

**MINUTES
IRVING CONVENTION AND VISITORS BUREAU
JOINT MEETING
ICVB BOARD OF DIRECTORS EXECUTIVE COMMITTEE
AND CITY COUNCIL
IRVING CONVENTION CENTER
Friday, February 24, 2023**

Attendance: Bob Bourgeois – Board Chair, Richard Stewart, Jr. – Board Vice Chair; David Cole, Colvin Gibson, and Greg Malcolm – Committee Members; Julia Kang, Bill Mahoney, Joe Philipp, and Sam Reed – Board Members; Tom Meehan and Jeremy Pierce – ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda, Brice Petty, and Susan Rose – ICVB; Board Liaison Councilman Kyle Taylor and Mayor Pro Tem Al Zapanta – City Council.

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

Bourgeois asked for a motion to approve the Executive Committee meeting minutes from January 20, 2023. On a motion from Board member David Cole and a second from Board member Colvin Gibson, the motion was unanimously approved.

ICVB FINANCIAL REPORTS

Director of Accounting Marianne Lauda reported on the January 2023 Financial Reports:

General Monthly Balance Sheet:

- Revenues received were from Hotel Occupancy Tax.
- First Quarter 2022-23 ended in December and in January an entry was made to recognize ARPA funds spent and recorded under Receipts from Federal Government.
- End of month Fund balance is \$4,417,438.35.

ICC Reserve/CIP Fund:

- Audit Note: Per our contract with ASM, the Bureau received capital contributions of \$1,000,000 in FY2022 and \$500,000 in FY2021 to fund CIP projects. These contributions are to be placed in an Unearned Revenue account and amortized over a 15-year period, but the total amount was recognized as revenue each year. An amortization schedule has been developed and an audit entry was posted to reverse the original entries and record the annual amortized amount. An entry of Unearned Revenue for \$1,375,707.76 and a decrease for the same amount in Unreserved Fund Balance resulted. Future entries will be posted on September 30 as part of the year-end process.
- Audit Entry: Government Accounting Standards Board requires recognition of leases over 12 months in length to be recorded as liabilities and right-of-use assets, which includes our lease with the Westin Irving Convention Center hotel for 300 parking spaces through 2076.

Monthly Financial Report:

- Revenue – Receipts from Federal Government (ARPA) for \$834,023.89, transfer from ICVB General Fund for \$1,601,289, along with Investment Income and Miscellaneous.
- Ending Fund Balance of \$2,197,720.54

Check Register Review:

- SMG payments for several Capital Improvement Projects.
- Still continue to spend ARPA funds for 90.3% of expenses and 9.7% from Hotel Occupancy Tax.

In response to a question from Board member Joe Philipp, Executive Director Maura Gast replied all funds should be at their goal levels and anticipate healthy again by end of FY2024. The remaining piece will not be finalized until the following year with discussions on potential reallocation of the \$1.6 million HOT funds when that legislation sunsets. The ICVB Board Strategic Plan has a five-year path to financial stability. Philipp added we need to be aware of the pitfalls and anticipate a recession. Gast noted she will present at the City's Audit and Finance Committee for a Hotel Occupancy Tax collection presentation.

Philipp asked what meeting attendees were saying about their attraction to Irving. Gast replied there are still positive post-event surveys, but they are primarily from the meeting planner. ASM Global is looking at an in-the-moment feedback system across all their buildings with QR codes to capture attendee input. It was noted the input should be balanced and will take some working through some of the data response issues to balance in-the-moment reactions by attendees (room temperatures, concessions pricing, etc.) versus the overall experience of the event by decision-makers.

Lauda reviewed the Cash Flow Report for January 2023:

- Anticipated ending cash balance as of September 2023 of \$7,415,809.
- Everything looks positive.

Thermometer Chart:

- The General Fund balance goal of \$2,000,000 has been exceeded.
- The Combined Funds goal is over 50% completed.
- All funds are a work in progress, but confident will succeed by the end of the year.

HOTEL OCCUPANCY TAX COLLECTIONS

The Hotel Occupancy Tax Collections reports were reviewed through November 2022.

Lauda reported:

- Luxury & Full-Service properties reporting a slight increase.
 - Doubletree by Hilton DFW Airport North and Sheraton are still delinquent. The City has forwarded the last warning letter to pay in full or a lien will be put in place. They have submitted their reports to the City but have not made the payment. It was noted the Sheraton is rumored to be up for sale.
 - November results were a decrease from October collections. Gast noted the City records collections as the cash comes in and it skews the totals when delinquencies or fees are backed out. November and December are short travel months, but definitely smaller collection numbers than they should be.
- All Suite / Extended Stay properties one hotel has not paid, and total is down from October.
- Budget Services properties – one hotel has not paid, also down from October.
- Limited-Service properties, the Wingate Inn has not paid for the last two months. Total is down considerably from October.
- There were 67 short-term properties reporting and collected \$6,898.21 in November, up from October.
- Summary – for November down 22.1%.

ACTION ITEM: Lauda to add an additional column to Summary report for comparison to last year. Bourgeois asked for a motion to accept the ICVB financial reports for January 2023. On a motion from Cole, and a second from Board Vice Chair Richard Stewart, Jr., the motion passed unanimously.

ICC FINANCIALS

General Manager Tom Meehan reported on the December 2022 financial reports:

- Over budget by \$25,386 for the month. Meehan explained ASM Global completed a General Liability insurance policy based on attendance, food and beverage revenues. Last year the ICC performed much better than anticipated. The General Liability went up unexpectedly to \$335,000.
- Projections for the year are on target.
- December 2022 reports 56 events, compared to 45 last year and 103 event days, compared to 70 last year.
- Adjusted Gross Income of \$1,720,697 for the month.
- First three months of the fiscal year, Rental Income is on target and Catering is up slightly.
- Adjusted Gross Income is \$42,033, better than budget for the year.
- Indirect Expenses are \$67,419 over budget.
- Net Income is \$151,072, better than budget.

January 2023 financial reports:

- January 2023 reports 12 events, and \$61,217 better than budget.
- The first four months of the fiscal year reports \$212,286 better than budget, 68 events and 125 event days.
- Catering was budgeted for \$385,320 and actual was \$503,470. Catering Gross income was close to \$1 million for the month of January alone.
- Adjusted Gross Income is \$108,596, better than budget for the year.
- Indirect Expenses are \$47,379 over budget.
- Net Income is \$212,286 better than budget.
- Year-over-year comparison for January:
 - Catering at \$503,506 actual, which is better than the past two years.
 - Indirect Expenses for the month are in line with three years ago.
- YTD Year-over-Year comparison:
 - Rental Income of \$570,307, which is higher than in the previous five years.
 - Catering is in line with 2019 numbers.
 - Event Income and Indirect Expenses are in line with 2019 numbers.
- The forecast report shows +\$48,482 to date at the end of year. It is a conservative number with many months to go in the fiscal year.
- In the past three months, there were 40 new contracts signed for the year. Clients are still heavily booking in-the-year, for-the-year.
- Expenses are up from last year with the cost of labor, supply and food costs rising, along with full staff salaries.
- Staff are highly creative at selling events to make up for some of the cost increases.

Board member Sam Reed asked if we are modifying our strategy to meet the new trend. Meehan replied there are a lot of unknowns and decisions are being made in the moment. The client market is very unstable right now and will probably stay trending for short-term bookings. Gast noted larger trade associations will have to book 5-10 years out due to their size (and most of these are too big for Irving) and state associations will continue to book 2-5 years out.

Mayor Pro Tem Al Zapanta asked the best way to stay competitive and keep contracts at the same time. Meehan replied that every client is different with what they bring to the table; room nights, etc., and sales team can lower margins to make it work. The objective is to make sure everybody reaches their goals. Gast stated the first piece of the budget process every year is to take operating subsidy for the building and what is left is what we have to work with. There are performance goals for the building that are taken into consideration and need to be met so will continue to budget that way. Zapanta thanked staff for doing a phenomenal job in these uncertain times. He noted that half of the City Council will be new next year and it is important for Gast to present to Council regularly on the ICVB, ICC and tourism for Irving. Bourgeois noted short-term business is good, especially during an inflationary period.

Bourgeois asked for a motion to accept the ICC financial reports for December 2022 and January 2023. On a motion from Board member Colvin Gibson and a second from Board member Greg Malcolm, the motion passed unanimously.

BOARD MEETING AGENDA REVIEW

- Gast reviewed the February 27 Board agenda and noted the meeting will be held at the Irving Arts Center.
- Toyota Music Factory General Manager Tommy DeBeaudry is unable to attend but has sent a report to be shared at the meeting.

CHAIR REPORT

- Bourgeois thanked the City staff and City Council on behalf of the Board for the recent Boards and Commissions dinner. It was a terrific event and showcased the ICC beautifully.
- Board members are required to take an Open Meetings training every year. The training will be held before the April Board meeting. Going forward will add the training to the new Board Member Orientation meeting.

CITY COUNCIL UPDATE

Councilman Kyle Taylor reported:

- City Council has passed a more stringent Smoking Ordinance that also addresses vaping specifically. The Ordinance passed unanimously.

PERSONNEL – EXECUTIVE DIRECTOR

Executive Director Maura Gast called the meeting into Executive Session pursuant to Section 551.074 of the Texas Local Government Code at approximately 10:00 a.m. The meeting reconvened from Executive Session at 10:55 a.m.

Irving CVB Executive Committee

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On a motion by Board member Julia Kang and seconded by Cole, the Executive Committee unanimously recommended that the 2022-23 Performance Weightings should be based on the prior years' weighting and brought to the full Board for action at the March 27 meeting.

Bourgeois noted the next Executive Committee meeting will be held on Friday, March 24 in the first-floor conference room.

There being no further discussion, the meeting was adjourned at 10:57 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