

**REVISED MINUTES
IRVING CONVENTION AND VISITORS BUREAU
EXECUTIVE COMMITTEE
IRVING CONVENTION CENTER
Friday, May 17, 2024**

Attendance: Richard Stewart, Jr. – Board Chair, Herb Gears – Board Vice Chair; David Cole, Colvin Gibson, Julia Kang, Greg Malcolm, and Sam Reed - Committee Members; William Mahoney and Joe Philipp – Board members; Jeremy Pierce – ASM/ICC; Councilman Al Zapanta – City of Irving; Maura Gast, Carol Boyer, Marianne Lauda, Brice Petty, and Susan Rose – ICVB.

Board Chair Richard Stewart, Jr. called the meeting to order at 9:00 a.m. There were no citizen comments.

Stewart asked for a motion to approve the April 19, 2024, Executive Committee meeting minutes. A request for correction was made noting a reference to the Community Engagement Committee minutes be corrected to read Executive Committee. On a motion from Board member Julia Kang, and a second from Board Vice Chair Herb Gears, the motion to approve the minutes with revision was unanimously approved.

ACCEPTING THE ICVB FINANCIAL REPORTS

Accounting and Budget Director Marianne Lauda reviewed the ICVB April 2024 financials.

General Fund:

- Revenue received was from Hotel Occupancy Tax, penalties, and interest, investment income and miscellaneous.
- Entry was made for receipts from ARPA funds for \$1,350,671.47. Lauda noted approximately \$350,000 is expended and \$948,118.53 is available to be committed by the end of the fiscal year.
- The General Fund is 39.5% expended.
- Ending Fund Balance is \$4,532,540.24.

ICC Reserve/CIP Fund:

- Receipts from ARPA funds reporting -\$405.76, There is \$90,542.76 available in the fund.
- Miscellaneous Income is the Westin Irving Convention Center parking garage rental.
- Ending Fund Balance is \$2,277,714.90.
- A transfer from the General Fund will be applied before the end of the fiscal year.

Check Register:

- Payment to Debora Christy Manusama for professional services includes video updates for local hotels and restaurants that will be included on the website.
- Meeting Professionals International payment for sponsorship at World Education Conference 2024.
- Simpleview professional services for the CRM/CMS database.
- Lewis Marketing Partners, LLC payment for contract and media buy negotiations.
- SMG payments include replacing parking garage camera, IT equipment, and Westin Irving Convention Center garage.
- Expenditures are 23% from ARPA funds and 76% from Hotel Occupancy Tax collections.

In response to a question from Board member Colvin Gibson regarding the payments to Maloney Strategic Communications Total Eclipse Phase II, III and IV, Executive Director Maura Gast replied the invoices from the Total Eclipse in the Park event are still being received and payment made to Maloney is in phases. Board member Joe Philipp asked a question regarding the approval authority for Gast. It was confirmed budgeted items and existing funds are within her approval authority. Any item over \$50,000 is presented to Council for

approval. Philipp asked if Maloney Strategic Communications ever has been asked to present to the Board; Gast noted that the agency works at the direction of staff so there has not been a presentation to the Board to her recall. Gast indicated that the agency was originally selected through the City's RFP process, and was renewed repeatedly over the years through that same process. Approximately five years ago, Gast spoke with the City Attorney's Office about the renewal process, and that with no compelling reason to make a change, it was unfair to ask other vendors to absorb the expense of responding to an RFP when it was likely a new vendor would not be selected and The City Attorney's Office indicated that, as a Professional Service, the RFP process could be waived, which is how staff has proceeded since. Staff believes the quality of work is excellent and the pricing exceptional, at half the going rate for more traditional agencies. Gast noted Maloney does projects for the Irving-Las Colinas Chamber of Commerce as well, allowing for some efficiencies of scale for the two organizations. Board member David Cole noted they were represented at the recent Chamber's "Best in Irving" awards event and did an outstanding job. In requesting clarification as to the Board's interest in a presentation from the agency, Gast stated the Simpleview contract is managed in the same manner and is also a substantial one for the organization's bottom line.

ACTION ITEM: Gast to invite staff managing the contracts for Maloney and Simpleview, along with agency leadership, for an overview at an upcoming Executive Committee meeting.

Cash Flow:

- The anticipated ending balance for September 2024 is currently \$6,462,045.

Fund Balance Chart:

- General Fund is above goal.
- Reserve Fund is above goal.
- The Technology Fund is showing 52%; however, a transfer of funds currently budgeted for August will allow us to meet the goal.
- ICC CIP Fund is showing 76% of goal. Before the end of the year \$1.9 million will be added to the fund but will also see more expenditures.

Stewart asked for a motion to approve the ICVB April 2024 financial reports. On a motion from Board member Gibson, and a second from Board member Sam Reed, the motion unanimously was approved.

REVIEW OF HOTEL OCCUPANCY TAX COLLECTIONS

Lauda reviewed the report for February 2024:

- **Luxury & Full Service:**
 - The Doubletree by Hilton DFW Airport North and the Sheraton DFW Airport Hotel are both still delinquent. Outstanding balance plus penalties and interest are due.
 - A court hearing is scheduled for November 7.
- **All Suite / Extended Stay:**
 - Towne Place Suites Dallas Las Colinas has not paid in January.
 - Overall, this category is down in collections.
- **Budget Service:**
 - Arya Inn & Suites has not paid for February.
 - Category is down from the last three months.
- **Limited Service:**
 - LaQuinta Inn & Suites DFW Airport North did not pay in February.

- Category is down from the prior month.
- Short-Term Rentals:
 - There are 23 properties reported in February for \$21,233.80 collected.
 - This category is performing at a steady pace.
- Summary:
 - February collected \$722,202.16. Budgeted \$861,938.00, short 16.2%.
 - Cumulative Year-to-Date Actual for February is \$3,555,888.86, down 2.1% from Budget.
 - Prior Year collected \$733,012.08 compared to this year \$722,202.16. Looking positive.

Discussion was held on concerns for Hotel Occupancy Tax issues during the upcoming Texas Legislative Session. The Texas Hotel and Lodging Association will lead the charge on these matters.

ACCEPTING THE IRVING CONVENTION CENTER FINANCIAL REPORT

Assistant General Manager Jeremy Pierce reviewed the ICC March 2024 financials.

Highlights:

- There were 18 events, and 42 event days with 164,696 in attendance.
- Budgeted to make \$336,500 and current actual is \$401,166, or \$64,666 better than budget.
- Year-to-Date there were 85 events, and 112,719 in attendance. The prior year had 104 events and 91,423 in attendance. Pierce pointed out this year has bigger and longer events.
- Adjusted Gross Income is \$4,078,936, and \$295,622 ahead of budget, which is well ahead of last year's record-setting pace.

Income Statement:

- Rental Income is up \$229,870 from budgeted \$202,620 for the month, and YTD \$890,238, slightly below budget.
- Concessions are down slightly, due to less Cheer and Sporting events.
- YTD Parking is \$293,509, up from \$255,045 last year.
- Electrical Services Income is holding strong.
- Internet Services Income is \$29,419 year-to-date, above budget by \$7,719.
- Total Event Income is \$401,166 for the month, and \$3,336,716 for the year, \$196,404 ahead of budget.
- Total Operating Income includes AV Services, Decorating and Parking, reporting \$93,524 for the month and \$742,220 for the year, compared to \$522,692 last year.
- Adjusted Gross Income is well above budget by \$295,622.
- Indirect Expenses are \$3,958,450 for the year, slightly more than the prior year.
- Net Income is currently \$541,781, better than budget and well ahead of last year's pace.

Year-over-Year Comparison

- Current Month:
 - Rental Income – continues to be well above the previous four years.
 - F&B Concessions – slightly below last two years, due to return of Corporate meetings.
 - F&B Catering - well above the previous four years.
 - Total Event Income – well above the previous four years.
 - Indirect Expenses are slightly higher than in the previous four years.
- Year-to-Date:
 - Rental Income is \$890,238, above the previous five years.

- F&B Catering is \$2,336,765 this year and remarkably close to 2019-20 record-breaking year.
- Expenses are up due to labor, salaries and food supply costs going up.

Pierce added there have been significant events in the building this year. Discussion was held on food truck partnerships during large events.

Stewart asked for a motion to approve the ICC March 2024 financial reports. On a motion from Kang, and a second from Gears, the motion was unanimously approved.

BOARD AGENDA REVIEW

Gast reviewed the May 20, 2024 Board agenda:

- The agenda includes an update on the Toyota Music Factory parking policy that was requested during the Destination Development Committee meeting. Gast reviewed the policy and a handout covering the policy was distributed. It was noted that Brookfield Management addresses the parking policy and will adjust and respond with changes if needed. A crosswalk from the Wells Fargo site has been constructed and will aid in Providing additional pedestrian access to the venue, as well as additional parking in its garage once completed.
- Gibson noted he will not have a recap of the Community Engagement Committee April 16 meeting as it was addressed at the last Board meeting.

CITY COUNCIL UPDATE

Councilman Al Zapanta:

- The Council Planning and Development Committee will review the Toyota Music Factory parking policy. Brookfield holds the master lease with Live Nation. The Wells Fargo parking site is funded with TIF funds originally. He noted parking will be an inhibitor.
- Zapanta made note of inflation and the challenges the nation is facing. In the last six months, more paper money has been printed since WWII. The Consumer Product Index does not include credit card debt and pressure to run a business will not get easier. These are the challenges the City is facing.
- The City has started the budget process: one meeting was held last Wednesday and two more are scheduled. A meeting on June 8 will start the Comprehensive Plan and look at land use. He noted the community survey input lacked depth and Council will focus on data to get a real picture of planning for the future.
- The City Hall complex item did not pass in the last election. Taxes and inflation played a part in voter opinion. The City Manager put forward a plan with four options for creating more space, renovating, and upgrading current sites. The plan will include improving current facilities and expanding for employees. To accommodate the City's workforce, it may take 18 months to complete improvements. Board member David Cole noted that the City of Dallas has annex buildings across Dallas for convenience to their customers and is a good option in that perspective.
- Run-off election is June 15.

CHAIRMAN/EXECUTIVE DIRECTOR REPORTS

- As Gast had shared during her performance review, issues were discovered with the State Event Trust Fund that impacted three different events in 2023. The application process is a multiple-step and multiple-submittal process. While staff completed all the steps in a timely basis, one of the submittal steps was missed. Staff engaged the assistance of the City's legislative affairs staff and lobby firm, as well as that of the Texas Hotel & Lodging Association to attempt to get relief on this issue from the

Governor's Office; however, there has not been any willingness to amend the policy or find a path forward. Since the events were held in good faith, the ICVB has identified funds available to honor the commitment to the client. As well, a series of additional internal controls have been implemented to prevent a similar issue in the future. In the past, a prior event met all the requirements and deadlines, however a change in the program staffing resulted in the Trust Fund backing out of a commitment that had been made. In this instance, the ICVB also provided the funding to the client the State would have provided, since the client moved forward with the event assuming these funds would be forthcoming. Staff engaged its consultant to complete post-event reviews and finalize the amounts that would be due to the clients; the total amount is projected to be approximately \$324,999.21 for the three events. Gibson asked if the funding would be coming from the Catastrophic Reserve fund; Gast indicated they did not think they would have to access those funds, as they anticipate not fully expending the current year's approved budget and would utilize unexpended, but otherwise authorized, funds. As the end of the fiscal year gets closer, if staff no longer believes that will be an option, then a Budget Transfer from that contingency fund would be required and would need the approval of both the Board and the City Council.

The next Executive Committee meeting is scheduled for Friday, June 21.

With no further comments or discussion, Stewart adjourned the meeting at 10:06 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director