

**MINUTES**  
**IRVING CONVENTION AND VISITORS BUREAU**  
**BOARD OF DIRECTORS**  
**ZOOM VIDEO MEETING**  
**APRIL 27, 2020**

Attendance: Rick Lindsey – Board Chair; Karen Cooperstein – Board Vice Chair; Kim Andres, Bob Bettis, Beth Bowman, Bob Bourgeois, Jo-Ann Bresowar, Dirk Burghartz, David Cole, Herb Gears, Debbi Haacke, Todd Hawkins, City Manager Chris Hillman, Nydia Hoskins, Julia Kang, Clem Lear, Kim Limon, Greg Malcolm, Ron Mathai, Hammond Perot, David Pfaff, Joe Philipp, Michael Randall, Mike Rilley and Jason Wu Trujillo – Board members; Mayor Rick Stopfer, Mayor Pro Tem Oscar Ward, Councilman Al Zapanta – City of Irving; General Manager Tom Meehan and Director of Sales Matt Tungett – Irving Convention Center; City Secretary Shanae Jennings, Chief Financial Officer Jeff Litchfield, Assistant to the City Manager Anthony Cao, City Attorney Christina Weber – City of Irving; Carol Boyer, Lori Fojtasek, Maura Gast, Marianne Lauda, Diana Pfaff, Susan Rose and Monty White - ICVB; Dallas Burke, representing Jacky Knox/DCURD; Jenn Landry and Kass Prince – Guests.

Board Chair Rick Lindsey called the meeting to order at 11:51 a.m. and noted this meeting is taking place as a video conference due to the COVID-19 restrictions. Lindsey asked for a moment of silence to honor Richard Huff, a longtime supporter of the arts in Irving and community leader. He inquired if there were any citizen comments; there were none.

After welcoming new Board members Jason Wu Trujillo from University of Dallas and Nydia Hoskins – General Manager for Omni Mandalay, Lindsey asked for a roll call of Board member attendance.

Accounting Director Marianne Lauda gave an overview of the ICVB February 2020 financials.

- Revenue report is directly from Munis software. The only Revenue in February was Hotel Occupancy Tax of \$2,068,081.31
- She noted revenues are a credit balance and show as negatives on the report from the software; this is a quirk within Munis and one of many reasons the City is working on creating custom reports.
- February expenditures are 38.3% for the first five months of the fiscal year
- In reviewing the Check Register, the following items were discussed:
  - Irving ISD - \$1,800 for floral arrangements from the Nimitz High School floral studio for the RCMA event
  - American Express – payments include expenses for SXSW event that was cancelled, regular travel and entertainment expenses
  - Keynote Speakers of Canada – keynote speaker fee for the Irving Hospitality Industry Annual Meeting
  - Two checks to the Irving Convention Center (ICC) for monthly network services and catering

In response to a question from Board Vice Chair Karen Cooperstein, Lauda replied the financial report can be adjusted to show monthly revenue and expenses. Customization of reports is being discussed.

Lauda then reviewed the ICVB March 2020 financials.

- Revenue collected was from interest and miscellaneous revenue from joint tradeshow sponsorship payments from other CVBs
- Expenditures show over 48% expended at the end of March
- In reviewing the Quarterly Financial Report, Lauda noted \$50,000 was going to be transferred into the ICC Capital Improvement Project (CIP) Reserve fund. But after further discussion, the decision was made to not transfer funds at this time. The Computer Replacement fund shows no additional purchases. The ICC CIP fund shows a budget adjustment of \$250,000 for the Westin Irving Convention Center hotel parking lot agreement; this was for back payments from August through February. The bond trustee makes payment to the City, which is then transferred to the ICVB and then paid to SMG.
- The following Check Register items were reviewed:
  - Payments to the ICC include:
    - \$34,992 and \$229,774 for CIP
    - \$350,000 subsidy payment from the General Fund
    - \$62,000 meetings catering and network service, also included F&B for RCMA sponsorship
    - \$144,000 payment to SMG for Westin Irving Convention Center hotel parking garage for August 2019 and September 2020; pass-through costs from City transfers

Lauda thanked the Board for their patience with the new software reports and she is looking forward to customizing reports to reflect a more familiar and useful look for the board's review. Lindsey thanked Lauda for all her hard work in the transition to the new software.

Lindsey asked for a motion to accept the ICVB Financial Reports for February and March 2020. Cooperstein made a motion to accept and Board member Bob Bourgeois gave a second. A roll call vote was as follows: Lindsey, Jo-Ann Bresowar, Dirk Burghartz, David Cole, Herb Gears, Debbi Haacke, Julia Kang, Clem Lear, Greg Malcolm, Ron Mathai and Joe Philipp voted in support of the motion; no opposed. The motion passed unanimously.

ICC General Manager Tom Meehan reviewed the ICC February 2020 financial report.

- February was a great month - budgeted to make \$40,000; actual \$178,000 in the month; \$138,000 ahead of budget.
- For the first five months of the year, ICC was budgeted to lose \$386,000, and actually made \$176,000, at \$62,000 ahead of budget.
- F&B Catering was \$146,000 ahead for the month, YTD +\$541,000 which equates to almost \$1 million in catering services.
- Expenses are in-line with budget.

Meehan then reviewed the ICC March 2020 financial report.

- COVID-19 pandemic hit halfway through March 2020 and ICC was budgeted to lose \$121,000, actual loss \$129,000.
- This shows a fairly even forecast, but only due to the \$144,000 payment from the City/ICVB for Westin Irving Convention Center hotel parking garage agreement.

- Six months into the fiscal year shows budgeted to lose \$507,000; actual was \$554,000 ahead of budget.
- Compared to last year at this time, the financials had a great cushion sitting through the first six months of the fiscal year and fortunate to have it.
- Catering was down for the month.
- Other Income shows \$158,000 and includes \$144,000 from parking garage rental that was included in March.

In reviewing the forecast:

- First six months of the fiscal year were outstanding.
- April through September is the forecast for remainder of the year, with numerous unknown variables that affect everything.
- There will be no income in April, other than the parking garage transfer payments.
- May and June have scattered events holding on and hoping they will continue as booked.
- Forecasting through the end of the year looks like a \$1.1 million shortfall right now, but that is very subjective, with a lot of moving pieces remaining.
- Forecast does not yet reflect events that were moved into the August/September timeframe or adjustments to moving capital improvement funds to the operating fund. Next month will show a better picture as these and other operational adjustments are being made.
- June/July timeframe is very important.
- The goal is to work the estimated \$1.1 million shortfall down as low as possible.

Meehan reported 27 events have cancelled from March to October; some from force majeure and will receive a refund, some cancelled and will pay cancellation fees. Sixteen events moved dates: nine into this fiscal year and seven into the next fiscal year (after October 1). Eighteen events are still working with new dates and hoping to rebook. The building is very crowded in August and September and it is getting more difficult to find open dates. There are 13 events considered Lost Business and that have decided not to move forward. Good news is there were 12 new contracts signed over the past two and a half weeks, most within this fiscal year.

He further reported the building had a lot of improvement projects began before the building closure and have continued during this time.

- Parking equipment installation
- Security camera upgrade
- Replacement of main boiler in the kitchen
- New software and electrical for monitors in the building

ICC has also partnered with FestEvents Foundation to prepare 2,400 meals per week for hospitality employees that have been furloughed. There is no cost to ICC as all food is donated. They have four chefs who are volunteering for this cause, plus ICC Executive Chef Eduardo Alvarez. Meals will be distributed every Saturday and hospitality employees will receive breakfast/lunch/dinner for four. There will be a lot of good media coming out of Irving and FestEvents is excited to work with the ICC. In response to a question from Lindsey, Meehan reported due to the COVID-19 event, there will only be a small staff working in the kitchen from our location and if the number of meals rise that need to be distributed, additional volunteers may be needed. In order to be responsible regarding social distancing, volunteer staffing is equally critical. We will let the Board know if there is a need for volunteers.

Lindsey asked for an update on ASM Global initiatives during the COVID-19 crisis as it relates to supporting furloughed employees. Meehan reported their parent company has partnered with different organizations across the country to allow all furloughed employees from ASM Global building to apply for various positions at places like Albertson Companies and Amazon and be hired without interviews. This effort across the country will allow their employees to find work elsewhere until buildings reopen. Meehan is in communication with ICC staff regularly and offers assistance in any way possible to each person. Cooperstein also recommended the "Get Shift Done" area initiative, which was launched to employ affected hourly workers in the hospitality industry to perform shifts for nonprofit organizations and institutions trying to meet community demand during the COVID-19 crisis.

Lindsey asked for a motion to accept the ICC Financial Reports for February and March 2020. Cooperstein made a motion to accept and Board member Clem Lear gave a second. A roll call vote was as follows: Lindsey, Bresowar, Burghartz, Cole, Gears, Haacke, Kang, Lear, Malcolm, Mathai and Philipp voted in support of the motion; no opposed. The motion passed unanimously.

The COVID-19 Irving Visitor Economy Situation Analysis item began with updates from the hoteliers in attendance.

Four Seasons General Manager Dirk Burghartz reported the Four Seasons Resort and Club is closed during the COVID-19 crisis and is waiting for Texas Governor Greg Abbott's new guidelines that will be addressed this afternoon. The golf club has been open and adhering to the strict safe-distancing guidelines. The golf club is operating with a half crew and the resort has a dozen or so in engineering. The sales team has reduced staff and is rebooking events where possible. Meeting planners are eager to rebook, but reality may not be any time soon. The resort plans to open in June and hoping to capitalize on local and national leisure and business travel. The staff and resort members have held fundraisers to support their employees that are furloughed, and it has been heartwarming to see the outpouring, but the situation is hard for those in limbo. He predicted some markets may bounce back easier than others.

Omni Mandalay General Manager Nydia Hoskins thanked everyone for the opportunity to serve on the Board. The hotel is currently closed and under renovations. The renovations were taking place before the crisis and it has allowed the construction to continue and not disrupt any meetings and groups. Construction inside and outside is on schedule. The hotel will begin taking reservations May 15 but may change based on Governor Abbott's new guideline announcement today. Some groups and weddings in June are still confirmed and will hopefully stay. Ten employees were kept on staff and another 15 were brought back to work on additional projects.

Hampton Inn Las Colinas General Manager Kim Limon reported the property is open although business is slow. All bookings are last minute or same day arrivals. Only employees staffed are front desk and minimal housekeeping employees. Their staff has been helping the sister property Hilton Garden Inn Las Colinas. May business is holding steady, but no groups are booked. June bookings are questionable.

ICVB Executive Director Maura Gast gave a COVID-19 analysis report

- Hotel Occupancy changes week-to-week:
- Beginning of the year – 70%
- Current Citywide – 22%
- Trending better than many markets

- Average Daily Rate swings. Average daily rate likely will take 12 months minimum to catch up (recovery may be compressed due to rapid decline of remaining business –rate war timing could potentially be limited).
- Cash Flow and Funding Challenges are:
  - ICVB:
    - Reserve fund balance for catastrophic events is half of what it used to be.
      - \$3 million taken from ICVB in 2010 to fund 1<sup>st</sup> year debt service shortfall of ICC debt.
      - Have been working to rebuild; current balance at \$1.3 million.
    - Computer Reserve Fund - \$244K.
    - Uncommitted ICC Capital Expenditures - \$358K.
    - HOT funds received quarterly; Jan-Mar funds due mid-May.
  - ICC:
    - Event cancellations, postponements, re-bookings, new bookings.
    - Facility still needs to be maintained & protected.
- Three Phases for what we are going through: Response, Recovery and Resilience
  - We are in Recovery Phase:
    - Assumption that ZERO new HOT revenue will be coming in for the next several months
      - If no collections January through March; ICVB will be in dire times even with the use of reserves
    - Will need support from City, even with expenses reduced
    - Suspend all travel and training.
    - Stopping all advertising that could be stopped.
    - BizDIP - honoring what has been committed but nothing else.
    - Ad agency projects – finishing what is underway but then nothing else.
    - Halted all pursuit of a TPID.
    - Suspend executive director incentive.
  - Working with ASM/SMG Global on the possibility of contract extension terms that could allow access for capital projects
  - If ICVB becomes eligible for the federal Paycheck Protection Program, it will be reliant on the city's banking relationship with Bank of America. There are also issues impacting the viability of the PPP due to Texas laws restricting local governments from taking out loans; everything must go through the Attorney General in Texas.
  - Response - Other Issues:
    - 1/3 of the City's debt is tied to Hotel Occupancy Taxes
    - Debt service shortfall on ICC debt for this year.
    - Arts HOT funds will also be reduced.
    - Lingering issues with some regarding the ICVB pay plan changes of 2018
    - Priority to protect staffing levels – ICVB Staff reduced by 23% in 2010 (6 positions); only 1 of those since has been replaced.
    - The pay plan implementation cost \$95,000 across the ICVB's 21 positions
      - Biggest single portion of that was to the Executive Director position at 15%, thus the recommendation to eliminate the incentive eligibility for this year and next year, and to reduce the pay by 25% for 6 months.

Next Steps:

- Request board approval of a budget adjustment to use Catastrophic Reserve, Computer Reserve and uncommitted balance of ICC Capital Reserve into Operating Fund. Committed funds will be used to sustain ICC operations, along with committed ICC subsidy. This will then go to the City Council at its May 7 meeting.
- Approve temporary reduction in ICVB Executive Director pay by 25% and assess situation after six months; eliminate incentive for current year FY2020 and FY2021.
- Operating subsidy will still be needed for ICC; however, funds can begin to be recouped after building reopens.
- ICVB operations down to fundamentals until revenue recovery/rebuilding can begin.

Bresowar asked for the number of furloughed ICVB employees. Gast replied none from ICVB and staff is working remotely; ICC has furloughed half of its staff. Bresowar expressed concern over 25% reduction in Executive Director pay but felt the impact may not be much in the bigger scheme of things and might not be the fix, but she applauded the suggestion from Gast. Gast stated all options are drops in the bucket compared to the situation but feels it is important and is a matter of principle and a stand she believes is important to take. Lindsey noted the recommendation was approved unanimously by the Executive Committee; however, he is now questioning the recommendation as presented and asked voting Board members to reconsider the item.

Gears stated it is important now more than ever for the City to do a great job and ICVB and ICC have done that with a 10-year operation at the ICC. He supports the hospitality industry in the City and Gast is a critical component to how to continue to succeed and has proven over a number of years she knows what needs to be done. He is compelled to support the recommendation from Gast but agrees with no reason to cut the incentive pay for two years and suggested a language change to the item.

Phillip noted this is a fact- and emotionally-based discussion and a symbolic and economically correct motion. Gast sets the pace in the organization to adjust salary. This is an unusual circumstance and he will honor her request to revisit the salary adjustment at year-end, and recommends incentive pay elimination in FY2020 only.

Bettis asked for comments from Mayor Stopfer, Council members and City Manager. Stopfer reported the City is estimating a \$20 million shortfall. The city has furloughed 127 employees and has a potential 130 position eliminations. Each Department Head is working within their departments to see how they can contribute to expense cuts. The City Manager has made tough decisions on his own salary and bonus, and Stopfer agrees that FY2021 should be discussed at a later date. Gast does a phenomenal job and he will support the Board's decision.

Councilman Al Zapanta stated he feels the crisis will have an effect for at least up to 18 months or more. Everyone is taking strong actions to curb expenses and set priorities around essential activities in the City. Leadership is about leading and Gast and Hillman are leaders and setting the tone. Councilman Oscar Ward echoed Gears' and Phillip's comments. He supports the current recommendation. City Manager Chris Hillman reported federal money trickle down is important and has yet to occur. Cities with over 500,000 population have received federal money but there is a limit on how those dollars can be spent and the City will continue to work with federal and state officials for representation. Maintaining the City's triple A bond rating is important.

Perot suggested being consistent with the City's language and recommendation for staff reductions. Cole noted the City Manager, Mayor and Council comments were taken before the Board concluded the vote on the item and should have no bearing on the decision.

Lindsey asked for a motion to approve the recommendation for temporary reduction in Executive Director pay by 25% for a six-month minimum; reassess the situation at that point and elimination for incentive for FY2020 and FY2021. Those in favor: Cooperstein, Gears, Malcolm, Philipp. Those opposed: Lindsey, Bourgeois, Bresowar, Cole, Haacke, Kang, Lear, Mathai. Burghartz not present at time of vote. Motion failed 8-4.

Lear made a motion for an amended recommendation for no temporary reduction in Executive Director pay and elimination for incentive for FY2020; Cole gave a second. After additional discussion, Lear withdrew the amended motion.

Gears made a motion to reduce the pay by 25% for up to 6 months and to eliminate the FY 2020 incentive but to postpone discussion on the 2021 incentive. Those in favor: Cooperstein, Gears, Malcolm, Philipp. Those opposed: Lindsey, Bourgeois, Bresowar, Cole, Haacke, Kang, Lear, Mathai. Burghartz not present at time of vote. Motion failed 8-4.

Bresowar made a motion to approve a recommendation of a 15% reduction in Executive Director pay and revisit after three months to possibly increase or decrease the adjustment as market conditions require or as City implements citywide adjustments and to eliminate the FY2020 incentive pay; Gears gave a second. After further discussion, Bresowar withdrew the motion.

Cole suggested deferring the item to the Executive Committee for further discussion and a new recommendation to bring before the full Board for voting and after the May 7 City Council meeting. It was agreed to schedule an Executive Committee meeting for further discussion of the item.

Lindsey asked for a motion to approve the recommendation of the Executive Committee for budget adjustments from ICVB Reserve, Computer Reserve, and Convention Center Capital Improvement Project Reserve. Bresowar made a motion to accept and Haacke gave a second. A roll call vote was as follows: Lindsey, Bresowar, Cole, Gears, Haacke, Kang, Lear, Malcolm, Mathai and Philipp voted in support of the motion; Burghartz was not present at time of vote. There were no opposed. The motion passed unanimously.

On a motion from Cole and a second from Lear to approve the Board of Directors Minutes of February 24, a roll call vote was as follows: Lindsey, Bresowar, Cole, Gears, Haacke, Kang, Lear, Malcolm, Mathai and Philipp voted in support of the motion; Burghartz was not present at time of vote. There were no opposed. The motion passed unanimously.

Lindsey expressed his thanks for great communication between ICVB and ICC teams and noted the organization is a leader in the hospitality and tourism industry. Cooperstein and the Board offered congratulations to Gast on her 29 years of service at the ICVB.

The meeting was adjourned at 2:22 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Maura Allen Gast". The signature is written in a cursive style with a large, stylized initial "M".

Maura Allen Gast, FCDME  
Executive Director