

**MINUTES**  
**IRVING CONVENTION AND VISITORS BUREAU**  
**BOARD OF DIRECTORS – EXECUTIVE COMMITTEE MEETING**  
**IRVING CONVENTION CENTER – FIRST FLOOR CONFERENCE ROOM**  
**Friday, January 21, 2022**

Attendance: David Cole – Board Chair; Bob Bourgeois – Board Vice Chair; Greg Malcolm, and Richard Stewart, Jr. – Committee Members; Michael Basoco, Colvin Gibson, Julia Kang, William Mahoney, Joe Philipp – Board Members; Tom Meehan and Matt Tungett – ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda, Brice Petty, and Susan Rose – ICVB; Mayor Pro Tem Kyle Taylor and Deputy Mayor Pro Tem Al Zapanta – City Council.

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.

**ICVB FINANCIAL REPORTS FOR SEPTEMBER, OCTOBER, NOVEMBER, AND DECEMBER 2021**

Director of Accounting Marianne Lauda reported for September 2021:

- Balance Sheet:
  - Fiscal year 2020-21 ended with a balance of good standing.
  - Hotel/Motel Tax can now be viewed on the report with Current Year, Penalty and Interest, Prior Year and Short-Term Rentals numbers listed individually.
  - Budgeted for \$6,490,005 in HOT Collections, Received \$4,726,258.75 or 72%.
  - Funds were received in early September for Intergovernmental Receipts from American Rescue Plan Act (ARPA) of \$2,235,089 and rolled \$456,349.81 into this year's budget.
  - Transfer "loan" from City of Irving for \$500,000 was received and refunded back to the City as an Expense.
  - Transfers Out under Expenses shows \$100,000 to ICC and the \$500,000 to the City.
  - Ending Fund Balance of \$2,166,241.53.
- Reserve Fund:
  - Total Fund Balance of \$710.78.
- Computer Replacement Fund:
  - Total Fund Balance of \$207.54.
  - There are no plans to replace any additional computers, as new ones were recently deployed.
- ICVB Convention Center Fund:
  - Total Fund Balance of \$884,942.91.
- ICC Reserve/CIP Fund:
  - Received \$245,399.35 in Receipts from ARPA funds.
  - After expenditures, remaining ARPA funds total \$81,065.65 and rolls into this fiscal year's budget.
  - Beginning Fund Balance was \$61,641.43 and Ending Fund Balance is \$767,827.46.

- Check Register:
  - Check Register will now show what is paid from ARPA funds versus from HOT Collections.
  - Client and Media items will pay from ARPA funds.
  - Total from ARPA funds for September 2021 was \$446,804.50, or 76%, and \$135,041.83 or 23.2% from HOT Collections and Other.
  
- Cash Flow Report for Fiscal Year-End September 2021:
  - Lots of ups and downs.
  - The increase in funds for September reflects the receipt of ARPA funds and HOT Collections.
  - Ending with a cash positive balance due to those receipts.

Lauda reported on October 2021:

- Balance Sheet:
  - Liabilities list \$7,847,044.81 ARPA funds remaining that rolled into this year's budget, as well as this year's funds.
  - Did not receive HOT Collections in October, they were posted to prior year budget.
  - Received \$15,300.00 from other CVBS that participated in a joint CVB event and were invoiced.
  
- ICC Fund:
  - Unearned Revenue \$2,959,732.65.
  - ICC Reserve/CIP Fund shows receipt of funds from Federal Government (ARPA), and \$1,021,924.37 from SMG Corporate.
  
- Check Register:
  - Business is picking up and shows in Business Incentive Development Program payments.
  - Media buy payments were issued.
  - Ending the month 96.2% expended from ARPA funds, and 3.8% from HOT Collections.

Lauda further reported on November 2021:

- General Fund:
  - Negative entry for Miscellaneous Revenue is recorded here as a correction from a prior month entry.
  - Expenses were not out of the ordinary.
  - Ending Fund Balance of \$745,351.03.
  
- ICC Balance Sheet:
  - Only Revenue is from Westin Irving Convention Center Hotel parking garage rental.
  
- Check Register:
  - Business Incentive Development Program payments.
  - Media payments.
  - Ending with \$120,763.24, or 91.8% payments from ARPA funds, and \$10,832.08, or 8.2% from Hotel Occupancy Tax Collections.

In reviewing December 2021 Lauda reported:

- General Fund:
  - Received Hotel Occupancy Collections for October of \$604,760.63.
  - Total Expenditures of 19.3%.
  - Ending Fund Balance of \$514,755.47.
- ICC Fund:
  - Miscellaneous Revenue of \$21,974.44 from Irving Convention Center Westin Hotel parking garage.
  - Ending Fund Balance of \$899,949.92.
- Check Register:
  - Payments to SMG: \$418,712 is additional subsidy from FY2020-21, Westin Parking Garage for \$21,934.27, and ASM/SMG Management Fee for prior year payment of \$93,731.
  - Advertising agency payments
  - Ending with \$1,754,880.58, or 96% payments from ARPA funds, and \$72,709.77, or 4% from Hotel Occupancy Tax Collections.
- Cash Flow Report for December 2021:
  - The report does not reflect ARPA funding we will receive in the Spring of this fiscal year.
  - It estimates Revenues and Expenses.
  - Hoping to end the fiscal year with a healthy fund balance.

Discussion was held on holding Business Incentive Development Program payments for hotels that are delinquent in Hotel Occupancy Tax payments. Executive Director Maura Gast noted there has been some internal discussions about this in the past, but the counter to it is that it would have a potentially further negative impact on that property if they were not able to book business without benefit of those resources.

#### HOTEL OCCUPANCY TAX COLLECTIONS

Lauda noted that with a full year of monthly Hotel Occupancy Tax payments and history, a monthly comparison report can now be generated.

In reviewing October 2021 HOT Collections:

- Luxury and Full Service
  - Doubletree by Hilton DFW Airport North and the Sheraton DFW Airport North have not paid October 2021.
- All Suite/Extended Stay
  - Hawthorne Suites DFW Airport North is closed.
  - Hyatt House Dallas Las Colinas has not paid.
- Budget Service
  - Studio 6/Motel 6 DFW Airport East has not paid.
- Limited Service
  - Two hotels have not paid.
- Short Term Rentals
  - The number of locations has increased by 33 properties and 80.21% in collections.
  - Collections for October 2021 is \$608,214.50, compared to \$302,467.05 last year. An increase of \$305,747.45, or 101.08%.

A new “thermometer” chart has been created to show where things stand with the Bureau’s five-year path to Financial Stability: Repayment of FY21 Loan, General Fund, Catastrophic Reserve, Computer Replacement Fund, and ICC Reserve/CIP Fund.

- Repayment of FY21 Loan is 100% complete with the completion of the \$500,000 repayment to the City.
- General Fund Balance Goal: \$2,000,000 and currently \$514,755.
- Catastrophic Reserve Goal is \$5,000,000 and currently stands at \$500,000.
- Computer Replacement fund Goal is \$300,000 and currently stands at \$207. The F22 Year End Goal for this account is N/A.
- ICC Reserve/CIP Fund Goal is \$3,000,000 and currently stands at \$899,949 and hope to transfer \$100,000 into this fund by the end of the fiscal year.

Cole asked for a motion to accept the ICVB financial reports for September, October, November, and December 2021. On a motion from Board member Bob Bourgeois, and a second from Board member Julia Kang, the motion had unanimous consensus.

#### IRVING CONVENTION CENTER FINANCIALS

General Manager Tom Meehan reported for November 2021:

- Meehan reported the ICC did make budget for both November and December 2021.
- November was a short month, due to the Thanksgiving holiday.
- There were 16 events for the month.
- November was budgeted to lose \$167,028 and only lost \$144,720.
- Net Income (Loss) from Operations reported +\$61,654 YTD.
- Not at full staff and have open positions, but overall stable staffing.
- Rental Income for the month was \$97,551.
- F&B Catering for the month was \$199,961.
- Adjusted Gross Income reports \$425,841.

Meehan reviewed December 2021 financials:

- There were 15 events in December.
- December was a short month due to the holidays.
- The month reports +\$166,712 ahead of budget.
- Rental Income was \$38,325.
- F&B Catering for the month was \$146,540.
- Total Event Income was \$210,730.
- Adjusted Gross Income reports \$258,139.
- Net Salaries and Benefits are still below budget.
- Repairs and work on the building seems to be on target.
- Five-Year Comparison Report shows:
  - Catering is down due to holiday parties canceling due to COVID.
  - Quarterly Income is relatively good compared to past five years, and F&B Catering is down for the Quarter.
  - Total Event Income reports \$834,386, which is way ahead of \$163,769 from last year. This indicates business is coming back and getting stronger.

- In reviewing the Forecast report:
  - January through September is forecasted for the rest of the year based on the booking calendar at the current time.
  - The forecast shows a total of \$131,001 below the \$1.395 million subsidy.
  - It is a very conservative forecast and only shows what is in the contracts.
  - Business is very volatile with lost and postponing business but flowing well toward budget.

In response to a question from Board member Joe Phillip, Meehan replied to the ability to deliver on the forecast with staffing concerns is being addressed by internal staff working events. ICC will work with what is on-hand as labor is the number one expense in any ASM Global building. Meehan noted current staff is tenured and solid. Currently at 60% of staff from 2019 numbers but being selective in hiring. Phillip commented the quality in food and service at the ICC is what gets the client talking about it and the ICC has done so well in the past. Meehan agreed that Catering is the first priority. He is looking at future years and planning for some expected and unexpected changes in staffing, while keeping the same quality of food that Chef Eduardo Alvarez brings. The focus is to invest in the resources Chef Eduardo needs because catering is the backbone of this building. One sous chef that was laid off during the pandemic is returning.

Meehan noted a large event was canceled in January and they have paid the cancellation fee. That event would have produced over \$200,000 in Catering and had only budgeted for \$75,000.

Cole spoke to the quality of management and the commitment of Chef Eduardo and the ICC staff. Meehan replied employees are dedicated and care about the success of the ICC. Gast commented there is a passion and loyalty by employees and contractors in the building and they take great pride in what they do.

With no further discussion, Cole asked for a motion to accept the ICC November and December 2021 Financial Reports. On a motion from Kang and a second from Board member Richard Stewart, Jr., the motion had unanimous consensus.

Cole asked for a motion to accept the Executive Committee meeting minutes of December 10, 2021. On a motion from Kang and a second from Stewart, the motion had unanimous consensus.

#### CHAIR REPORT:

- The January 24, 2022, Board meeting agenda was reviewed. Gast noted an Individual Consideration item for High Spirited Citizen nominations approval. Each nominee's background information is included in the Board meeting packet. ICVB staff has requested dates from the Mayor's office to present previous and current nominations.

EXECUTIVE DIRECTOR REPORT:

Gast gave an update on the R-AB Ordinance amendment recommendations and noted the Planning and Zoning Commission is not ready to make a recommendation. She commented it will most likely be delayed until after the May elections. There is a lot of misunderstanding about the changes and process, but the delay will add the benefit of presenting supporting points at more working sessions. Gast believes there is general agreement on what is needed, but the path is crowded. Mayor Pro Tem Kyle Taylor added there should be a lot of time spent educating about the Ordinance and the reporting benefits. He feels good conversations and progress are being made. It was noted this is a long-standing issue with the City. Cole expressed disappointment in the only local newspaper reporting with a one-sided and inaccurate headline. Board member Greg Malcolm noted this is an important issue for the Heritage District development. Taylor encouraged Board members to come to the City meetings in support of the issue. Gast will communicate to the Board when/if a vote is scheduled at City Council and will ask for larger support from the Hospitality Industry to attend and show their support. Gast also reported she is on the agenda for next week's Council meeting for the ICVB Semi-Annual Update, which happens to coincide with the ICC building anniversary.

CITY COUNCIL UPDATES

Taylor reported Council will be reviewing Short Term Rental Ordinance and get their arms around how to collect Hotel Occupancy Tax with an idea of why we have these properties in Irving. It is another blurred conversation to many in the community. The STR Ordinance will only require rentals for less than 30 days to register. Taylor will keep the Committee updated. The main item is for the registration process to collect data and see what is available for short term rent in Irving.

The next Executive Committee meeting is scheduled for Friday, February 25, 2022.

With no further discussion, Cole adjourned the meeting at 10:21 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME  
Executive Director