

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
BOARD OF DIRECTORS – EXECUTIVE COMMITTEE MEETING
IRVING CONVENTION CENTER
DECEMBER 13, 2019

Attendance: Rick Lindsey – Board Chair; Karen Cooperstein – Board Vice Chair; David Cole, Debbi Haacke, Greg Malcolm – Committee Members; Bob Bettis, Bob Bourgeois, Julia Kang, Clem Lear – Board members; Tom Meehan, Matt Tungett – SMG/ICC; Maura Gast, Carol Boyer, Marianne Lauda, and Susan Rose - ICVB.

Board Chair Rick Lindsey called the meeting to order at 9:00 a.m. and inquired if there were any citizens present that would like to make a comment on any subject on the agenda. There were none.

Lindsey congratulated ICVB Accounting Director Marianne Lauda for her accomplishment and team work on the new City software conversion project. Lauda gave an overview of the ICVB Financials for September 2019. She reported the September financial report will be the last one produced from Banner. In reviewing the General Fund Balance Sheet, Lauda stated the fiscal year ended well. The Statement of Revenues and Expenditures shows the budgeted transfers to the Reserve Fund of \$125,000 and the ICC Reserve/CIP Fund of \$705,281. She noted the end-of-year fund balance decreased by \$356,000 which was anticipated and budgeted to take money out of the fund balance for operations. The fund is 91% expended. In response to a question from Board Vice Chair Karen Cooperstein, Lauda clarified the Special Services expenditures and transfers. In reviewing the Reserve Fund, Lauda noted the goal is to have six months of operating costs (\$4 million), in the fund and the fund balance is currently \$1,298,010. Transfers will continue to be made into the fund from the General Fund. This year a transfer of \$125,000 was made. An overview of the Computer Replacement Fund showed there were no transfers into this account. The ICVB did replace all staff computers for \$37,955 and the fund shows a \$243,767 balance. The ICC Reserve/Capital Projects Fund was reviewed, and Lauda noted the fund goal is to have \$1.3 million, and currently has a balance of \$1.488 million. She noted the need to continue to transfer funds into this account to maintain a balance for expenditures to maintain the Convention Center. A transfer of \$705,281 from the ICVB General Fund is noted in the account. Lauda commented the financial situation is good at the end of the fiscal year in the General Fund at \$2.3 million but is the lowest it has been since 2009.

Lauda then reviewed the Check Register specifically noting: check #80060633 to Park Place Motorcars & Bodywerks Dallas for an event sponsorship, and check #80060645 to Christian Congregation of Jehovah Witnesses for Business Development Incentive Plan payment for their events that totaled 6,239 hotel room nights. Four checks to the Irving Convention Center were reviewed: \$266,797.98 for Capital Improvement Projects; \$348,250.00 for a subsidy payment; \$20,433.50 for another Capital Improvement Project; and \$20,038 for monthly Catering and IT Services. Check #80060689 to The Fulcrum Group Inc.

was payment for ICVB computer purchases and an upgrade to Office 365. Check #80060686 to SXSX, LLC is the payment for booth space at this year's event.

In response to a question from Lindsey, Lauda replied the reporting training session for Munis will be in January and hoping to have reports for October, November and December 2019 generated by the end of January. The ICVB is modeling reports from Munis after the City's and waiting for their finished report design. She reported all ICVB financial reports have been verified, bank statements reconciled, and journal entries are checked.

Lindsey requested a motion to approve the ICVB September 2019 Financial Reports. Cooperstein made a motion to approve; with a second from Board member Debbi Haacke, the motion unanimously was approved.

Lauda then reviewed the Hotel Occupancy Tax for the Fourth Quarter 2018-19. Lauda reviewed the Collection Report and noted all hotels have paid, with the exception of the Budget Lodge of Irving that is closed for renovation. Discussion was held on the possibility of having the report identify hotels by location. Lauda agreed to add addresses and zip codes in future reports. In response to a question from Cooperstein, Executive Director Maura Gast replied we do not have sufficient data to interpret the decline from the Westin DFW, but renovation may be a part of it, as could be the new Westin Irving Convention Center Hotel is close in location, and the Sheraton Four Points in Coppell. Board member Bob Bourgeois asked if ownership information is available on the hotels, Gast replied it is possible to receive that information from the City for Irving hotels through tax payments. Lauda then reviewed the year-to-date totals for all hotels, which is up 2.65% against last year, and .26% against budget because the budget increased 1.5% over last year's actuals. This year's budget did not increase. Gast responded to a question that the third quarter numbers are believed to be less due to the softening of the market and not seasonal. Cooperstein asked if City Council is aware of the hotel development impact, to which Gast replied it has been presented to them and will be an ongoing conversation regarding allowing variances. The next step will be to bring the discussion to the full City Council for awareness.

ICC General Manager Tom Meehan reviewed the Convention Center October 2019 financials. He reported October was a good month and noted Catering made the month with \$605,052 revenue. Most of that came from corporate groups. Expenses are slightly over by \$128,159 with a lot of work that was done in the building at the end of the year and not attributed to one particular thing. He commented November will level out. Combined Revenue and Expenses are \$127,755 better than budget for the year. Meehan reviewed the Year-Over-Year Income Comparison and pointed out Catering has been consistent, but this year was a phenomenal year. Rental Income was also higher this year than the last five years. However, expenses were the highest as well. He noted it takes a lot to maintain the building the older it gets. Meehan reviewed the Forecast report which shows a snapshot of the anticipated year-end. He noted right now financials are off budget, but that is not considering anything booked for the rest of the year. Now at

Year 10 there will be ups and downs and some months will be better than others. There are quite a few capital improvement projects for the building budgeted this year, and staff is finishing projects that will extend the life of major equipment for the next ten years. Once those are complete, he anticipates capital needs for the building may come down due to those repairs and replacements. The carpet in the Grand Ballroom has been replaced and the new carpeting and cooling tower project will cover the next 10-15 years. In response to a question from Board member Bob Bettis, Meehan responded the lighting upgrade for some of the systems is close to being completed. Converting to LED lights and the upgrade to the Grand Ballroom lights are very expensive item, and we are not there yet. He reported TV monitors have been upgraded in the building and looking at a crosswalk between the ICC and the Westin Irving Convention Center Hotel parking garage. This was supposed to have been done as part of the hotel construction, but was not.

Lindsey requested a motion to approve the ICC October 2019 Financial Reports. Board member Clem Lear made a motion to approve; with a second from Bourgeois, the motion unanimously was approved.

Lindsey requested a motion to approve the ICVB November 15 Executive Committee meeting minutes. Cooperstein made a motion to approve; with a second from Lear, the motion unanimously was approved.

Lindsey reviewed the agenda for the ICVB December 16 Board of Directors meeting. He noted the newly appointed officers, new Board member and renewing term Board members will be sworn in by the City Secretary. Gast reported John Lambeth from Civitas will give a presentation to the Board on Tourism Public Improvement Districts, with background and history of TPIDs to give a bigger than Texas perspective. He will also attend a series of hotelier meetings with Gast on December 16 and 17. Conflict of Interest forms and Committee assignments will be distributed. Lindsey noted the January 27 Board meeting will be held at the Irving Arts Center. The Irving Hospitality Industry Annual meeting will be held on February 14 at the Convention Center.

Lindsey reported Committee Chair assignments are: Board and Business Development – Debbi Haacke with Bob Bourgeois as Vice Chair; Community Engagement Committee – Bob Bourgeois; Destination Development – Greg Malcolm and David Cole is Vice Chair.

The next Executive Committee meeting will be held on Friday, January 24.

Lindsey adjourned the meeting at 9:50 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Maura Allen Gast". The signature is written in a cursive, flowing style.

Maura Allen Gast, FCDME
Executive Director