

Minutes

MCCVB Finance Committee Regular Meeting

Friday January 22, 2021 | 9:30AM – 10:30AM

Zoom Meeting: 860 3329 7868 Password: 831683 Conference Call Dial In: 669-900-9128

MEMBERS PRESENT

Chris Sommers

Randy Venard

Carol Chorbajian

Sean Panchal

STAFF PRESENT

Rob O'Keefe

Paul Martin

CALL TO ORDER Chris Sommers called the meeting to order at 9:32 AM.

PUBLIC COMMENT: None

ANNOUNCEMENTS: Chris Somers announced Randy Venard was retiring and thanked him for all his work for the MCCVB and the Finance Committee. Paul also thanked him for his work on the Finance Committee and his role at the inception of the MCCVB in 2000. Chris announced that Lindsey Guinn had joined the company as Marketing Director. Paul mentioned that Lindsey had joined us from Visit California and had already hit the ground running.

CONSENT AGENDA

There was a motion to approve the Minutes of the October 23, 2020 Finance Committee Meeting. M/S/ Carol Chorbajian/Randy Venard. The motion passed unanimously.

REGULAR AGENDA

New Business

A. Second Quarter (2020-21) Financial Review

Paul reviewed the Financial Statements for the six months ending December 31, 2020. He indicated Net Retained was favorable by \$833K due to better occupancy than planned that drove TID revenue higher than planned, savings on talent due to vacancies, and program savings. He also indicated the company had a cash balance of \$2.5M in the bank and that a large receivable at year-end from the City of Monterey had been paid in January. Randy Venard asked whether with the hotels remitting TOT by the 15th if the MCCVB was receiving TID faster. Paul indicated that was what the city indicated but it had not been fully realized yet. Chris indicated the Monterey Plaza had begun paying their TOT to the city electronically under a pilot program. Sean indicated that his hotel had not yet joined the program. A motion was made to recommend the Board approve the Second Quarter (2020-21) Financials. M/S/ Sean Panchal/Carol Chorbajian. The motion passed unanimously.

C. Revised 2020-21 Financial Forecast

Paul reviewed the details of the Revised 2020-21 Financial Forecast. He indicated that the favorability of TID revenue was expected to reverse due to the new stay at home order and the need for time for occupancy to recover again. Carol Chorbajian asked whether there was really any need for FAMs funding in Group Business Development due to the situation with COVID. Paul indicated that this was based on a contingency just in case it was possible to host any FAMs before year end. Rob O'Keefe also indicated this was also for virtual FAMs. Sean asked whether the upcoming Tradeshow were less costly as more went virtual. Paul indicated that we had experienced savings year to date due to this phenomenon but that future events were budgeted at a higher level in case live events occur. Carol Chorbajian mentioned that a SITE virtual tradeshow was free to members and Joe Marcy should attend for free. Paul explained that the forecast retained \$312K of net retained variance and shared that the cash flow projection would allow for up to \$1.6M to be used in a comeback campaign. Rob explained the comeback campaign would likely start in April and use \$1.2M of the available funds this year in phase 1 of the campaign. Randy Venard asked about the favorability of Salinas TID and Paul explained that Salinas was somewhat insulated from the impact of COVID due to the high level of essential work in agriculture and the heavier amount of economy rooms that nationwide have fared better. A motion was made to recommend the Board approve the Revised 2020-21 Financial Forecast. M/S/ Sean Panchal/Carol Chorbajian. The motion passed unanimously.

D. Audit RFP Review

Paul reviewed the audit RFP responses with 2 of 5 firms responding. BKP who has done our audits now for 9 years was the lowest bid. CLA a firm out of Walnut Creek had also bid. Paul reviewed the pros and cons of lower cost versus new perspective. Sean asked whether CLA would reconsider their costs. Paul indicated that was possible. Randy recommended staying with a local firm. Carol asked whether the CLA would have additional travel costs but Paul indicated they had a virtual platform to avoid those costs. Chris expressed confidence in BKP. General consensus was to move forward with BKP and encourage CLA to try again in three years and be more aggressive on price.

E. Contract List Review

Paul reviewed the list of outstanding contracts. Chris asked whether STR would likely have a price increase. Paul indicated that was likely but we could manage within our budget by eliminating some segments we no longer need. Chris expressed a desire to have more info on the upcoming Simpleview contract at the next meeting and Randy concurred that it was good to get a jump on such a large contract.

GOOD OF THE ORDER

Chris Sommers reiterated the desire to have more info on Simpleview pricing in the next year at the next meeting. Chris also congratulated staff on the business acumen that has driven a healthy amount of available funds for a comeback campaign that puts us in position to compete aggressively.

NEXT MEETING

Friday April 23, 2021

ADJOURN

Chris Sommers adjourned the meeting at 10:35 AM