

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
BOARD OF DIRECTORS – EXECUTIVE COMMITTEE MEETING
IRVING CONVENTION CENTER – FIRST FLOOR BOARD ROOM
Friday, August 20, 2021

Attendance: Karen Cooperstein – Board Chair; David Cole – Board Vice Chair; Bob Bourgeois, Julia Kang, Clem Lear, Rick Lindsey, and Greg Malcolm – Committee Members; Herb Gears, Joe Philipp and Richard Stewart, Jr. – 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 Karen Cooperstein called the meeting to order at 9:01 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:

Director of Accounting and Budget Marianne Lauda reported on the ICVB July 2021 financial reports:

- **General Fund:**
 - Ending fund balance is \$478,522.44.
 - The fund is holding steady at this point and in a good place.
 - Revenue received from Hotel Occupancy Tax was \$436,686.55 and \$4.18 in interest.
 - Expenditures are holding their own for the month at \$590,880.20.
 - Total YTD Revenue is \$3,024,214.48 and Expenses are \$4,769,640.21.
- **Check Register:**
 - The majority of checks written were for media advertising and Business Incentive Development Program payments.
 - Maloney Strategic Communications is re-engaged for some projects.
 - Large expense to Simpleview (data input software) for \$86,968.00.
 - Irving Convention Center payments:
 - Westin Garage Rental
 - Westin Garage CIP Increase – each year the team reviews the CPI index. The receiving amount has increased slightly, and that amount is forwarded to ICC.
 - Capital Improvement Projects

HOTEL OCCUPANCY TAX COLLECTIONS – JUNE 2021

- **Luxury and Full Service:**
 - Received \$238,238.51 for June 2021.
 - No payment from the Sheraton DFW Airport North nor additional payments from Doubletree by Hilton DFW Airport North.
 - Westin Irving Convention Center Hotel is doing well.

- All Suite/Extended Stay:
 - All properties are doing well.
 - Collected \$12,00.00 more for June 2021 than in May 2021.
 - Residence Inn Dallas Las Colinas paid for May and June 2021.
 - Homewood Suites by Hilton Las Colinas has outstanding payments for May and June 2021.
- Budget Service:
 - All properties are holding steady.
 - One hotel - OYO Hotel DFW Airport North - behind for several months.
- Limited Service:
 - Collected \$38,064.20 in June, a significant amount more than May 2021. And more than any previous COVID month.
 - Fairfield Inn & Suites Dallas Las Colinas paid \$12,352.29 in June and report shows no payments for seven previous months. Lauda waiting for confirmation from City Finance Department if the June payment is just for the month or a combination of several pending prior months.
 - Short-Term Rentals reporting 43 properties paid for \$4,640.18 total in June.
- Summary:
 - YTD actual collections - \$2,891,861.43.
 - Budgeted \$3,209,527.00.
 - Difference of negative \$317,665.57 or -9.9%. Doubtful can make up the difference before the fiscal year-end but hoping to get close to what was budgeted.

ICVB CASH FLOW REPORT:

- Estimates have not changed much since last month, reporting \$214,471.00 ending cash projected at fiscal year-end.
- It is important that ICVB receive the ARPA funds to avoid ending with a negative fund balance.

Cooperstein asked if the cash flow projection considers the ARPA funds or additional funding provided to SMG if their goal is not met. Lauda replied neither are factored into the cash projection.

Cooperstein asked for a motion to accept the ICVB Financial Reports for July 2021. On a motion from Board member Clem Lear and a second from Board member Richard Stewart, Jr., the motion was approved unanimously.

ICC FINANCIALS:

General Manager Tom Meehan reviewed the following financial reports:

June 2021:

- Monthly Highlights – 13 events, which is a good month compared to previous months this year, but half of a typical month.
- Rental Income for the month is \$58,963.00.
- Adjusted Gross Income is \$256,102.00, Net Income (Loss) from Operations is (\$97,655.00), compared to +\$51,358.00, total loss for the month is (\$149,013.00).
- Numbers stay down due to Expenses – saved \$120,111.00 in Expenses for the month.
- F&B Catering reports \$128,035.00 and Concessions at \$21,421.00 for the month.

July 2021: For the month:

- Adjusted Gross income \$191,761.00 for the month, which is lower than previous months.
- Lost (\$217,184.00), compared to budgeted amount of \$408,945.00.

Year-to-date:

- There were 69 events for the year and Adjusted Gross Income of \$1.5 million, down \$1.2 million from budget.
- Originally there was more business packed into the last three months of the budget year than has occurred.
- Rental Income is up from previous month, reporting \$70,400.00.
- Total Event Income shows \$155,899.00, which includes Catering, Concessions, Parking and miscellaneous. Some additional concert venue parking has picked up and more may come in as concerts are being held.
- Adjusted Gross Income for the year is \$191,761.00, down \$217,184.00 from budget.
- Expenses reporting at \$378,814.00, but \$117,060.00 below budget.

Five Year Comparison –

- Current YTD Rental Income reports \$70,400.00, compared to \$9,900.00 prior year, but far below previous years.
- Total YTD Event Income is \$1,235,187.00, last year was \$3,132,369 and was on pace to be a record-setting year this year before pandemic shut-down.
- Total Indirect Expenses are \$3.6 million, compared to prior year of \$5 million. Expenses down due to cuts in payroll and other operating expenses. Cutting expenses was a critical step in keeping as close as possible to budget.

Forecast:

- The last two months of the fiscal year are high due to the previous budget forecast packing events into the last quarter of the year. Currently, \$942,387.00 off budget. This number may grow slightly in the next two months.
- August and September have been busy with good programs and expect strong numbers for August. September has several events on the books and hoping they hold but have seen some cancellations. Of the seven official cancellations, two have been in September. Some events want to push their event out farther, but it is difficult to schedule due to other previously rescheduled events. It is good that the calendar is full in the future months, but all events booked need to hold.
- Had anticipated more business and quicker recovery than what is now occurring.
- Similar to ICVB, ICC is having cash flow problems with not enough Revenue Income to pay all the Expenses going out.

Executive Director Maura Gast noted the Hotel Occupancy Collections moving to monthly has helped with the timing of cash flow. In response to a question from Deputy Mayor Pro Tem Al Zapanta, Meehan noted that event deposits refunds are held if the event is rescheduled or paid when cash is available to issue the refund.

Cooperstein asked for a motion to accept the ICC Financial Reports for June and July 2021. On a motion from Board member Rick Lindsey and a second from Board member Bob Bourgeois, the motion was approved unanimously.

AMERICAN RESCUE PLAN ACT UPDATE:

- Gast reported at last month's City Council meeting, City Manager Chris Hillman recommended to City Council to approve the first two years of ICVB requests for ARPA funds. There was a consensus in support of the request for \$13 million. Detailed information is included in the packet.
 - There are several expenditures reimbursable through these funds on the ICVB side.
 - Specific ARPA language was reviewed on the use of funds to complete the revised requests.
 - This fiscal year will pay back the loan from the City.
 - ARPA funds will be used to cover the ICC operating shortfall.
 - Next year will fund Capital Improvement needs for the ICC.
 - Hotel Occupancy Tax revenue will rebuild the Capital Reserve, Catastrophic Reserve and General Fund balance.
 - Funds can be used to build a crosswalk between the ICC and the Westin Irving Convention Center. Received costs for the project from City Traffic and Transportation Department and is included on the new list of requests, along with the Hotel Tax Projection Study and Strategic Plan update.
 - Goal is to be financially stable in five years if the recovery phase happens in 2023-24.

Mayor Pro Tem Kyle Taylor stated pandemic recovery may go on for four or five years and it is best to plant the seed for long haul funds and make changes if needed. He noted the importance of making sure people are educated on the ICVB and the important work of selling and marketing the City of Irving and staying competitive in the region. Zapanta noted that Gast is the thermometer for Council on what is happening in the travel and tourism industry and to paint the picture of reality. He thanked Gast for her critical discussions. Lindsey thanked Gast and Meehan for their diligence in financial stability and promoting Irving for citizens and visitors.

APPROVAL OF BUDGET ADJUSTMENT OF ARPA FUNDING, CONTINGENT ON IRVING CITY COUNCIL APPROVAL

The Committee discussed the approval of \$3,097,104.00 in ARPA funding. Staff will continue to refine requests that have already made. Cooperstein asked for a motion to approve the \$3,097,104.00 budget adjustment, contingent on Irving City Council approval. On a motion from Lear and a second from Stewart, the motion was approved unanimously.

OVERVIEW OF REVISED BUDGET AND MARKETING PLAN – FISCAL YEAR 2021-22

Gast gave a brief overview of the Revised ICVB proposed budget and marketing plan. She noted the budget is 90% the same as the budget presented at the June ICVB Board meeting and remains dependent on the ARPA funding for any real programming. Gast will present the proposed budget overview at the August 23 Board of Directors meeting.

- Proposed Budget:
 - Beginning Fund Balance - \$1,461,399.00
 - Revenues - \$12,826,811.00
 - Expenditures – (\$11,865,983.00)
 - Ending Fund Balance - \$2,422,227.00

CHAIR REPORT:

- On a recommendation from the Board and Business Development Committee, an “Interest in Board Leadership Positions” form will be distributed at the August 23 Board meeting. The goal is to simplify the process of Board position nominations and elections and identify those Board members interested in leadership positions.
- The Strategic Planning Retreat is scheduled for September 23-24 at the Irving Convention Center. Typically, the strategic plan is a three-year plan. In an effort and desire to be financially stable in five years, the strategic plan discussions will revolve around a five-year plan. More details on the meeting will be communicated. The September Executive Committee meeting will be held on the morning of September 23. The regularly scheduled Board meeting is Monday, September 27.
- This month’s Board meeting will be held at the Omni Las Colinas. The agenda is in the packet.
- Cooperstein thanked Taylor and Zapanta for their incredible guidance and efforts as ambassadors for the ICVB.

Cooperstein asked for a motion to approve the ICVB Executive Committee minutes from July 16, 2021. On a motion from Board member Julia Kang and a second from Board member Bob Bourgeois, the motion was approved unanimously.

CITY COUNCIL UPDATES:

Mayor Pro Tem Kyle Taylor reported:

- City Council held its budget retreat with good discussions.
- Taylor has discussed with City Chief Financial Officer Jeff Litchfield the possibility of a presentation to the Executive Committee and full Board from the consultant for Hotel Occupancy Tax and AirBNB collections.
- Also discussing the impact on hotel development and issues with number of permits being pulled.
- R-AB discussions are ongoing.
- Boards and Commissions interviews will be conducted soon and as an opportunity for working citizens/parents, Saturday interviews will be held. There are 13 available openings citywide: 2 openings for the ICVB Board.
- The City’s 360 Academy is being reduced to 15 citizens from 30 due to safety protocols. There is a four year backlog of applicants. Gast added the ICC will host the program on October 5.

Deputy Mayor Pro Tem Al Zapanta reported:

- City Council is discussing issues concerning the sale of pension bonds. He commended the City Manager and team in their review going forward of \$135-150 million over a 20-30 year period. There are interesting discussions around pension obligation bonds.
- City Manager Hillman has asked staff to review the bond election for economic development updates.
- Elections, term limits and charter areas are also being discussed.

Taylor added an ADA accessibility study in Irving to be compliant with Federal funding will be conducted. Gast noted the ICC was built within the current ADA compliant standards and some items were completed beyond the legal requirements. Assistant Executive Director Susan Rose added there are many layers of ADA requirements, including vision and hearing.

Zapanta asked to add an item to the Strategic Planning meeting regarding an area around the Urban Center be classified as an entertainment and economic development zone.

Gast announced Club Corp is debuting the PGA TOUR Champions ClubCorp Classic to the Las Colinas Country Club in April 2022. It is a minimum four year contract and will benefit the Salesmanship Club. ICVB is working with ClubCorp and the Salesmanship Club to get access to trust funds from the State of Texas. LaCima Club signed a 10-year agreement with Williams Square which should signify reinvestment from Corporate. ClubCorp corporate offices will be housed in the first two stories of the building. A time lapse video of the Williams Square project will be shown at the Board meeting on August 23.

Malcolm noted there has been a drop in hotel business due to the COVID Delta variant with cancellations citywide. Many corporate groups have stopped traveling and he may have to lay off staff again after November/December. Gast stated weekly STR data will be shared at the Board meeting and significant groups are cancelling across the Metroplex. Things are starting to move in a downward direction quickly.

Cooperstein adjourned the meeting at 10:16 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director