



MINUTES
IRVING CONVENTION AND VISITORS BUREAU
BOARD OF DIRECTORS – EXECUTIVE COMMITTEE MEETING
ZOOM VIDEO CONFERENCE
Friday, January 22, 2021

Attendance: Karen Cooperstein – Board Chair; David Cole – Board Vice Chair; Bob Bourgeois, Julia Kang, Clem Lear, Rick Lindsey, Greg Malcolm – Committee Members; William Mahoney and Joe Philipp – Board Members; Tom Meehan – ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda, and Susan Rose – ICVB; Senior Assistant City Attorney Christina Weber, Deputy Mayor Pro Tem Kyle Taylor, Councilman Al Zapanta and Councilman Mark Zeske – Guests.

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

Cooperstein noted the financial and emotional hardships on the country and community. The costs are never more real or devastating as losing ICVB Sales Manager Kelly Roche. She asked for continued prayers and support for the ICVB and ICC staff. A donation to the University of Texas Southwestern Medical Center Neonatal Intensive Care Unit in Roche's name has been made on the Board and staff's behalf. The Committee held a moment of silence in remembrance.

ICVB FINANCIAL REPORTS:

Director of Accounting Marianne Lauda reported:

September 2020

- General Fund Ending Balance - \$2,191,413.15. This fund is in good shape considering in the pandemic for six months of the year.
- Financial Report shows revenue from Hotel/Motel Tax and \$1,851,400 fund transfers.
- Revenues are 64.9% of the projections.
- Expenditures are 73% expended, compared to last year 90% expended and two years prior at 81% expended. Staff has done an excellent job in managing expenses.
- Expense cuts across the board in ICVB adding to the \$2.191M total ending fund balance.
- A transfer of \$245,600 to the ICVB General Fund from the Computer Replacement Fund. No money spent from the account and ending balance is \$207.54.
- A transfer of \$298,000 to the ICVB General Fund from the ICVB Convention Center Account. Money spent from account was \$1,429,086.36 for ICC projects and ending fund balance is \$61,641.43 as of September 30.

Check Register review:

- Checks to the ICC: Westin Garage rental for September, contract, emergency operation funding and the final subsidy payment. An explanation of the Westin Parking Garage rental payment was explained.
- Final Business Development Incentive checks for the fiscal year
- Advertising payments
- Check #61379 to ICC is reimbursement of \$46,145.73 for CARES Act funding projects.
- Check #61380 to ICC for Capital Improvement Projects.

October 2020

- General Fund Balance Sheet shows Cash and equivalents and Tax Receivables for Hotel/Motel Tax Collections. There is no other Revenue for the month of October.
- Liabilities show a Due to Other Funds which is service fee paid back to the City, and Accounts Payables.
- Expenditures were minimal and General Fund ending fund balance is \$1,900,839.61.

Check Register:

- ICC CARES Act Funding for escalator sterilization devices, Capital Improvement Projects, and Westin parking garage rental October payment.
- Employee reimbursements and memberships.
- Check #61418 to Texas Hotel & Lodging Association is classified as event sponsorships. Expense allows for all Irving hotels to be members and is especially needed during this legislative year.

November 2020

- It was noted the Hotel/Motel Tax Collections do not show in the General Fund as Revenue yet but did collect \$147.40 in interest.
- Expenditures were minimal again.
- Ending General Fund balance is \$1,536,917.51.

Check Register

- Nothing unusual for the month.

December 2020

- Cash and equivalents show a negative number, however, it is due to payroll for January 1 being run on December 31 from City and cash was not deposited until January 1.
- General Fund financial report shows Hotel/Motel Tax collection of \$221,692.80 for October payments.
- The Media Advertising account shows a negative due to CARES Act funding of \$150,000 from the city reimbursement but all the funds were not expended which shows as negative until all money is expended, and activity is essentially a wash.
- General Fund ending balance is \$1,107,821.32.
- There is \$582,271.12 in the ICVB Convention Center fund. Money was received from ASM/SMG Global for Capital Improvement Projects per the renewed contract recently signed; \$500,000 in the first year is to be used for Capital Improvement Projects or Operational use. There is \$100,000 originally budgeted to be transferred from this account, which is significantly less than previous years.

Check Register

- Several advertising payments were postponed from last fiscal year and moved forward to FY2021. End of year payments were made in December.
- Check #61461 to ICC is for prior year's Management Incentive Fee for \$46,446.

Clarification was given for the ICC Convention Center fund balance, explaining the \$561,875 in Miscellaneous is the contract renegotiation plus prior balance. The money received from ASM/SMG Global is only received once and balance will decrease as needed for projects.

Hotel/Motel Tax Collections were moved from quarterly payments to monthly and October should have been the first monthly payment. Each month's payments are not technically late until the end of the next month, so October's payment showed in December's report. Some hotels have not reported their final year payment and the City is following up with letters and phone calls.

Cooperstein asked for a motion to approve the ICVB Financials for September, October, November, and December 2020. On a motion from Board member Bob Bourgeois, and a second from Board member Rick Lindsey the financial reports were approved as presented.

Lauda reviewed a report detailing the expense reconciliation of the CARES Act funding received. The ICVB requested funding for various projects relating to a cleaning, disinfection, and infectious disease prevention program for the ICC, as well as marketing initiatives from the CARES Act grant the City received. Since the City recorded the receipt of the grant funds as revenue, the ICVB recorded the receipt of funds from the City as reimbursement (deposit) into the expenditure accounts; therefore, the ICVB financials do not reflect an increase in revenue when funds were transferred, and the net effect in expenditure accounts is zero. A list of all projects is provided on the report. Assistant Executive Director Susan Rose noted the Simpleview: Integrated Marketing Campaign Safety expense is an integrated marketing campaign. The other items purchased and shown on the report were for the Irving Convention Center. ICC General Manager Tom Meehan added supplies needed have been purchased for the time, but some miscellaneous items are coming up that are needed now. The funding did help accomplish quite a bit.

Councilman Al Zapanta asked if the ICVB/ICC is contemplating the CARES Act 2.0 and urged staff to look ahead to the next 12-18 months. He added the ICVB/ICC need to be the driving force in safety issues at the ICC. Executive Director Maura Gast noted that the ICC's needs and operations are very different from a safety protocol perspective than City Hall. In normal circumstances, the building has many different people every day in-house and the uses of supplies are different with different cleaning protocols. The ICC did receive 15 DetectWise kiosks that do temperature check facial scanning. The equipment was recommended by the ICVB to the City staff, due to industry information available through the International Association of Venue Managers. Meehan added the Clorox360 sprayers were recommendations from ASM/SMG Global and ICC staff. Deputy Mayor Pro Tem Kyle Taylor noted the importance of driving the conversation with City Council and City staff. Gast noted it is critical to understand the funding received from the CARES Act is money the ICC would have needed to have, and staff appreciates having that funding come from the CARES resources and therefore not having to further deplete the budget.

In response to a question from Lindsey, Meehan noted the application STAR certification from Global Biorisk Advisory Council has been submitted but not received the designation yet.

Lauda reviewed the FY21 Cash Flow report for December 2020. It was originally thought additional funding would be needed by November 2020 but is now stretched out to possibly March 2021. Hotel/Motel

Occupancy Tax Collections remain a concern. The projected ending cash for September 2021 is - \$1,315,400.

Lauda reviewed the Hotel/Motel Occupancy Tax Collections Report.

- Luxury & Full Service:
 - Doubletree by Hilton DFW Airport North, Embassy Suites DFW Airport South, Sheraton DFW Airport Hotel, Texican Court and Westin DFW Airport are hotels showing zero collected.
 - Stays for Major League Baseball teams made a significant difference in the Four Seasons Resort & Club revenues during the MLB playoffs and World Series.
 - Gast added November/December are usually soft months due to the holiday weeks and their impact on corporate travel.
- Several properties in Limited Service and Budget are reporting zero collected.
- Short-term Rentals:
 - This is a new category and more of these properties are paying on a regular basis. As of January 2021, anyone operating a short-term rental property is expected to be collecting and remitting tax.
- The City has contracted LODGINGRevs to collect data on these properties and letters have been sent for collections and notice for monthly payments.
- The Grand Total of collections for October is \$210,173.90 (+3.6% difference) and November shows \$128,095.73 (-45.5% difference).

Board Vice Chair David Cole reported the Springhill Suites Dallas DFW Airport East Las Colinas has become a Sonesta Hotel. The Springhill Suites property is reporting tax remittance, but the Sonesta is reporting zero. Gast replied the properties may not be under the same ownership but could be the same flag. Staff will follow up.

ACTION ITEM: Gast and Taylor will talk offline to discuss the CARES Act 2.0 funding and challenges.

ICC Financial Report – October 2020

Meehan reported:

- October was an uneventful month with two events in the building.
- Rental Income of \$6,700 and Parking Revenue from the Westin garage of \$26,152 were reported.
- In reviewing the Year-Over-Year Comparison Report, Meehan noted Rental Income for October is only income for the fiscal year. Indirect Expenses of \$350,997 reported and an estimated \$240,000 are from payroll, security, and housekeeping. The \$110,000 remaining is the expenses of the building for utilities, repairs, and supplies.
- Last week, seven employees were permanently laid off; two others that had been furloughed have accepted positions elsewhere.
- In reviewing the Snapshot/Forecast, Meehan noted November finished almost identical to the projections - \$281,379.
- February/March and April begin to pick up. Events are on the calendar and hopefully will stay “Definite.”
- Some events have moved to next fiscal year, but not completely lost business.

- The forecast only includes that which has been contracted and shows minimums on Food & Beverage projections.
- The budget is very conservative as always, and will go up and down monthly, more so than any other year.
- The goal is to end better than the currently projected -\$1,434,723, to get that down to \$1,395,000 or lower.
- To date -\$39,723 off budget after one month into the fiscal year.
- Staff is talking to clients on the status of their events and planning month-by-month.

Cooperstein stated staff and Board should celebrate the first six months of 2020 which was ramping up to be a record-breaking year and move forward with positive thoughts despite the pandemic.

Cooperstein asked for a motion to approve the ICC financial report for October 2020. On a motion from Lindsey, and a second from Board member Clem Lear, the financial report was approved as presented.

Gast asked for the Board to acknowledge the proposed terms for an interfund Operating loan from the City of Irving to the ICVB for the purpose of promoting tourism, the Convention Center, and the hotel industry. The City can provide a loan for access to cash flow interest-free and repaid by September 30, 2022. It will not create a negative impact on the City budget from a debt standpoint. The action is currently scheduled for action at the February 11 City Council meeting. Lauda added the loan stays on the Balance Sheet and is classified as short-term. If a loan is over one year old, it shows on the Balance Sheet as long-term and then affects the CAFR. Taylor would like City Council to understand the CAFR and timeframe so not to put ICVB in a difficult situation to repay the loan. Zapanta added the need to insert the discussion at a City Council Work Session meeting for discussion. He suggested the need to look at how to continue to move toward a 2025 repayment date to balance and be at net zero budget. A copy of the Resolution is included in the packet.

Cooperstein asked for a motion to acknowledge the proposed terms for an Operating loan from the City of Irving. With no opposition, on a motion from Lear, and a second from Bourgeois, the motion was approved unanimously.

Gast asked for Board authorization to move forward and pursue further investigation and potential application for the Payroll Protection Program Loan through the CARES Act. The legislative item closes in March. As language is currently written, it translates to the City having 300 or less employees instead of government CVB's having 300 or less employees; ICVB staff believes there will be further clarification on that language that could allow ICVB to apply. However, the challenge in Texas is the general Payroll Protection Program is technically a loan and Texas does not allow government agencies to incur debt without specific authorization of the Attorney General. As well, there is no statutory authority to incur debt for general operational purposes, which the PPP covers. Based on the current legislative atmosphere in Austin, this would not be a good time to attempt to have this authorization changed. The ICC is also not eligible for the Shuttered Venue relief fund, as the types of events held most often at the ICC are not ticketed events. Gast noted these proposed relief items are moving fast with deadlines coming quickly, and change is happening equally fast. She is looking for general approval from the Board to keep pursuing any, and all, options.

Cooperstein asked for a motion to approve the ICVB for further detailed investigation and potential application for Payroll Protection Program Loan through the CARES Act. On a motion from Lindsey, and a second from Bourgeois, the motion was unanimously approved.

Cooperstein noted the redline revision of the ICVB Board Bylaws in the packet from the Board and Business Development Committee. The Bylaws will be presented for approval at the February Board meeting and then move to City Council for approval.

Assistant Executive Director Administration/Finance Susan Rose reviewed the ICVB Board portal revisions and updates. The Board and Business Development Committee met in September and gave input for a redesign of the portal. Additional feedback was added at the December Committee meeting and further tweaks and updates were added. The portal is for Board members to use and redesigned for ease of use. Instructions on including the portal link to a smart phone or tablet were added to the main page of the portal. Rose requested any feedback or input from the Committee. The process for responsibilities in updating the portal will be divided between Rose and ICVB Office Manager Carol Boyer and finalized shortly. Rose recognized Boyer and Director of Marketing Monty White for their assistance and hard work on the portal.

The Board and Business Development Committee will revisit the updates and redesign in the next few months and entertain input and comments at that time.

Chair Report:

Cooperstein reported:

- Staff continues to review options for the Irving Hospitality Industry Annual Meeting. Given the timing of the event in February and priorities for staff at this time, there is a possibility of moving the meeting to May in conjunction with National Travel and Tourism week.
- The Community Engagement Committee meeting scheduled in January was postponed until further notice.
- The Board and Business Development Committee Chair and Vice Chair are reviewing potential dates for a Board Orientation meeting. New Board members are strongly encouraged to attend, as well as Council members.
- Cooperstein gave a shout out of appreciation to the ICVB and ICC teams for managing expenses during this critical time. She is grateful for their hard work and persistence in being good stewards of public money.
- The next Executive Committee meeting is scheduled for Friday, February 19.

Cooperstein asked for a motion to approve the Executive Committee meeting minutes from December 11, 2020. On a motion from Lear and a second from Lindsey, the motion was unanimously approved.

Cooperstein and Gast reviewed the January 25, 2021 Board meeting agenda. The two individual consideration items approved at this Committee meeting are included on the agenda.

Cooperstein asked for any additional comments from City Council members in attendance. Taylor commented he is looking forward to being the Council Liaison for the ICVB Board to help guide through these trying times. He appreciates the opportunity to listen and learn and support the Bureau and the Board.

Zapanta noted City Council is focused on several things across the City, specifically financials, pensions, etc. Council is pulling together to peel back each department for review. He noted that Gast and Cooperstein presenting to Council regularly is critical, so they understand what the ICVB does and they are doing great work and putting out an image of Irving that is needed. He encouraged the Board and staff to stay on top of the CARES Act funding and Payroll Protection Program.

Councilman Mark Zeske added his appreciation for the service of the ICVB staff and Board.

It was noted that Gast will present at the February 11 City Council meeting with a CARES Act update and Marketing Campaign results. Recognition of National Travel and Tourism Week at the May 6 City Council meeting will also be good timing for an ICVB update to the Council.

There being no other business, the meeting was adjourned at 10:44 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director