

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
BOARD OF DIRECTORS – EXECUTIVE COMMITTEE MEETING
ZOOM VIDEO MEETING
JUNE 19, 2020

Attendance: Rick Lindsey – Board Chair; Karen Cooperstein – Board Vice Chair; Bob Bourgeois, David Cole, Debbi Haacke, Julia Kang, Clem Lear, Greg Malcolm – Committee Members; Bob Bettis and Joe Philipp - Board members; Carol Boyer, Maura Gast, Marianne Lauda and Susan Rose - ICVB; Tom Meehan and Matt Tungett – ASM/SMG Global; Mayor Pro Tem Oscar Ward and Councilman Al Zapanta – Guests.

Board Chair Rick Lindsey called the meeting to order at 9:00 a.m. and noted this meeting is taking place as a video conference due to the COVID-19 restrictions. He inquired if there were any citizen comments; there were none.

Accounting Director Marianne Lauda reviewed the ICVB financial reports for May 2020.

- May is eight months into the fiscal year and it has been an interesting year.
- Balance Sheet – Showing (\$13,357.64). She noted this is a paper entry only and not the actual.
- Hotel Tax Collections Received - \$1,565,674.73. Additional tax collections were received after initial report and have been revised.
- Expenditures – majority of expenses are for payroll, administrative reimbursement costs.
- Staff is doing well managing expenses.
- Lauda will continue to closely monitor cash balance for the next 18 months.
- Check Register review – Check to Irving Convention Center for \$20,625 was noted as Irving Westin Convention Center hotel parking garage payment in May.
- Hotel Tax Collection Report – additional taxes were received in May and added to the initial Hotel Tax Collections Second Quarter report: Four Seasons, Element DFW North, Studio 6 DFW North and Super 8 Motel DFW South.
- In addition, a handful of other hotels have paid for the second quarter and the City will remit funds by end of June. The report will continue to be updated and presented.
- Collections are down 32.29%.

Lauda reviewed several charts reporting Cash Flow numbers. This is a new report and will be updated and provided to the Committee. She noted there is not a lot of change on cash flow for the rest of the fiscal year, excluding revenues for August when minimal Hotel Tax collections should be received. An additional subsidy payment to ASM/SMG for approximately \$550,000 may be necessary in October/November. Discussions are being made with the City to change Hotel Tax collections to monthly, which will be a tremendous help in cash flow. Executive Director Maura Gast added City Financial Office Jeff Litchfield gave a presentation at the June 12 Board and Business Development Committee meeting regarding shifting to a monthly Hotel Tax collection cycle. The item will be presented at City Council in July and, depending on Council response, will move forward October 1. Hotels are remitting tax collections to the State of Texas monthly and this will allow alignment and consistency. Irving is one of the few cities to collect quarterly.

Discussion was held on the possibility of a discount to hotels paying early; this will require the direction of the city's bond counsel to determine if that is a possibility in Irving. Board member Greg Malcolm confirmed the State of Texas does allow a 1% discount if payment received by the 20th of the month. Gast

noted ICVB will work with the Hotel Association to communicate to Irving properties of the monthly switch and possible discount when/if approved. Gast added that neither in her nor Lauda's 30+ year tenure, they have never presented to the Board or City Council any cash flow in the red, including post-September 11, 2001 events and 2008 recession. This is a highly unusual situation.

Gast explained the (\$998,685) ending cash flow for September 2020 is based on quarterly Hotel Tax collections. Shifting into next fiscal year, anticipate monthly influx of revenue with each quarter divided by 3 months to get the monthly flow for those specific quarters. Travel history is being used for assumptions.

Board member Clem Lear made a motion to accept the ICVB May 2020 Financials and a second from Board member Debbi Haacke. With no opposed, the motion to accept was passed unanimously.

ASM/SMG General Manager Tom Meehan reviewed the ICC Financials for May 2020.

- Revenue - He noted there were no events in the month and the only Revenue for the month was \$32,000 from a canceled event last November prior to COVID-19 outbreak and the forfeited deposit shows as Revenue. Other Income – \$12,665 rental payment for Westin Irving Convention Center Hotel garage, which is net after expenses associated with that operation. Total Revenue for the month was \$44,665.
- Total Indirect Expenses – saved \$201,019 for the month. \$53,000 in furlough salaries and contracted services monthly payment reductions.
- Net Income Loss is \$299,747 for the month.

Meehan reviewed the Forecast and noted if the year ended last month the forecast would have been \$979,856 behind budget. Only moved \$3,100 in May for forecast. Over the next week or so will have a better idea of adjustments to the projections. To date, \$979,856 short, beyond the subsidy of \$1.395 million. No money has been transferred into the account yet from the remaining capital funds to reduce that number. A contract adjustment payment from ASM Global should reduce the number more. The goal is to figure out how to get the number down to zero. There is one definite wedding event in June and two events in July. August picks up with seven events confirmed and trying to keep what is booked for September. September will be a key month for the ICC.

Board Vice Chair Karen Cooperstein made a motion to accept the ICC May 2020 Financials and a second from Board member Bob Bourgeois. With no opposed, the motion to accept was passed unanimously.

Meehan gave an update on the building upgrades and changes. He noted ICC has an increase in inventory needs for cleaning supplies, including sanitizer stations and sanitizer. New sanitizing stations are being purchased with refillable sanitizing gel. The current stations were limited in their refilling supplies. One Clorox 360 misting machine and chemicals has been received. A second machine has been received which is a different brand. The third machine was received and will be returned and replaced with another Clorox 360 misting machine. Housekeeping is being training on the use of the machines. The Venue Shield program from ASM Global has been received and Meehan is researching the sections that apply to the ICC and will become a formalized plan for the building. In the end, it will be a six-part comprehensive program from ASM Global and Venue Shield. Housekeeping will be trained for daily operations. Two additional projects: ultraviolet lights in the air handlers and UV lights on the escalator rails at the bottom of each unit will be installed. The goal is to have the supply of inventory in place and move toward an August/September full-function daily sanitizing operation.

In response to a question from Joe Philipp, Meehan responded the Venue Shield program is a playbook that is applied to each building's specific needs. ASM corporate operations personnel will inspect buildings and results are recorded. Venue Shield is not a certification program; however, ICVB and ICC are looking into a third-party certification program from Global BioRisk Advisory Council called GBAC STAR Facility Accreditation Program. The program empowers facilities to assure staff, clients, and key stakeholders that proven systems are in place to deliver clean and healthy environments.

In response to a question from Haacke, Meehan confirmed the Jehovah Witness programs left the ICC not due to COVID-19 concerns. They have opted to use their own venues with multiple smaller events. Lear noted Dallas County Commissioners voted 3-2 this morning in favor of an ordinance stating businesses must require customers and workers to wear face coverings with up to a \$500 fine imposed on retailers, restaurants, and other businesses. Gast noted it is a two-way street between the building/staff and the events, but ultimately it is up to the client to direct how attendees will act.

Discussion was held on upcoming Board and Committee meetings in July and August. It was noted that the current exception that has allowed meetings on Zoom expires July 11. If the directive is not extended or amended, hybrid meetings can be held for those who want to join in person and others call in, but a quorum will need to be physically present to take any action on agenda items.

Discussion was held on the CARES Act and the necessary funding for local chambers of commerce and inclusion of CVBs as 501(c)(6) organizations, as well as CVBs of any structure. The funding is necessary to ensure continuation of support for small businesses during this time. Discussions in Washington D.C. include if entities engaged in lobbying activities will remain ineligible for a PPP loan. Councilman Al Zapanta noted the U.S. Chamber of Commerce will be a key player in the legislation. He is traveling to Washington D.C. next week and will provide an update.

Mayor Pro Tem Oscar Ward reported the City Council will hold the budget retreat, work session and full Council meeting next week. He thanked the Executive Committee for the financial information and challenges the CVB faces. He noted the city is anticipating a \$16 million shortfall in this current fiscal year. Conversations will move forward regarding keeping the Bond election on the November 3 election ballot or moving it to next May.

Lindsey asked for a motion to approve the ICVB Executive Committee minutes from May 15, 2020. Cooperstein made a motion to approve, and a second from Lear. With no opposition, the minutes unanimously were approved.

Lindsey reviewed the ICVB Board of Directors agenda for June 22, 2020 and noted the meeting will be held once again by video conference. Individual Consent items on the agenda include approving the 2020-21 ICVB Budget and Marketing Plan, approving the ICC Capital Improvement Plan, accepting Year-2 update to the ICVB Board 2018-21 Strategic Plan and accepting the Destinations International Code of Ethics. Gast will give a COVID-19 Update. Committee updates from Board and Business Development and Community Engagement Committees. Gast reminded the Committee the Strategic Plan Year-2 update and the DI Code of Ethics items were needed as individual items with Board approval for the annual accreditation renewal.

Gast gave an overview of the 2020-21 ICVB Marketing Plan and Operating Budget. She reported the meeting with City Manager Chris Hillman to review the ICVB plan and proposed budget went well. The

City has always been respectful of the Board's role in budget approval. This year, the budget is being presented to the City Manager prior to Board approval in light of new requests this year in funding in case any adjustments were needed before final budget presented to the Board. The City Manager was supportive of what was presented and a projection for an approximately \$370,000 loan from the City based on the net needed. ICVB and ICC will go into next fiscal year hyper-cautious with cash flow weighing heavily and will be projecting as best as possible based on a lot of unknowns. Monthly revenues will be reviewed, and expenses adjusted accordingly.

Gast reviewed the Citywide Hotel Tax Collections history and Operating Expenditure history comparison. She noted 20% of the budget is needed for operations to sustain the ICC. She further reviewed Reserve Fund and Staffing history. In reviewing the Operating Budget, assumptions based on Hotel Tax collections, it was noted there will be no money transferring into the Reserve Fund next year. There is a \$100,000 transfer into the Capital Budget for the ICC. The FY21 General Fund budget reflects a net shortfall of \$359,317. The actual loan amount, which is calculated on a cash basis, will be higher due to the timing of the receipt of hotel taxes and when payments are made for expenditures. She reviewed Key Expenditure Analysis, which includes big ticket items of the ICC subsidy payment, Business Development Incentive Program payments, paid media advertising, travel, and promotions. These will all drop significantly moving forward.

The 2020-21 Marketing Plan and Operating Budget is available for review to all Board members on the Board portal. Gast encouraged everyone to read the Executive Director letter at the front of the plan for a better understanding as to why the plan has been developed as it has.

Lindsey thanked the Committee for their input and support.

The meeting was adjourned at 10:07 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director