

**MINUTES**  
**IRVING CONVENTION AND VISITORS BUREAU**  
**BOARD OF DIRECTORS – EXECUTIVE COMMITTEE MEETING**  
**IRVING CONVENTION CENTER**  
**AND ZOOM VIDEO CONFERENCE**  
**Friday, August 21, 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, Jo-Ann Bresowar and Joe Philipp – Board members; Tom Meehan and Matt Tungett – SMG/ICC; Maura Gast, Carol Boyer, Marianne Lauda and Susan Rose – ICVB; Councilman Al Zapanta – Guests.

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

**ICVB FINANCIALS – JULY 2020**

ICVB Director of Accounting Marianne Lauda reported:

- Minimal revenue in the General Fund.
- Expenditures mostly consist of salaries, marketing programs, Business Development Incentive program payments are small and IT services.
- Staff is doing a great job of keeping expenses down – at 60% expended.
- The majority of Check Register payments were for employee and catch-up reimbursements.
- Other items reviewed: ICC monthly network services, capital improvement projects payment, Westin Irving Convention Center Hotel parking garage rental, and additional funding for emergency operations.

In reviewing the FY20 Cash Flow projections, Lauda noted the FY20 ending cash projection is up \$1.2 million from last month due to the revenue collected from the Hotel Occupancy Tax for the second quarter. The original/revised projection was for zero dollars in collections. Ending cash balance projection for FY20 is \$1,711,026.

In reviewing the FY21 Cash Flow, Lauda reported the ending cash balance projection is \$836,987, which is based on the revised Hotel Occupancy Tax collection projections. Projections may fluctuate as revisions are made. Staff will continue to monitor expenses and operate efficiently.

Councilman Al Zapanta commended Executive Director Maura Gast and the ICVB staff on a well-done and comprehensive budget presentation. He further noted the City budget should be completed and approved in September and the financial five-year plan will be a key component to the document.

Lindsey asked for a motion to accept the ICVB July 2020 financial reports. On a motion from Board Vice Chair Karen Cooperstein and a second from Board member Jo-Ann Bresowar, the motion passed unanimously.

#### HOTEL TAX COLLECTIONS THIRD QUARTER 2019-20

- Hotel Occupancy Tax collections were received in August.
- A review of collections April through June 2020 shows payment from several hotels has not been received and it is unknown when they will remit.
- The Extended Stay properties item includes AirBNB and Bed and Breakfast properties and reports more of these properties have been paying Hotel Occupancy Tax.
- Luxury Full-Service collections reports the Doubletree DFW Airport North, Embassy Suites DFW Airport South and NYLO Dallas/Las Colinas have made payments this quarter.
- It is unknown if monthly collections in FY20-21 will make a difference in timely payments.
- YTD Report Overview: every hotel is down significantly, and Lauda noted the addition of revised numbers versus the original budget numbers for comparison purposes.
- Budget to actual is down 36% or \$2.3 million.
- Actual to Actual numbers are down 36.75% or \$2.4 million

ACTION ITEM: Board Vice Chair Karen Cooperstein asked to amend the report going forward to make a notation by the hotels that were closed for one or more months due to COVID-19. It will be helpful for future reference by providing some back-up information in the inconsistent payments.

Gast noted the City staff has awarded LodgingRevs the project for compiling data across the City for short-term rental properties and tax collections compliance. It is a six-week start-up process and there are no projections currently.

#### ICC FINANCIALS – JULY 2020

General Manager Tom Meehan reported:

- Monthly Highlights Review: two small events and one photo shoot in July, and ended the month slightly ahead of budget \$2,824.
- Yearly Highlights Review: \$377,119 behind budget at this point.
- Income Statement: Rental Income \$9,900, \$844 in Concessions, \$2,003 in Parking and \$1,750 in Electrical Services for the month. Other Income collected from the Westin Irving Convention Center Hotel parking for \$21,849 and Adjusted Gross Income total of \$32,688.
- Expenses: Saved \$233,677 in Total Indirect Expenses for the month. Savings from payroll of furloughed staff and day-to-day operations expenses saved with no big events in the building. Forecast for July is typically low. Without events, expenses were cut and reporting ahead of budget.
- Five-Year Income Comparison: F&B Catering actual of \$2,383,920 is ahead of five years prior at \$2,175,816. Total Event Income is reporting slightly behind five years prior.
- Forecast: End of year report currently forecasting \$490,675 short of budget. This does not take into account the \$167,000 for ICC emergency over last two months (August and September) and \$175,000 still owed by SMG for current contract, as well as other items. Together, these should total \$509,000. Year-end should be on point with budget. The challenge will be forecasting next year's budget.

Meehan added the building has re-opened with Enterprise Car Rental in the lobby operating once again; engineering projects are continuing. The building is ready for events.

Board member Bob Bourgeois made a motion to accept the ICC July 2020 Financials and a second from Board member Clem Lear; with none opposed, the motion to accept was passed unanimously.

Gast reviewed the proposed ASM Management Renewal Agreement

- Current management agreement expires in 2030 (three 5-year terms); Proposed renewal terms expire 2035 (one 15-year term).
- Adjustments to the Management Fixed Fee, Incentive Fee, Food & Beverage, added F&B Incentive, and ASM cash contribution from \$375,000 for FF&E, smallwares, etc., to \$2,000,000 for capital expenditures, cash flow, FF&E, smallwares, etc.
- Capital Commitment:
  - \$2,000,000 to be dispersed no sooner than as follows:
    - \$500,000 at commencement of agreement (10/1/2020) Note: balance of \$175,000 from current agreement to be dispersed on 10/1/2020.
    - \$1,000,000 on first anniversary of the agreement (10/1/2021).
    - \$500,000 on the second anniversary of the agreement (10/1/2022).
    - Investment will be amortized on a non-cash basis for 15 years from the date of disbursement.
- A review of the ICC fiscal data from opening to the current year compared attendance, event days, utilization, events and tracked hotel room nights.

The revised agreement renewal solves a lot of issues. Board member Joe Philipp suggested adding language to the agreement that is beneficial to both parties for capital advances due to emergencies. Cooperstein asked if the funds are designed for capital needs. Gast replied it could be used for cash flow and capital needs at the ICVB discretion and noted it will be a great resource. Cooperstein applauded Gast for her efforts behind the scenes to position the CVB and ICC for success in incredible times. Gast noted her relationship with SMG for over 20 years has been exceptional, and this is not a simple conversation to have with their new owners, but the building is beautiful and a high performer, as well as an incredible staff.

**ACTION ITEM:** Gast to identify under what terms access to cash for any other unplanned emergency might be; and confirm that they may be used to support cash flow, in addition to capital requirements.

Lindsey asked for a motion to accept the recommended ASM Management Renewal Agreement for presentation to the full Board for approval. On a motion from Lear and a second from Cooperstein, the motion was unanimously passed.

Lindsey asked for a motion to approve the Executive Committee July 24, 2020 meeting minutes. On a motion from Cooperstein and a second from Lear, the motion was unanimously passed.

Gast gave a brief overview of the ICVB Board of Directors meeting agenda for August 24. There will be a Hotel Occupancy Tax Third Quarter Collections review and the ASM Management Renewal Agreement will be presented for approval. The short-term rental occupancy tax collections update will be included on the agenda.

Lindsey noted he has met with Councilman John Danish and has given updates of the Board's positions and discussions. Danish is engaged and informed and remains the Council liaison to the Board.

The next Executive Committee meeting will be held on Friday, September 25.

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 style with a large, looping "G" at the end.

Maura Allen Gast, FCDME  
Executive Director