

# MINUTES

MCCVB Finance Committee Meeting  
Friday, October 25, 2019 | 9:30 AM – 11:30 AM  
MCCVB Conference Room | 787 Munras Avenue, Suite 110, Monterey, CA

## MEMBERS PRESENT

Jeroen Gerrese  
Randy Venard  
Sean Panchal

## MEMBERS ABSENT

Carol Chorbajian

## STAFF PRESENT

Rob O'Keefe  
Paul Martin

## GUESTS PRESENT

Jarrold Penner, BKP

CALL TO ORDER: Jeroen Gerrese called the meeting to order at 9:30 AM. Sean Panchal arrived at 9:31 AM.

PUBLIC COMMENT: None

## MEMBER AND STAFF ANNOUNCEMENTS:

Paul Martin announced that Kit Franke was retiring as our part-time bookkeeper and that the position had been posted and candidates identified for a start date in the second week of November.

Paul also announced that we would be accepting applications for a fifth member of the Finance Committee. The Committee discussed the desirability to find a finance worker from a member organization to replace Toni Bau. The committee agreed to announce the application process at the next Board meeting on November 7, 2019.

## CONSENT AGENDA

Motion to Approve Consent Agenda: Minutes of April 19, 2019 Finance Committee Meeting. M/S/C Randy Venard/Sean Panchal. The motion passed unanimously.

## REGULAR AGENDA

### NEW BUSINESS

#### A. 2018-19 Audited Financial Statements Review

Paul Martin covered the changes from the June 30, 2019 results published to the Committee on July 29, 2019 and the final audited results. This included a discussion of the TID receivable accrual which showed little growth year over year. A medical deduction recovery was also covered. Randy Venard asked what had been done to make sure the medical deductions were accurate going forward and Paul explained a new payroll process step to compare changes to discover any anomalies on each payroll run.

Jarrold Penner then covered the draft auditor's communication letter and financials. Jarrold Penner pointed out the new accounting guidelines that had been adopted and led to newly required statement of functional expenses and a newly required note on liquidity. Jarrold Penner also pointed out that we had taken action to include a new table on lease expenses after that had raised questions by the Board in the prior year review of audited results. Jarrold Penner pointed out that estimates in the results included the City of Salinas estimate for TID receivable for stays from April through

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June because the check had not come in by the time of the audit although email from the city was relied on for the estimate and was considered solid. Randy Venard asked if credit card transactions had been reviewed in the audit and Jarrod Penner explained that they were part of the samples that had been investigated and verified. Jeroen Gerrese asked what the level of capitalization was for assets. Paul explained that it was \$5K. Randy and Jarrod expressed belief that it \$5K was a good cut off point.

Motion to recommend Board approval of the 2018-19 Audited Financial Statements. M/S/C Randy Venard/Sean Panchal. The motion passed unanimously.

## B. 2019 IRS Form 990 Review

Paul Martin presented the IRS form 990 pointing out the interesting elements of the filing including the disclosure of highly compensated and key employees compensation, the unrelated business income tax filing, and the schedule O disclosure of bylaw changes. Discussion followed.

Motion to recommend Board approval of 2018 IRS Form 990. M/S/C Randy Venard/Sean Panchal. The motion passed unanimously.

## C. First Quarter (2019-20) Financial Review

Paul Martin led a discussion on the first quarter financials. Paul Martin explained that new membership revenue was behind pace after we had raised the price this year. Rob O'Keefe commented that he was stepping in with some members who had not yet renewed as management felt it was important to retain certain members for the benefit of promoting the area and its events and attractions. Rob O'Keefe also explained the search for a new PR agency that had resulted in some savings during the RFP and separation from the existing agency. Rob O'Keefe also commented that savings in tour and travel were due to a tightening of strategy not a change in strategy. It was also pointed out by Paul Martin that there would be an overrun against budget in administration due to the unplanned CEO search.

Motion to recommend Board approval of First Quarter (2019-20) Financials. M/S/C Randy Venard/Sean Panchal. The motion passed unanimously.

## GOOD OF THE ORDER

The Committee agreed to discuss banking issues that could lead to some efficiencies and asked staff to bring back recommendations at the next meeting. Randy Venard also asked that future meetings be moved back to 9:00 AM start. The other members present agreed and Paul Martin said he would adjust the meeting schedule and invites.

## ADJOURN

Jeroen Gerrese adjourned the meeting at 10:29 AM

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