

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
BOARD OF DIRECTORS – EXECUTIVE COMMITTEE MEETING
IRVING CONVENTION CENTER
Friday, November 11, 2022

Attendance: David Cole – Board Chair, Bob Bourgeois – Board Vice Chair; Karen Cooperstein, Nydia Hoskins, Greg Malcolm, and Richard Stewart, Jr. – Committee Members; Herb Gears, Julia Kang, William Mahoney, and Joe Philipp - Board Members; General Manager Tom Meehan – ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda, and Susan Rose – ICVB; Board Liaison Councilman Kyle Taylor; Kevin Smith, Partner and Mario Castro, Senior Manager – Crowe LLP - Guests.

Board Chair David Cole called the meeting to order at 9:00 a.m. and inquired if there were any citizens that would like to comment on any subject on the agenda. There were none.

Cole asked for a motion to approve the September 23, 2022, Executive Committee meeting minutes. On a motion from Board member Karen Cooperstein and a second from Board Vice Chair Bob Bourgeois, the motion was unanimously approved.

IRVING CONVENTION CENTER AUDIT REPORT FY 2021-22

Executive Director Maura Gast introduced Crowe LLP Partner Kevin Smith and Senior Manager Mario Castro. ICC General Manager Tom Meehan reported Crowe LLP has been working with the ICC for 12 years and there is a good partnership.

Smith thanked the Committee for the opportunity to present the audit report, and noted:

- The FY2021-22 audit is a clean audit with no weaknesses reported.
- There has been a change in auditing standards and the audit opinion is stated upfront and with the highest level of assurance that financials are reported and prepared in accordance with the contractual agreement and has no impact on the opinion.
- Management and Auditors responsibilities were reviewed.
- Smith noted it was a spectacular year for the ICC and no concerns were issued.
- Growth was seen in Operations and fixed costs remain consistent.
- Remitted capital reported on the financial statement is \$601,276 returning to the Capital Improvement Fund.

Smith reviewed the required communication document:

- The scope and timing of the audit is consistent with previous years.
- Significant accounting policies are all consistent with previous years.
- One significant accounting estimate was tested – the allowance for doubtful accounts and bad debt expense.
- In agreement with management judgements about qualitative aspects of significant accounting practices, with one corrected adjustment identified as a result of procedures.
- One uncorrected misstatement was identified. Management was aware and the auditors noted the item is clearly immaterial. It is a small amount of negative Account Receivable balance of \$13,874. Both parties deemed the item to be acceptable.
- Overall, a very clean audit.

Smith reviewed the Management Letter:

- The ICC finance team responded and collaborated well with auditors.
- Significant deficiency warrants the Board's knowledge of the item relating to segregation of duties, as had been noted in the past. This is not an unusual finding in small finance departments.

In response to a question from Board member Richard Stewart, Jr., Smith replied publicly traded companies that submit to FCC regulations sign audit documents as the firm instead of with individual signatures, as according to the AICPA. The AICPA language will be provided as a follow-up.

Cole asked for a motion to accept the Irving Convention Center Audit Report for FY 2021-22. With a motion from Board member Julia Kang and a second from Board member Greg Malcolm, the motion was unanimously approved. The audit report will be presented to the full Board at the November 14 Board meeting.

ICC FINANCIALS

General Manager Tom Meehan reported on the September 2022 financial reports:

- Forecast is reporting \$601,277 to be returned to ICVB at fiscal year-end, which will be transferred into the ICC Reserve/CIP Fund. It was noted the official number to be returned is \$601,289. This is well above previous years.
- Net Income did not make budget. This is the second time in the year; however, there were significant large expenses during the month of September.
- Indirect Expenses were \$770,882, \$257,729 over budget.
- Year-to-date showing \$601,289 better than budget for the year with 213 events.
- Rental Income was \$146,400 for the month, which is \$72,425 better than budget.
- Catering reports \$551,567, \$156,595 better than budget.
- Parking is up \$200,000.
- Adjusted Gross Income for the year is up \$1,061, 429 better than budget.
- Expenses were \$460,140 over budget for the year.
- Year-over-year comparison reports Catering is still down but came back stronger than anticipated this year.
- Total Event Income is \$4,758,586 for the month and in line with 2019 numbers.
- Expenses uptick reflects when the building is busy.
- The bounce back of financials was huge and fast, and types of events look different than 2019.
 - There were 6 sporting events in 2019 with 7,000 people and this year reports 14 events and 36,000 people with good revenue.
 - Bookings are producing good pieces of business and producing hotel room nights.
 - Next year booking three cornhole events, including their biggest event.
 - In 2019 trade shows were nonexistent but held 6 this year
 - In 2019 held very few conventions and this year held 10 true conventions.
- The challenge for next year in budgeting will be to factor in labor and food costs, inflation adjustments and how to make it all work.

Cole asked for a motion to accept the ICC financial reports for September 2022. On a motion from Board member Cooperstein and a second from Stewart, the motion passed unanimously.

BUDGET ADJUSTMENT TRANSFER FROM ICC FY2021-22 OPERATIONAL SAVINGS TO CONVENTION CENTER RESERVE/CAPITAL PROJECTS FUND

Gast explained to the Committee the \$601,289 transfer of funds back into the ICC Capital Fund noting the Committee and Board take action and the item goes to City Council for approval.

On a motion from Bourgeois and a second from Cooperstein, the Budget Adjustment Transfer of \$601,289 from the ICC FY2021-22 savings to the ICC Reserve/Capital Projects Fund was unanimously approved.

HOTEL OCCUPANCY TAX COLLECTIONS

The Hotel Occupancy Tax Collections reports were reviewed through August 2022. Lauda reported:

- Luxury & Full-Service properties reporting down slightly.
 - Doubletree DFW Airport North and Sheraton DFW Airport North are still behind in payments.
 - Luxury and Full Service collected \$321,899.86 for the month.
 - The Westin Irving Convention Center Las Colinas hotel is doing great business with \$43,541.19 collected for August.
- All Suite / Extended Stay show two hotels unpaid for the month.
 - Collected \$116,833.72 for the month, which is less than the last few months.
- Budget Services properties have all paid and reporting slightly less than last month.
- Limited-Service properties holding steady, and all properties have paid.
- There were 36 short-term rental properties reporting \$3,352.78, down from last month.
- Summary: collected \$638,891.49, which is 57.6% better than budget.
- For the year, collections are above budget by \$2,166,533.91.

BOARD MEETING AGENDA REVIEW

Gast reviewed the November 14 Board agenda and noted:

- Board meeting will be held at the Jack D. Huffman Community Center building in the auditorium. There will be an opportunity to tour the "Green Book" exhibit after the meeting.
- Cole will report on the Nominating Task Force recommendations for Board officers and a vote will be taken.
- The ICC audit report will be presented by Crowe LLP, along with the Budget Adjustment item.
- There are two High Spirited Citizen nominations on the agenda for approval.
- Board liaison Councilman Kyle Taylor will give updates on the Boards and Commissions Ordinance that City Council adopted and the Short-term Rental Registration Program.
- The ICTN video from the ICVB 50th Anniversary Celebration will be shown.

Gast thanked everyone who participated in the ICVB 50th Anniversary Celebration. It was a fantastic event and the Board's support was tremendous.

ACTION ITEM: Gast to send the link for the video to the Committee.

CITY COUNCIL UPDATES

It was noted Taylor will give updates at the Board meeting.

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With no further discussion, Cole adjourned the meeting at 9:42 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Maura Allen Gast". The signature is written in a cursive style with a large, looping initial "M".

Maura Allen Gast, FCDME

Executive Director