

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
EXECUTIVE COMMITTEE
IRVING CONVENTION CENTER
Friday, May 19, 2023

Attendance: Bob Bourgeois – Board Chair, Richard Stewart, Jr. – Vice Chair; David Cole, Karen Cooperstein, Colvin Gibson, Nydia Hoskins, and Sam Reed – Committee Members; Joe Philipp – Board Member; Tom Meehan and Jeremy Pierce – ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda, Brice Petty, and Susan Rose – ICVB, Board Liaison Councilman Kyle Taylor, Councilman Mark Zeske, Mayor Pro Tem Al Zapanta – City Council. 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 April 21, 2023. On a motion from Board member Colvin Gibson and a second from Board member Sam Reed, the motion was unanimously approved.

ICVB FINANCIAL REPORTS

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

General Monthly Balance Sheet:

- Hotel Occupancy Tax received \$675,307.62 for the month. Lauda noted \$275,000 prior year-to-date amount is delinquent payments received.
- Investment income collected \$97,390.51 YTD, well over what was budgeted.
- Expenditures were high.
- End-of-month Fund Balance is \$5,251,041.46.

ICC Reserve/CIP Fund:

- Interest income budgeted \$5,000.00 and collected \$37,032.43 YTD.
- Expenditures for the month were \$265,716.77. There are still several expenditures to be made.
- Ending balance of \$2,155,468.20.

Check Register Review:

- No significant items to point out. Regular payments for Advertising and Business Development Incentive Program (BizDIP).

Gibson asked if purchasing season suite sponsorships to the Texas Rangers or Dallas Cowboys would help with sales relationships. Executive Director Maura Gast replied the Sales team does on occasion host clients for “one-off” Cowboys games, such as a Washington Commanders game where we might invite DC-based clients to town for a familiarization tour and other in-market events with clients, however, it is not needed on a season-long basis. The Pavilion at Toyota Music Factory season seats that we have contracted does provide support for sales and marketing activities. The check register payments regarding the Texas Rangers are for BizDIP payments.

Discussion was held on delinquent Hotel Occupancy Tax collections and the status of the City’s efforts in collecting the delinquent fees. Gast reported the Council will be briefed at its June 8 meeting for the City staff to get authorization to pursue legal action. Board member Joe Philipp expressed his concern about the impression it leaves with hoteliers who do not meet their obligations. Councilman Kyle Taylor added City Council is discussing becoming more aggressive with the involvement of Linebarger, a legal firm that provides services

for collection of delinquent taxes, to put real pressure on delinquencies. Board Vice Chair Richard Stewart Jr. raised the question of whether anything further would be done, as the Board has been having this discussion for a while now, and the properties are even more delinquent. Mayor Pro Tem Al Zapanta noted that the City Council is aware of the issue and the legal process will be moving forward in obtaining collections, but that Board members need to be engaged with City Council on this issue and be present at Council meetings to speak in Citizen Comments to move things forward. This needs to be more than just the Board Chair attending the Council Work Sessions and meetings. Stewart noted that if a hotel property is sold, the new owner should be legally obligated for payments and delinquencies. Board Member Nydia Hoskins added that the item has been discussed since she joined the Board more than a year ago, and as a hotel that has continued to honor its obligations through the same challenging times, it is very frustrating to see these reports month after month with no actions apparent.

ACTION ITEM: The Hotel Occupancy Tax Collections item on the Consent Agenda for the May 22 Board meeting will be pulled from Consent, and the Board wants the full details on those that are currently considered delinquent by the Ordinance - names of properties, estimated dollar amount that is delinquent, and the amount of time each has been delinquent. - available to be read into the record as this is voted on individually. Gast advised she would contact the City Manager, City Finance Director and City Attorney immediately following this meeting to update them on this discussion.

ACTION ITEM: Depending on how the Delinquency item is posted on the June 8 Council agenda, Gast will communicate to the Board what options there may be for comment as part of that meeting and will request that she be allowed to participate in any Executive Session discussion.

Lauda reviewed the Cash Flow Report for April 2023:

- No change from previous months, and everything is going well.

Thermometer Chart:

- All funds are progressing and anticipate being 100% funded at the end of the year, depending on Hotel Tax collections.

HOTEL OCCUPANCY TAX COLLECTIONS

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

Lauda reported:

- Luxury & Full-Service properties reporting a slight increase.
 - Doubletree by Hilton DFW Airport North and Sheraton are still delinquent. Both are making some type of effort and as just discussed, the city has retained legal assistance for collections.
- All Suite / Extended Stay properties two hotels have not paid; the Hawthorn Suites Irving DFW South is closed; collections are up from last month.
- Budget Service properties –
 - Budget Suites Las Colinas did not pay in January but paid February tax.
 - OYO Hotel DFW Airport North – delinquent for February.
 - Delux Suites Motel owes for December 2022.
 - Collections are down for the month in this category.
- Limited-Service properties – one property is delinquent, but the category is reporting up from the prior month.

- There were 62 short-term rental properties reporting and remitted \$6,389.53 in February.
- Summary – February budgeted \$799,629 and collected \$659,192.70, down 17.6% from budget.
- The prior year February collections were \$576,535.14 and this year collected \$659,192.70. Lauda pointed out collecting more than the previous year, just not meeting the anticipated budget numbers. Expenditures are down from budget and will offset the numbers.

Board member Karen Cooperstein asked about the budget process for next fiscal year on Hotel Occupancy Tax. Gast stated staff is anticipating working from a flat budget and will balance from the revised numbers from the Tourism Economics outlook but will budget conservatively.

Bourgeois asked for a motion to accept the ICVB financial reports for April 2023. On a motion from Cooperstein, and a second from Gibson, the motion passed unanimously.

ICC FINANCIALS

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

- The forecast shows May through September 2023 at \$207,110 subsidy returning to the ICVB for the CIP Fund and Meehan believes it is a very conservative number.
- There were 18 events, 41 event days, and 40,000 attendees in April.
- Adjusted Gross Income is \$741,598 and expenses were \$564,642.
- YTD Rental Income reports \$842,228, compared to last year's \$573,566; actual for the month is \$176,956, budgeted to lose \$84,297, but then beat budget by \$261,253.
- YTD Net Income (Loss) was -\$28,592, and the prior year was -\$702,247.
- There were 18 events in April and 12 of those were meetings. Summer is a little slower for meetings.
- YTD Rental Income is \$1,049,678, compared to \$714,886 the prior year.
- Catering reports \$2,297,054, compared to \$1,163,613 the prior year.
- Food and Beverage for the month in Meetings was \$314,000.
- Adjusted Gross Income YTD is \$4,180,404, compared to last year's \$2,616,998.
- Expenses are up. YTD reporting \$4,208,996, compared to \$3,319,245 the prior year. The increase is due to labor, supply, and food costs.
- YTD Net Income (Loss) is \$28,592.
- Year-over-year comparison for April 2023:
 - Rental Income for the month is \$207,450, the highest for the last five years.
 - Catering is higher than in the past five years.
 - Total Event Income YTD is \$627,831, substantially higher than in the last five years.
 - Expenses YTD are \$4,208,996, higher than the last five years, due to the cost of supplies, food, and labor.
- Year-over-year comparison YTD:
 - Rental Income is significantly higher than in the last five years. YTD reporting \$1,049,678, compared to \$714,886 the prior year and \$349,456 two years prior.
 - Catering YTD is close to 2019 numbers.
 - Total Event Income is the highest it has been in the last five years.
 - Expenses are also high.
 - Five-year comparison is the best it has been, even with expenses being high.

Meehan reported business is extremely busy and leads are becoming difficult to find dates for. There are two weekends available between now and September 2024. Bigger events are booking and taking up the dates

that will affect smaller events. Cooperstein asked if there was a shift in types of events during COVID. Meehan replied sports was, and still is, strong. The current focus is back on conventions with room nights and F&B. The shift in business with more business booking in the midsize buildings due to downsizing in-person meetings is still beneficial for the ICC. All the right pieces are here; hotels, entertainment, restaurants, etc., and staff are making sure to stay in the special niche and not push people away. Most events that meet here will commit for the next year right away. Conferences that book elsewhere and then came back due to downsizing cannot necessarily get dates for their events now. An example noted was the University of Dallas Ministry Conference, which was in Irving, moved to Dallas but has had a difficult time finding their preferred dates in coming back. The same challenge exists for the University of Dallas graduation events.

Board member Sam Reed commended the ICC team for their outstanding performance, and asked about any possible risk issues that might have an impact on continued success. ICC Assistant General Manager Jeremy Pierce stated cyber-attacks are a real concern, and staff is focused on cyber security. Pierce commended ICVB IT Manager Brice Petty for his response and solution to a cyber-attack last year by completely rebuilding information security and firewalls. Gast noted the downtime from an attack would be the most risk. Network channeling through the City is a risk and the ICVB will continue to prioritize cyber-security to protect the Bureau, the building and its guests and the City. Gibson asked if the ICVB/ICC has cyber insurance. Gast replied there is cyber insurance through the City. Assistant Executive Director Finance and Administration Susan Rose added the IT Department at City Hall holds the policy and Petty meets with the IT Director regularly to keep the lines of communication open and to be sure all requirements are met.

Further discussion on security included entrance scanning devices. Meehan noted the ICC does not hold the types of events that would necessarily require heightened security as a more routine standard operating procedure. Ultimately, it is up to the client to determine the levels of additional security they will require, with ICC working with IPD on any events that may have a potential added risk element. There likely may come a time when the ICC would require things like magnetometers at every doorway, but it can also be perceived as an “unfriendly welcome” and that is an issue the industry and clients are trying to balance.

ACTION ITEM: Gast to reach out to the University of Dallas Cyber Security Degree program to make an introduction to Petty for any resource the University may be able to provide. Mayor Pro Tem Zapanta will provide the contact name.

ACTION ITEM: Add a presentation on the ICVB/ICC cyber strategy from Rose, Petty, and Pierce at the next Committee meeting.

Bourgeois asked for a motion to accept the ICC financial reports for April 2023. On a motion from Stewart and a second from Cooperstein, the motion passed unanimously.

BOARD MEETING AGENDA REVIEW

- Gast noted the May 22 Board meeting agenda is a standard agenda with no additional presentations.
- It was noted to address the Hotel Occupancy Tax collection item as a separate item for approval from the Consent Agenda, addressing specific delinquent hotel properties and refer to the City collection and legal procedures.
- The Las Colinas 50th Anniversary Mobile Experience will be available for self-guided tours from 10:30 a.m. to 3:00 p.m. in front of the ICC for Board members and staff.
- Councilman Oscar Ward will be recognized at the meeting for his long-standing service with the City.

CHAIR REPORT/STAFF COMMENTS

- Bourgeois reminded the Committee about the Las Colinas Marathon Series – Fiesta de Mayo 5K Walk on Saturday, May 20. A small team from the ICVB will be walking.
- He encouraged Board members to review the opportunity to volunteer for the Volunteer Visitor Information kiosk program and let Office Manager Carol Boyer know if you are interested in volunteering.
- High Spirited Citizen nominations are on track and the Community Engagement Committee will pursue dates for a luncheon in September or October to recognize those nominees. Gibson added nominations are due by June 15 for approval.

CITY COUNCIL UPDATES

Taylor noted the focus at the City Council Budget Retreat was the compensation study, solid waste, retiree health plans, Medic 8 (ambulance), aquatics and Irving pools.

Councilman Mark Zeske noted he is amazed at the length of time applied to accomplish things and the Hotel Occupancy Tax collections is a perfect example and he is not surprised by the length of time for a resolution. Cyber security is especially important, and the City's IT Director is involved and knowledgeable. City Council is very supportive of cyber security.

Bourgeois noted the next Executive Committee meeting will be held on Friday, June 23 in the first-floor conference room. There being no further discussion, the meeting was adjourned at 10:30 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director