000) due to low inquires thus far.
- 5260 – Bid Incentives are under budget by 39% (\$32,000) due to the cancelation of American Association of Meat Processors, Iowa State Association of Counties, USA Racquetball, and Pool Players fall event. It's also from not yet receiving invoices from USSSA Baseball and Softball.
- 5270 – Dues and Subscriptions are under budget by 30% (\$8,400) due to savings from Destinations International dues and awaiting invoices for PCMA, ASAE, US Travel, and MPI.
- 5280 – Audit/Professional fees is under budget by 55% (\$5,500) as we haven't received the second half invoice from the audit yet.
- 5310 – Insurance is under budget by 33% (\$2,200) by savings on our commercial liability package.
- 5315 – Data Processing/Computer is under budget by 33% (\$40,000) due to not yet receiving the invoice for our responsive website and Meeting Max quarterly fees.
- 5350 – Telecommunications is under budget by 29% (\$3,800) due to savings on our office phone lease.
- 5360 – Postage Expense is under budget by 24% (\$1,600) due to needs being lower than budgeted thus far.
- 5370 – Photocopying is under budget by 46% (\$1,700) due to savings on our copier leases.
- 5400 – Office Supply Expense is under budget by 76% (\$1,900) due to savings from low needs from staff for the first quarter.
- Expenses are 30% lower than budget (\$341,000).

Catch Des Moines
Balance Sheet Prev Year Comparison
As of September 30, 2020

	<u>Sep 30, 20</u>	<u>Aug 31, 20</u>	<u>Sep 30, 19</u>
ASSETS			
Current Assets			
Checking/Savings			
10135 · Northwest Bank CD - 22 month	51,300.00	51,300.00	50,000.00
10134 · U of I Credit Union - Savings	5.00	5.00	5.00
10133 · GreenState Credit Union 1/20/21	54,181.96	54,181.96	53,225.35
10132 · Lincoln Savings Bank - 5/29/21	113,621.30	113,621.30	111,302.76
10131 · Wells Fargo CD - 2/26/2021	57,962.28	57,962.28	57,399.57
10306 · Banker's Trust Reserve MMkt	255,846.48	255,846.48	255,181.47
10301 · West Bank Primary Checking	-32,092.30	-29,128.49	-37,909.23
10302 · West Bank Pref Money Market	253,876.24	253,844.94	253,147.05
10303 · West Bank Repurchase Acct	<u>1,994,691.21</u>	<u>1,453,483.77</u>	<u>1,123,010.08</u>
Total Checking/Savings	<u>2,749,392.17</u>	<u>2,211,117.24</u>	<u>1,865,362.05</u>
Accounts Receivable			
1070 · Accounts Receivable	<u>147,299.47</u>	<u>101,782.83</u>	<u>560,494.08</u>
Total Accounts Receivable	<u>147,299.47</u>	<u>101,782.83</u>	<u>560,494.08</u>
Other Current Assets			
1030 · Petty Cash	375.00	375.00	375.00
1090 · Prepaid Expense	<u>188,309.05</u>	<u>188,676.86</u>	<u>20,666.42</u>
Total Other Current Assets	<u>188,684.05</u>	<u>189,051.86</u>	<u>21,041.42</u>
Total Current Assets	<u>3,085,375.69</u>	<u>2,501,951.93</u>	<u>2,446,897.55</u>
Fixed Assets			
1540 · Automobile	34,364.50	34,364.50	34,364.50
1550 · Furniture and Fixtures	139,492.31	139,492.31	141,638.54
1560 · Lease Improvements	40,497.63	40,497.63	40,497.63
1570 · Computer Equipment	487,465.78	487,465.78	449,414.20
1590 · Less Accumulated Depreciation	<u>-523,409.72</u>	<u>-514,510.31</u>	<u>-425,666.87</u>
Total Fixed Assets	<u>178,410.50</u>	<u>187,309.91</u>	<u>240,248.00</u>
TOTAL ASSETS	<u><u>3,263,786.19</u></u>	<u><u>2,689,261.84</u></u>	<u><u>2,687,145.55</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 · Accounts Payable	<u>246.16</u>	<u>246.16</u>	<u>1,219.59</u>
Total Accounts Payable	<u>246.16</u>	<u>246.16</u>	<u>1,219.59</u>
Other Current Liabilities			
2056 · Accrued Liability-Voluntary Lif	195.99	100.53	-469.64
2054 · Accrued Liability - Vision	-450.97	-94.52	-436.72
2053 · Accrued Liability - Dental	171.30	-185.18	-1,618.14
2052 · Accrued Liability - Medical	-3,805.35	-3,803.15	-7,525.73
2051 · Accrued Liability - YMCA	-91.00	-45.50	0.00
2065 · Accrued Bonuses	210,818.49	210,818.49	0.00
2012 · Deferred Revenue	1,800.00	1,800.00	16,270.00
2055 · Accrued Vacation	25,110.76	25,110.76	26,709.19
2090 · Pension Liability	34,653.46	38,678.10	43,149.84

Catch Des Moines
Balance Sheet Prev Year Comparison
 As of September 30, 2020

	<u>Sep 30, 20</u>	<u>Aug 31, 20</u>	<u>Sep 30, 19</u>
Total Other Current Liabilities	268,402.68	272,379.53	76,078.80
Total Current Liabilities	268,648.84	272,625.69	77,298.39
Long Term Liabilities			
2016 - Deferred Lease Incentive	34,635.64	35,462.83	44,561.92
Total Long Term Liabilities	34,635.64	35,462.83	44,561.92
Total Liabilities	303,284.48	308,088.52	121,860.31
Equity			
3002 - Future Bid Incentive Fund	327,768.00	327,768.00	290,708.20
3001 - Operating Reserves	956,562.15	956,562.15	988,407.88
3000 - Retained Earnings	1,513,693.99	1,513,693.99	980,117.04
Net Income	162,477.57	-416,850.82	306,052.12
Total Equity	2,960,501.71	2,381,173.32	2,565,285.24
TOTAL LIABILITIES & EQUITY	<u>3,263,786.19</u>	<u>2,689,261.84</u>	<u>2,687,145.55</u>

Reserve Funds	Policy	Target	Actual	% funded
Future Bid Incentives	5%	\$327,768.00	\$327,768.00	5%
Operating Reserves	17%	\$1,114,411.20	\$956,662.15	15%
Total	22%	\$1,442,179.20	\$1,284,430.15	20%

Catch Des Moines
Profit & Loss Budget vs. Actual
July through September 2020

	<u>Jul - Sep 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4000 · Hotel Motel - Overall	819,506.81	296,352.00	523,154.81	276.53%
4025 · Marketing Opportunities	122,992.64	108,000.00	14,992.64	113.88%
4045 · Grant Revenue	0.00	0.00	0.00	0.0%
4050 · Sales Co-ops	0.00	0.00	0.00	0.0%
4060 · Event Hosting	0.00	3,000.00	-3,000.00	0.0%
4160 · Convention Services	0.00	2,200.00	-2,200.00	0.0%
4190 · Other Private Funding	18.81	300.00	-281.19	6.27%
4280 · Interest Income	762.99	2,250.00	-1,487.01	33.91%
4150 · Miscellaneous Income	25.06			
Total Income	<u>943,306.31</u>	<u>412,102.00</u>	<u>531,204.31</u>	<u>228.9%</u>
Gross Profit	943,306.31	412,102.00	531,204.31	228.9%
Expense				
5025 · Credit Card Sweep	2,323.91			
5007 · Deferred Compensation Plan	0.00	0.00	0.00	0.0%
5000 · Salary - Base	293,709.16	352,604.45	-58,895.29	83.3%
5002 · Salary - Hourly	42,271.27	49,857.97	-7,586.70	84.78%
5006 · Salary - Incentives	0.00	0.00	0.00	0.0%
5008 · FICA Taxes	22,965.95	31,634.61	-8,668.66	72.6%
5010 · Federal Unemployment Tax	10.95	425.01	-414.06	2.58%
5012 · State Unemployment Tax	0.00			
5014 · Pension Expense	248.75	200.00	48.75	124.38%
5016 · Employee Group Insurances	3,104.84	2,931.00	173.84	105.93%
5017 · Employee Indiv. Insurance	29,150.38	24,928.74	4,221.64	116.94%
5024 · Parking	13,962.46	14,225.01	-262.55	98.15%
5028 · Staff Training & Development	0.00	80.00	-80.00	0.0%
5220 · Contract Labor	0.00	3,000.00	-3,000.00	0.0%
5099 · Travel & Business Development	203.02	12,362.54	-12,159.52	1.64%
5120 · Trade Show Participation	4,129.00	7,365.00	-3,236.00	56.06%
5130 · FAM Tours/Site Visits	303.75	4,500.00	-4,196.25	6.75%
5140 · Event Hosting, Industry Sales	2,820.00	17,755.00	-14,935.00	15.88%
5150 · Event Hosting, Member/Community	13,326.16	54,187.50	-40,861.34	24.59%
5159 · Advertising/Marketing	73,498.08	155,317.68	-81,819.60	47.32%
5199 · Merchandise	100.00	875.00	-775.00	11.43%
5229 · Research Expense	20,365.00	24,540.00	-4,175.00	82.99%
5239 · Fulfillment	178.21	1,250.01	-1,071.80	14.26%
5260 · Bid Incentives (other promo)	50,500.00	82,300.00	-31,800.00	61.36%
5269 · Dues & Subscriptions	18,999.51	27,337.50	-8,337.99	69.5%
5280 · Audit/Professional Fees	4,500.00	10,000.00	-5,500.00	45.0%
5290 · Depreciation	26,698.23	30,000.00	-3,301.77	88.99%
5310 · Insurance - Office	4,561.03	6,820.00	-2,258.97	66.88%
5315 · Data Processing/Computer	81,391.27	121,585.01	-40,193.74	66.94%
5320 · Rent Expense	47,299.55	51,033.00	-3,733.45	92.68%
5330 · Bank Fees	787.15	1,500.00	-712.85	52.48%

Catch Des Moines
Profit & Loss Budget vs. Actual
 July through September 2020

	<u>Jul - Sep 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5350 · Telecommunications	9,098.55	12,885.00	-3,786.45	70.61%
5360 · Postage Expense	5,119.62	6,757.26	-1,637.64	75.77%
5370 · Photocopying	2,025.53	3,753.51	-1,727.98	53.96%
5390 · Other Equipment Rental/Leases	2,250.00	2,250.00	0.00	100.0%
5400 · Office Supply Expense	602.55	2,499.99	-1,897.44	24.1%
5410 · Repairs & Improvements	224.31	249.99	-25.68	89.73%
5415 · Payroll Expense	4,100.55	5,000.01	-899.46	82.01%
Total Expense	<u>780,828.74</u>	<u>1,122,010.79</u>	<u>-341,182.05</u>	<u>69.59%</u>
Net Ordinary Income	<u>162,477.57</u>	<u>-709,908.79</u>	<u>872,386.36</u>	<u>-22.89%</u>
Net Income	<u>162,477.57</u>	<u>-709,908.79</u>	<u>872,386.36</u>	<u>-22.89%</u>