

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
EXECUTIVE COMMITTEE
IRVING CONVENTION CENTER
Friday, June 23, 2023

Attendance: Bob Bourgeois – Board Chair, Richard Stewart, Jr. – Vice Chair; Herb Gears, Colvin Gibson, Nydia Hoskins, and Sam Reed – Committee Members; Bill Mahoney – Board Member; Tom Meehan, Jeremy Pierce, and Keyse Fonseca – ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda, Brice Petty, and Susan Rose – ICVB; 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 May 19, 2023. On a motion from Board Vice Chair Richard Stewart, Jr., and a second from Board member Sam Reed, the motion was unanimously approved.

ICVB FINANCIAL REPORTS

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

General Monthly Balance Sheet:

- Hotel Occupancy Tax received \$786,735.24 for the month.
- Investment income collected \$51,253.41 YTD.
- Expenditures are 42% expended, which is within budget. Staff continue to monitor expenses.
- End-of-month Fund Balance is \$5,529,423.81.

ICC Reserve/CIP Fund:

- Not a lot of activity. Some interest earned.
- Expenditures for the month were \$23,919.48. There is still \$1.6 million remaining out of this fund and will continue to monitor.
- Ending balance of \$2,139,842.74.

Check Register Review:

- Several Business Development Incentive Program (BizDIP) payments, staff reimbursements, and advertising expenses.
- Live Nation payment of \$65,600.00 for ICVB suite seats. Gast noted three departments split the expense for the seats.
- SMG payments for new chairs on Level 3, entry mats, kitchen equipment and building maintenance.
- Payment to Dallas CVB for sponsorship opportunity at Destinations International event in Dallas this year.
- Gast noted the BizDIP payment to Flowserve is a lease renewal out of Williams Square. Ten years ago, the City offered a series of incentives, including BizDIP incentives from the ICVB as meetings were booked in Irving over that period.

In response to a question from Mahoney, Lauda replied the chairs that were replaced were sold by the City at auction, as was a dance floor.

Lauda reviewed the Cash Flow Report for May 2023:

- Projecting \$6,829,316 at fiscal year-end.
- This was a change from last month's projection. \$500,000 was identified to use for CIP projects and has been factored into the Cash Flow.

Thermometer Chart:

- Combined funds have a \$10.5 million goal, and currently have \$8.1 million.
- The General Fund is doing well.
- Catastrophic Reserve and Computer Funds are still low.
- CIP Fund is projected to reach its goal.

Board member Colvin Gibson asked if the Computer Fund is only slated for hardware. Lauda noted cyber security, etc. is included in the Fund. Gast added the balance in the Computer Fund was adjusted initially from \$300,000 to \$500,000 with a higher goal due to price increases. Will be bringing forward a recommendation to the Board at the July or August meeting to further increase the minimum balance in this fund to \$1 million and to specifically include cyber-security needs as a component. The only way we were able to implement what we did at the scale we did was because it was specifically allowed in the ARPA language, and we had access to those funds. In response to a question regarding including Artificial Intelligence, Gast replied it is too soon to make that decision, but staff will continue to keep an eye on trends and opportunities.

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

HOTEL OCCUPANCY TAX COLLECTIONS

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

Lauda reported:

- Luxury & Full-Service properties reporting a slight increase.
 - Doubletree by Hilton DFW Airport North and Sheraton have made some payments. The Doubletree has paid through mid-July 2022. The Sheraton has paid September, but not August, which may be a typographical error.
 - Lawsuits have been filed by the City for collections.
 - Overall Luxury collections are \$411,310.28.
- All Suite / Extended Stay properties - two hotels have not paid, and collections are down for the month.
- Budget Service properties - two hotels have not paid, and collections are down from previous month.
- Limited-Service properties - all properties have paid through April.
- There were 68 short-term rental properties reporting and remitted \$7,531.01 for April.
- Summary – April collected \$799,911.30. The prior year April collections were \$797,264.90.
- Cumulative YTD budgeted \$5,887,333.00 and collected \$4,856,578.41.

ICC FINANCIALS

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

- The forecast shows \$346,943 subsidy returning to the ICVB for the CIP Fund and Meehan believes it is a very conservative number.
- There were 27 events, 45 event days, and 31,078 attendees in May.
- Adjusted Gross Income is \$761,308 and Indirect Expenses were \$612,201 for May 2023.
- YTD Rental Income reports \$1,209,528, compared to last year's \$871,311; actual for the month is \$159,850.
- There were 149 events YTD and 162,831 in attendance.

- Budgeted YTD Net Income Loss from Operations is -\$719,636, and actual is \$120,515 ahead of budget.
- YTD Concessions is \$218,275, Catering is \$2,715,868, and \$738,181 ahead of budget.
- Parking is reporting \$384,951, up substantially.
- Total Event Income is \$4,162,169 versus \$3,302,918 budget and last year reported \$2,659,551.
- Adjusted Gross Income YTD is \$4,941,709 compared to last year's \$3,143,979.
- Expenses are up. YTD reporting \$4,821,194, compared to \$3,894,273 the prior year. The increase is due to labor, supply, and food costs continuing to rise.
- YTD Net Income (Loss) is +\$120,515, and \$840,151 better than budget for the year.
- Year-over-year comparison for May 2023:
 - Rental Income, Catering and Total Event Income numbers are all the highest they have been for the last five years, which is an incredible feat coming out of the pandemic.

Reed asked about the dramatic increase in parking revenues. Meehan reported on concert nights people have figured out that it is easier to park at the ICC than Urban Towers and is less expensive.

Meehan reported anticipating a higher number than the \$346,943 that is shown on the forecast to be returned to the ICVB. It was another great month, and the building is performing in excellent condition and bookings are great. Reed noted it takes phenomenal leadership to achieve these numbers and he congratulated Meehan and the team. Meehan replied it is the best team since the building opened.

Bourgeois asked for a motion to accept the ICC financial reports for May 2023. On a motion from Reed and a second from Gibson, the motion passed unanimously.

BUDGET AND MARKETING PLAN – FISCAL YEAR 2023-24 OVERVIEW

Gast gave an overview of the FY2023-24 Budget and Marketing Plan that included:

- Industry Outlook
 - Focus on Resilience and Financial Stability
- Key Priorities
 - Restore financial stability.
 - Solicit meetings and groups for Irving.
 - Build optimal awareness of Irving among travelers, decision-makers, and influencers.
 - Influence appropriate product development.
 - Provide leadership that unites the hospitality industry with the community.
 - Secure resources that will allow the ICVB to achieve its vision, mission, objective, and goals.
- Five-Year Path to Financial Stability
 - Payback of the City Loan has been completed.
 - Achieve 100% of goals for all funds, currently on track for FY 2025/2026.
- Hotel Needs Analysis Survey Results
 - Key takeaway - more than half do not expect Occupancy, Average Daily Rate or RevPAR numbers to return until 2024 or 2025.
- Hotel Occupancy Trend is back or better than before.
 - Hotel Collection History follows the same pattern. Over time it is built up, but Full-Service hotels are lacking.
 - COVID had a downward impact, but hotels did not have to drop rates, but stayed steady during COVID.

- ICVB Reserve rises and falls as things happen.
- Organization and Department Overviews
- Review of Operating Budget Assumptions and Primary Budget Categories
- Convention Center Capital Improvement Plan
 - ICC Performance and Revenue History
 - ICC Primary Space Utilization
 - Budget Forecast and Capital Projects Fund History
- More details will be provided at June Board meeting.

ACTION ITEM: Include the updated forecast from Tourism Economics on next month's Committee agenda.

ACTION ITEM: Check for either of the hotels delinquent hotel occupancy tax participating in the Needs Analysis survey.

CITY COUNCIL UPDATES

Mayor Pro Tem Al Zapanta reported:

- City Council is working on the FY2023-24 budget. He expressed concern over rushing to spend ARPA funds before they are required to return the remaining amount. There is pressure at the City level with the focus on debt.
- The City is moving forward with an aggressive parks and recreation budget in three pool locations. Council visited four other cities' / recreation centers and has taken the position to upgrade Mustang Park and two other locations in South Irving.
- There is concern over IT systems in the City. It was noted that ICVB and City of Irving have separate IT network systems, except payroll and Munis Accounting. ICVB is making sure to have a good relationship with the City IT Department.
- Solid Waste safety and personnel is a major concern due to the excessive heat. Safety for those employees is a concern and this is just the beginning of the summer.
- The City is still 20% understaffed and has put funds into a salary compensation plan.
- Zapanta expressed his awareness of the Hotel Occupancy Tax collections and the 2026 "sunset" of the additional hotel occupancy tax funds currently allocated to the Arts. Decisions ultimately will be made by City Council.
- It is a new City Council and Zapanta recommends inviting the new members to Committee and Board meetings to get to know them. Gibson noted he has invited Councilman Brad LaMorgese to meetings, and he has expressed an interest but has not been able to attend yet. Zapanta advised to continue inviting and be patient with his schedule.

Gibson commented that the bond money for parks and recreation is welcome and helps South and North Irving residents with wins for both segments of the community, and hoping publicity will go out when projects are completed.

PRESENTATION: ICVB/ICC CYBER STRATEGY

ICVB IT Manager Brice Petty introduced ICC Assistant General Manager Jeremy Pierce and IT Coordinator Keyse Fonseca.

Petty gave an overview of ICVB/ICC Cyber Security Strategy:

- Goal: Ensure secure information operations for all stakeholders and deliver exceptional services to our clients and guests.
- Through ARPA funding, our organization has deployed enhanced security products for improvements and progress, including email security and password management.
- Email Security is the first line of defense and an aggressive investment for improving our capabilities in detecting and preventing email-based attacks has been made. Investments have reduced our attack delivery rate to 1.3%. Also, an investment in preventing attacks for network security.
- The Endpoint is our last line of defense and because of the investment in Endpoint Security, there has been a very minimal amount of endpoint post detects in the past 12 months.
- Regular backups with a 3-2-1 Backup Strategy and redundant storage for our data reduces the potential of having to submit to ransom requests.
- Ongoing efforts and open projects include mandatory user training, comprehensive mobile strategy, VPN configuration and decryption, and vulnerability detection and risk management.

Gast noted cyber-security and protecting the network systems that it takes to run the ICC building and protection for those systems needs to be equally protected for email and website. Unlike other City-owned facilities, if our building must close due to a hack, any lost business cannot be recouped. Ours is a perishable product on multiple fronts. Pierce noted that today's systems are cloud-based, and it is better to be ahead of cyber-attacks. Gast added that we are working with the City to make sure all things are covered by insurance for the ICC building. We are absorbed into their policy and want to make sure it includes all our scenarios. Gibson asked who is a leader in the CVB world for cyber-security? Assistant Executive Director Administration/Finance Susan Rose noted that Petty is a leader in the industry as a cyber security resource because he has been aggressive in pushing for resource and has been supported on that front, thanks to the ARPA funds. Gast added the CVB world is very tight, and Petty has been plugged into the top IT brains in the community from the start. He also has built a great relationships with City IT staff. Petty noted funding will always be a concern for cyber-security updates on a long-term basis.

BOARD MEETING AGENDA REVIEW

- Gast noted the June 26 Board meeting agenda has four separate Individual Consideration items: the approval of the 2023-24 Budget and Marketing Plan; the Capital Improvement Plan; the Code of Ethics; and the Strategic Plan Updates.

CHAIR REPORT/STAFF COMMENTS

- Bourgeois reminded the Committee that the July Executive Committee meeting is scheduled for the morning of the July Board meeting at 10:00 a.m in the ICC first floor conference room. The Board meeting will be held in the Grand Ballroom.

With no further comments or discussion, the meeting was adjourned at 10:25 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director