

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
EXECUTIVE COMMITTEE
IRVING CONVENTION CENTER
Friday, September 22, 2023

Attendance: Bob Bourgeois – Board Chair, Richard Stewart, Jr. – Vice Chair; David Cole, Colvin Gibson, Nydia Hoskins, Greg Malcolm, and Sam Reed – Committee Members; Michael Basoco and Joe Philipp – Board Members; Jeremy Pierce – ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda, Brice Petty, and Susan Rose – ICVB; Councilmen Kyle Taylor and 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 August 25, 2023. On a motion from Board member Colvin Gibson, and a second from Board Vice Chair Richard Stewart, Jr., the motion was unanimously approved as amended.

ICVB FINANCIAL REPORTS

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

General Monthly Balance Sheet:

- Hotel Occupancy Tax
 - Revenues are still doing well, collecting \$748,857.62 in August.
 - Collected some penalties and interest from delinquent hotels and some prior year dollars.
 - Collected from short-term rentals.
- Miscellaneous Revenues received from State of Texas for the 2022 Club Corp Classic.
- Expenditures are 83% expended. Lauda believes will be 95-96% expended at year-end.
- There is still a \$500,000 budget adjustment transfer to the CIP fund that the Board acted on in the last Board meeting. The transfer will be made in September 2023.
- End-of-month Fund Balance is \$2,328,171.79.

ICC Reserve/CIP Fund:

- Not a lot of activity.
- Ending balance of \$2,081,846.38.

Check Register Review:

- Several SMG payments:
 - Several CIP projects.
 - Building maintenance – new carpet for administration offices, Westin garage rental for August 2023, installation of one VFD for AHU#11 (IT Room)
- Professional Services – destination brand research analysis
- Business Development Incentive Program payment to Catholic Education Association.

Discussion was held on the carpet installation in the administration offices. There are a finite number of suppliers that were reviewed for the work. The price includes a stock of replacement carpet. Assistant General Manager Jeremy Pierce added the office painting project is almost completed.

Gibson added he is happy to see Major League Baseball (MLB) teams staying in Irving. Lauda noted National Football League (NFL) teams will also be staying in Irving now that the season has started.

Gast also pointed out a Business Development Incentive Program payment to SMG for Handbell Musicians National Seminar that is an offsetting cost and will be going back to the building.

Lauda reviewed the Cash Flow Report for August 2023:

- Projecting \$7,372,894 at fiscal year-end.

Thermometer Chart:

- Combined funds have a \$12 million goal, and currently at \$9,927,931.
- The General Fund has exceeded its goal.
- Catastrophic Reserve has exceeded its goal.
- Technology Fund is low.
- CIP Fund is projected to reach its goal of \$3 million.

HOTEL OCCUPANCY TAX COLLECTIONS

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

Lauda reported:

- Luxury & Full-Service properties reporting a slight increase.
 - Doubletree by Hilton DFW Airport North and Sheraton DFW Airport Hotel have made some payments. The Doubletree has paid through March 2023. The Sheraton has paid through February 2023.
 - Overall Luxury collections are \$313,631.94.
- All Suite / Extended Stay properties – all hotels have paid through July.
- Budget Service properties - three hotels have not paid.
 - Best Western Irving Inn & Suites DFW South – owes for July 2023.
 - Delux Suites Motel – did not pay in December 2022 and owes for July 2023.
 - OYO Hotel DFW Airport North – did not pay May, June and July 2023.
- Limited-Service properties – all properties have paid.
- There were 44 short-term rental properties reporting and remitted \$24,430.76 in July.
- Summary – July collected 686,940.91, down 22.2% from budget. It was noted the CVB budgeted for the year less than the City recommendation.
- Cumulative YTD budgeted \$8,749,658.00 and collected \$7,291,435.61, which is up from \$6,66,506.01 last year.

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

ICC FINANCIALS

Assistant General Manager Jeremy Pierce reported on the July 2023 financial reports:

- Forecasting to return \$441,895 to the CIP fund.
- There were 12 events, 28 event days in July.
- Adjusted Gross Income was \$298,183 for the month, budgeted \$312,826.
- Indirect Expenses were \$674,753, budgeted \$575,931.
- There were 178 events YTD and 207,653 in attendance.
- YTD Adjusted Gross Income is \$5,957,589 and \$1,155,825 better than budget.
- For the year Rental Income is \$1,509,728, compared to the prior year \$1,119,386.
- Adjusted Gross Income for the year is \$5,957,589, up \$1,155,825 from budget.

- Expenses are up. YTD reporting \$6,240,782, from 5,770,887 last year.
- Net Income (Loss) is \$283,193 YTD, compared to -\$725,547 the previous year.
- Year-over-year comparison for 2023:
 - Rental Income is \$1,509,728 YTD, up from all five previous years.
 - Catering and Concessions are also up from previous years.
 - Total Event Income is \$4,978,823, which is higher than the last five years.
 - Expenses higher than last five years at \$6,240,782. Renewal negotiations on utilities may offset some expenses.

Board member Michael Basoco inquired about the increase in Catering income. Pierce noted there are more multi-day events with breakfast and lunch, and some include dinner as well. Previous years smaller events may not have had any catering or may have just one meal service.

Assistant General Manager Jeremy Pierce reported on the August 2023 financial reports:

- Forecasting to return \$485,993 to the CIP fund.
- There were 17 events, 37 event days in August.
- Adjusted Gross Income was \$357,896 for the month, budgeted \$365,806.
- Indirect Expenses were \$633,471, budgeted \$563,213.
- There were 195 events YTD and 219,009 in attendance.
- YTD Adjusted Gross Income is \$6,315,476 and \$1,147,906 better than budget.
- For the year Rental Income is \$1,635,278, compared to the prior year \$1,301,611.
- Concessions are still doing well and reporting double from forecast.
- Expenses are up. YTD reporting \$6,874,245.
- Year-over-year comparison for 2023:
 - Rental Income is \$1,635,278 YTD, up from all five previous years.
 - Catering and Concessions are also up from previous years.
 - Total Event Income is \$5,226,944, which is higher than the last five years.
 - Expenses higher than last five years at \$6,874,245. Closing out projects for the year.

Pierce added a new event coordinator has been hired, and still looking for a sous chef in the kitchen. In response to a question from Gibson, Pierce reported staff is treated and paid well and they are willing to stay for the work environment. Banquet staff comes from a staffing agency and management tries to request the same servers. ICC will be looking at other staffing agencies this year.

Bourgeois asked for a motion to approve the SMG financials for July and August 2023. On a motion from Gibson, and a second from Stewart, the motion was unanimously passed.

CYBER SECURITY INSURANCE REQUIREMENTS UPDATE

Rose gave a follow up presentation on cyber security enhancements.

- Cyber security insurance must maintain certain security procedures to protect the infrastructure, i.e., multi-factor authentication, firewalls, regular backups, etc.
- ICVB cyber security requirements:
 - Provide coverage to individuals whose personal protective/personal health information has been compromised,
 - Provide resources to fix the technology that has been damaged because of a hack.
 - Cyber policy does not provide for loss of income.

- SMG Cyber Security Coverage:
 - Part of SMG's Professional Liability policy with AIG.
 - Cyber insurance covers any computer system "owned, operated, leased or under the control of ASM/SMG.
 - "Insured" includes entity required to be insured by written contract but only for claims arising from acts of ASM/SMG.

Rose noted that ICVB IT Manager Brice Petty has implemented NordPass to auto populate passwords. It is very secure software and ICC will also be using it soon. She noted that Petty is on the cutting edge of cyber security. Pierce noted SMG cyber security states if a client is in the building for an event and has issues with their laptop or phone, staff cannot touch it, and can only talk about the issue and give advice to fix a problem. If something breaks, SMG is liable, thus the need to be "hands-off" in these situations.

Bourgeois asked about coverage if a fire or lack of utilities affected the ICC and staff could not deliver for events. Gast noted the City's insurance would have to be used and the ICVB would reimburse.

BOARD AGENDA REVIEW

- Gast noted the September 25 Board meeting will be held in the ICC Junior Ballroom C-D.
- Next month's meeting is a Special Meeting of the full Board on Friday, October 20 for the ICVB Executive Director annual performance review.

Board member Joe Philipp asked for an update on the last time a post-pandemic report was made to City Council on the success of ICC and ICVB. Gast noted updates are given typically twice a year in front of City Council at Work Session and she gives updates to the Sunrise Rotary Club. Discussion was held on the best way to reach out to the community. Bourgeois noted quarterly updates to the Chamber Board are well received, and Gast confirmed updates are also given at the Irving Economic Development quarterly meetings. Gast shared the ICVB is supportive of the Las Colinas Association 50th Anniversary Celebration but that the activities are fully those of the LCA. Board member Julia Kang will be sending out invitations to the Board and 50th Anniversary books remain available.

Board member Greg Malcolm complimented the recent Meet the Bureau event. Hoteliers attended and the Tourism Economics presentation was important information. Board member Nydia Hoskins agreed the presentation reinforced the data for the industry. It was noted that one-third of the attendees were new to the event, including the Embassy Suites, Ritz Carlton, and Gondola Adventures. A future topic will be social media and digital presence.

ACTION ITEM: Gast to speak at an upcoming Henry Holmes Breakfast meeting, which Chair Bourgeois will coordinate through Bob Whitney.

CHAIRMAN/EXECUTIVE DIRECTOR REPORTS

Gast noted the Chamber's transition of leadership will begin at the end of the fiscal year. Monday's Board meeting will be the last one for current Chamber Chair Janie Perelman and Brad Watson will be the new Chair. Perelman will not be in attendance on Monday as she will be observing Yom Kippur, so please thank her for her service when next you see her.

Bourgeois thanked Stewart and Kang for their service on the Nominating Task Force. The group met on August 28 and considered all individuals eligible to serve as Board Chair and Vice Chair. There was a unanimous recommendation for Stewart to serve as Chair and Board member Herb Gears for Vice Chair. The recommendations will go to the Board and Business Development Committee for approval and then advance the slate to the full Board. A vote will take place at the November Board meeting.

CITY COUNCIL AND STAFF COMMENTS

Councilman Kyle Taylor reported:

- City Council will start the Boards and Commissions appointment interviews next week. Some Boards have limited applications.
- At the last Council meeting, Brookfield Properties gave a presentation about the vision of the Toyota Music Factory and the Pavilion. There was discussion in Executive Session with staff and Council. Some work needs to be done and more discussions are needed. Councilman Al Zapanta noted their vision will impact the ICVB. Taylor recommended the Brookfield vision be shared with the CVB Board, and that the CVB should be involved in the discussions.

Zapanta reported:

- The Boards and Commissions interviews will be respectful of time for applicants, with one-on-one interviews instead of the prior “cattle call” approach that has happened.
- He feels strongly that a cyber-attack will happen, and the City needs to be prepared. It is our biggest vulnerability.

Discussion was held on safety and security of the Toyota Music Factory and the parking issues. Updates to the area may include murals from local artists, improved lighting, renovation of the plaza area and increased spending on advertising and programming. As leases expire, different types of tenants may be considered. Police presence for concert security is different depending on the show.

ACTION ITEM: Gast to contact Assistant City Manager Philip Sanders for a copy of the Brookfield presentation given to City Council.

The next meeting will be on Friday, October 20 as a Special Board meeting – Executive Director Performance Evaluation.

With no further comments or discussion, the meeting was adjourned at 10:12 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director