

Minutes

MCCVB Finance Committee

Friday April 21, 2023 | 9:30AM – 10:30AM

MEMBERS PRESENT

Stefan Lorch

Kirk Gafill

Sean Panchal

Carol Chorbajian

GUESTS PRESENT

STAFF PRESENT

Paul Martin

Rob O'Keefe

Joan Lucido

CALL TO ORDER Stefan Lorch called the meeting to order at 9:31AM.

PUBLIC COMMENT: None

ANNOUNCEMENTS:

Paul reviewed the new employees that were hired this year and now in place including Emily Evans as Public Relations Manager, Kayce Boettcher returning as a Business Development Executive in Dallas, Alyssa Rendon as Community Relations Manager, Marliese Myers as Content and Creative Manager, and Joan Lucido as Bookkeeper. Paul mentioned that the positions of VP of Finance and Administrative Specialist were in recruitment.

CONSENT AGENDA

There was a motion to approve the Minutes of the January 20, 2023 Finance Committee Meeting. M/S/ Carol Chorbajian/Kirk Gafill. The motion passed unanimously.

REGULAR AGENDA

New Business

A. Third Quarter (2022-23) Financial Review

Paul reviewed the year-to-date results through March 31, 2023. Paul indicated revenue was \$6K unfavorable and expenses were \$375K underspent mostly due to rebrand and research delays in Marketing, group event savings and delays in leisure events in Group Business Development and search firm expenditures and team summit delays in Administration. A motion to recommend the Board approve the second quarter (2022-23) financial results was made. M/S/ Sean Panchal/Kirk Gafill. The motion passed unanimously.

B. 2023-24 Budget Approach

Paul reviewed the revenue and expense assumptions for next year's budget. He indicated TID was set to grow based on the new rates and this year's occupancy but that there would be a transition as the payments come in on a delayed basis. He also stated jurisdiction investment would be assumed flat pending discussion and budgets from the cities and county. Rob indicated the jurisdictions were quite conservative in their budgeting and that we were working on moving Carmel to pay as you go. Kirk Gafill wondered what the City of Monterey response to a county cap would be. Rob indicated the strategy with the city was to maintain the level of investment by stepping up MCCVB's role with a dedicated person to conference center sales. On the expense side Paul indicated leisure marketing would be up but not by as much as expected because this year reflects spending reserve and final stimulus funds. He also said group business

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expense would grow as the recovery there continues while we would also up our game in Community Relations with higher program costs. Paul said the growth in administration was partially due to relocation costs and higher rent costs with the lease expiring at calendar year end. Carol inquired how much space was needed and recommended enough resources for a three month overlap in the VP Finance role.

C. Insurance Review

Paul reviewed the current insurance levels and pointed out the only recommendation from our agent was to consider cyber coverage. He indicated staff would look into it and get quotes.

D. Finance Policy Updates

Paul reviewed the recommendations from staff for finance policy updates. These included adding an officer approval on expenditures over \$500K, clarifying and increasing flexibility in spending guidelines, and raising meal and entertainment costs. Stefan Lorch and Carol Chorbajian recommended a lower limit on additional officer expenditure approval, and it was decided to set the limit at \$150K. For the meal and entertainment expenditures Kirk Gafill recommended doing some research on price index changes to justify the increase. Stefan Lorch recommended eliminating the per bottle of wine limit and to let it be covered by the per head overall meal limit. Stefan Lorch said that Marriott required prior approval for expenditure on all events. Rob O'Keefe recommended leaving it to discretion but within budget or with prior approval. The committee asked that staff synthesize the discussion with a final draft to be circulated to the committee prior to taking the changes to the full Board.

GOOD OF THE ORDER

None

ADJOURN

Stefan Lorch adjourned the meeting at 10:57AM