

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
EXECUTIVE COMMITTEE
IRVING CONVENTION CENTER
Friday, November 10, 2023

Attendance: Bob Bourgeois – Board Chair; David Cole, Colvin Gibson, Nydia Hoskins, Greg Malcolm, and Sam Reed – Committee Members; Joe Philipp – Board Member; Tom Meehan– ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda, Brice Petty, and Susan Rose – ICVB; CPA – Partner Nick Wells and CPA – Director Shelby Palmer – Auditors BVWD, LLP.

Board Chair Bob Bourgeois called the meeting to order at 9:00 a.m. There were no citizen comments.

Bourgeois asked for a motion to approve the Executive Committee meeting minutes from September 22, 2023. On a motion from Board member Colvin Gibson, and a second from Board member Sam Reed, the motion was unanimously approved as amended.

ACCEPTING THE IRVING CONVENTION CENTER AUDIT REPORT FOR FY2022-23 – BVWD, LLP

General Manager Tom Meehan introduced Shelby Palmer and Nick Wells from BVWD, LLP and stated the ICC has been fortunate to work with BVWD this year for the audit. This was the first audit with the new firm and Wells agreed it has been a great relationship and communication between groups was outstanding and will continue for many years moving forward.

Wells gave an overview of the audit and stated the new process went smoothly.

- Required communication overview:
 - Looking at significant risks, policies, and procedures.
 - Critical accounting estimates were reviewed.
 - Focus on Accounts Receivables statements.
 - Overall quality of financial reporting and consistency.
 - There were no management consultations with other outside accountants.
 - The audit reports no concerns and Wells congratulated the ICC on an excellent year.
 - There is no fraud or illegal acts or significant difficulties.

In response to a question from Gibson, Wells replied the Kay Bailey Hutchison Convention Center in Dallas would be their client most similar to the ICC.

Wells stated policies, procedures and the monthly financial review were all great. Not one person has all the keys and mitigated controls are in place.

Board member Joe Philipp asked what physical inspections were done. Wells replied source documentation, bank accounts, and invoices. Executive Director Maura Gast noted they reviewed post-event folders and reporting from several events. Meehan noted that any folders to be reviewed were requested through a portal and then the request was filled. Wells added they were in the field for two weeks and tested some revenues before the audit and then post-year end came in for another week to complete and close out the audit. Meehan stated he requested the auditors be in the office as much as possible. He was impressed with their understanding of the ICC and how things work for this industry.

Wells reviewed the Financial Report Overview with the Committee. Meehan reminded the Committee this audit is not a requirement of their contract. It gives an extra layer of assurance from an accounting standpoint. The numbers, processes and procedures are true. Gast added when the building opened, she asked the City's Chief Financial Officer what level of audit would be preferred by the City and the CFO indicated that a Financial Review would be sufficient. However, the recommendation to the Board from ICVB & ICC leadership was that a full audit should be pursued, due to the level of investment the City had made in the project, as well as financial operations and cash flowing through here. This is an important asset that is needed to ensure things are operating properly. Typically, after the Board accepts the audit, it is sent to City Council in their weekly Read File. Meehan also sends a copy to ASM Global Corporate office for documentation. Meehan noted the enforcement of BVWD signature and contact information on the audit and auditor signature on the cover letter.

Bourgeois asked for a motion to accept the ICC audit report for FY2022-23. On a motion from Gibson and second from Reed, the motion was unanimously approved.

Bourgeois asked for the review of the Hotel Occupancy Tax.

HOTEL OCCUPANCY TAX COLLECTIONS

The Hotel Occupancy Tax Collections reports were reviewed through August 2023.

Accounting and Budget Director Marianne Lauda reported the City is in the process of closing out September Hotel Occupancy Tax, therefore end-of-year financials are not yet available.

Lauda reported for August 2023:

- Luxury & Full-Service properties reporting a slight decrease.
- DFW Airport Hotel & Conference Center is closed and will reopen as a Wyndham property.
- Doubletree by Hilton DFW Airport North and Sheraton DFW Airport Hotel have made some payments, but still delinquent.
- Overall Luxury collections are \$294,014.55.
- It was noted the Las Colinas Resort Dallas has taken a significant dip in collections as they are technically between flags and significant renovations are underway.
 - All Suite / Extended Stay properties – one property is delinquent.
 - Total collections are \$150,918.36.
 - Budget Service properties - three hotels have not paid.
- Best Western Irving Inn & Suites DFW South – owes for July 2023.
- Deluxe Suites Motel is two months delinquent.
- OYO Hotel DFW Airport North is four months delinquent.

Initially, a letter from the City will be sent for delinquent payments. After a property is delinquent by the ordinance's terms, the item goes to City Council for direction to pursue legal action.

- Limited-Service properties – one property has not paid.
- There were 26 short-term rental properties reporting and remitted \$21,205.60 in August.
- Summary – July collected \$641,463.12 down 24.3% from budget.
- Cumulative YTD budgeted \$9,597,397.00 and collected \$7,993,708.34, which is up from last year.

In response to a question from Board member David Cole, Gast pointed out the City has a separate contract with AirBNB, and it is reported and collected in aggregate as a lump sum. Of the 26 properties reported here, one of those is a lump sum from the AirBNB properties.

ICC FINANCIALS

General Manager Tom Meehan reported on the September 2023 financial reports:

- There were 25 events, 42 event days in September.
- Budgeted to lose \$228,470, with actual loss of \$17,015. Ended with \$211,455, better than budget.
- YTD there were 220 events and 235,969 in attendance.
- YTD Adjusted Gross Income is \$7,117,218 and Expenses were \$7,692,998.
- For the year lost \$575,780 and reporting \$819,220 better than budget.
- Adjusted Gross Income shows \$7,117,218 compared to \$5,594,918 last year.
- Indirect Expenses are up drastically from a year ago due to food costs, labor costs, maintenance, and repairs.
- Year-over-year comparison for 2023:
 - Rental Income of \$1,827,238 is a new record for the building.
 - F&B Concessions at \$299,829 is a new record.
 - Catering shows \$3,891,438, which is a new record.
 - Total Event Income at \$5,879,977 is a new record.
 - Expenses are also a new record.

The Board congratulated the ICC team for this incredible accomplishment of record-breaking numbers.

Meehan reported that, of the \$1.395 million subsidy, the ICC will return \$819,221, which is also the highest it has ever been. Catering has had a phenomenal year and this year's successes were achieved with the ARPA funds received which set the building up for continued success. The financials are the best they have ever been, and the audit was clean. The challenge going forward is how to match this in FY2023-24. Meehan noted the business is there and the pipeline sets a good foundation. Bookings are still in the year, for the year, but staff are getting smarter about how to do things to continue successes. Pricing some things to add additional revenue, and clients are getting smarter that costs have risen, and they are aware pricing will increase. The business model is stable, with a talented team, which is why it works. Cole noted the kitchen team is on-point, creative and extremely smart about presentation and quality. Finances aren't everything, it's the team and what they do.

Reed asked about celebration or recognition for staff. Meehan noted it is a challenge because of the very full calendar in the building but will plan different things throughout the year on the side to recognize the staff. Some kind of financial recognition is a possibility. Cole suggested inviting staff to a Board meeting for some recognition. Meehan noted one member of the ICC sales team went over \$1 million in booking for the quarter and another missed \$1 million by \$13,000. They were recognized for that accomplishment and will continue to do so.

Bourgeois noted the terrific partnership of the ICC and ICVB teams with outstanding staff.

Bourgeois asked for a motion to approve the ICC financials for September 2023. On a motion from Gibson, and a second from Reed, the motion was unanimously passed.

BUDGET ADJUSTMENT TRANSFER ACHIEVED FROM THE ICC FY2022-23 OPERATIONAL SAVINGS TO THE CONVENTION CENTER RESERVE/CAPITAL PROJECTS FUND.

Bourgeois asked for a motion to approve the Budget Adjustment to the Convention Center Reserve/Capital Projects Fund. On a motion from Reed, and a second from Gibson, the motion was unanimously passed.

BUDGET ADJUSTMENT FOR CITY OR IRVING CITYWIDE 2% COST-OF-LIVING ADJUSTMENT (COLA) FOR ICVB EMPLOYEES

Bourgeois asked for a motion to approve the Budget Adjustment for City of Irving 2% cost-of-living for ICVB employees. It was noted the City has approved the adjustment for January 2024. On a motion from Gibson, and a second from Reed, the motion was unanimously passed.

BOARD AGENDA REVIEW

- Gast noted the November 13 Board meeting will have an agenda item from the Nominating Taskforce for Richard Stewart, Jr. to be Board Chair and Herb Gears to be Board Vice Chair. After a call for nominations from the floor, the Board will vote on the recommendation. It was noted this will be Bourgeois's last meeting to serve on the Board.
- Individual Consideration Items for voting will be:
 - ICC Audit Report for FY2022-23
 - Budget Adjustment Transfer from ICC FY2022-23 Operational Savings to the ICC Reserve/Capital Projects Fund.
 - Budget Adjustment for City of Irving Citywide 2% Cost-of-Living Adjustment for ICVB Employees
 - Establishing a Grant Fund and Transferring All Available and Eligible Receipts, including ARPA Receipts, from the City to that Fund. This item came from a discussion with City staff earlier in the week to establish a separate fund for ARPA receipts and going forward move ARPA receipts and expenditures into that fund.

CHAIRMAN/EXECUTIVE DIRECTOR REPORTS

- Bourgeois reminded the Committee to RSVP for the upcoming Board "Homecoming" Luncheon.
- Gast reported two new confirmed Board appointments, Stephanie Booker, and Cambria Jones.
- A joint meeting of the City Council and Irving Arts & Culture Board is scheduled for Saturday, December 16 to roll out a new business plan for "life after the \$1.6 million re-allocation" and how they hope to proceed. Excess funds are currently being swept from the Arts allocation after its calculation of the 15% plus \$1.6 million into the Convention Center debt service and the Arts want to take the excess funds and redirect to Historic Preservation for the museums' operations. Executive Director Todd Hawkin and Gast have continued to talk about a "win-win" for the reallocation of the \$1.6 million excess in September 2026, wherein \$600,000 would be allocation to Historic Preservation & Museum and the remaining \$1 million would come back to the ICVB to help cover the annual operations of the ICC as it was originally scheduled to do.

ACTION ITEM: Gast to send out information for anyone who wants to attend this meeting once the time, location and agenda have been finalized.

ACTION ITEM: Gast to send information on the holiday parade and High Spirited Citizen float a.

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CITY COUNCIL AND STAFF COMMENTS

There were no reports.

The next meeting will be on Friday, December 15, 2023. With no further comments or discussion, the meeting was adjourned at 10:19 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director