

**MINUTES**  
**IRVING CONVENTION AND VISITORS BUREAU**  
**BOARD OF DIRECTORS – EXECUTIVE COMMITTEE MEETING**  
**IRVING CONVENTION CENTER**  
**AND ZOOM VIDEO CONFERENCE**  
**JULY 24, 2020**

Attendance: Rick Lindsey – Board Chair; Karen Cooperstein – Board Vice Chair; Bob Bourgeois, David Cole, Debbi Haacke, Julia Kang, Clem Lear, Greg Malcolm – Committee Members; Bob Bettis, Julia Kang, Clem Lear and Joe Philipp – Board members; Tom Meehan and Matt Tungett – ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda and Susan Rose – ICVB; Bob Bettis, Chief Financial Officer Jeff Litchfield, Councilman Kyle Taylor and Councilman Al Zapanta – Guests.

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

**ICVB FINANCIALS – JUNE 2020**

Accounting Director Marianne Lauda reviewed the financial reports:

- General Fund balance \$2.7 million.
- Revenues and Expenditures
  - Hotel Occupancy Tax Collections \$137,270.32.
  - Previously had consolidated three funds (ICVB Reserve, ICVB Computer Replacement and ICVB Convention Center) and now have transferred back the \$788,000.00 into the General Fund. Rather than closing out ICC CIP fund it would be easier to track expenses in the fund and transferred back.
- Reserve Fund
  - Consolidated with General Fund.
  - Ending fund balance is \$710.78.
  - Remaining balance will transfer in July to General Fund.
- Computer Fund
  - \$245,600 transfer to General Fund.
  - Ending fund balance is \$207.54.
- ICC Fund Balance Sheet
  - Total fund balance is \$833,964.34.
  - YTD Actual Quarter-To-Date reflects only June. The YTD amount is correct, which is what calculations are based on and there is no effect on the ending balance.
- Check Register
  - Only 18 checks written for the month.
  - She pointed out a check for network services to ICC for \$6,317.81 and the June Irving Westin Convention Center Hotel parking garage rental \$20,625.00.
  - Third subsidy payment to ASM of \$348,750.00 was paid.

Lauda reviewed ICVB cash flow:

- FY20 ending cash projection is \$1,200,325
- FY21 ending cash projection is \$1,402,088, based on monthly Hotel Occupancy Tax collections and an additional subsidy payment to ASM that may need to be made.
- These reports will continue to be revised and adjustments made as needed.

#### UPDATED HOTEL TAX COLLECTIONS SECOND QUARTER 2019-20

Lauda noted additional collections were received in June and have been highlighted on the updated report. She added collections from the Sheraton and Doubletree have been received but are not reflected on the report this month. The collections summary shows a 24% shortfall of \$489,866.00.

Board Vice Chair Karen Cooperstein made a motion to accept the ICVB June 2020 Financials and a second from Board member Joe Philipp. With no opposed, the motion to accept passed unanimously.

#### ICC FINANCIALS – June 2020

General Manager Tom Meehan reviewed the financial reports:

- Revenue for the month: photo shoot rental, catering for a wedding, AV income, and small amount of miscellaneous, totaling \$10,670 for the month.
- Additional income from Irving Westin Convention Center parking garage rental.
- Expenses were \$338,264 – mainly payroll, contract obligations and miscellaneous expenses.
- Adjusted Gross Income \$32,599 for the month.
- Total Indirect Expenses budgeted is normally \$554,974, current actual is \$338,263. A reduction of \$216,711.
- Snapshot Review: through June shows a \$665,840 shortfall beyond the subsidy. Reports were run taking out all events for remainder of fiscal year and Meehan noted the \$665,840 number is not a true number. He believes \$788,000 shortfall beyond the subsidy is a close estimate and does not include \$500,000 moving over from capital or \$175,000 paid by ASM from current contract. With those calculations, the report would show \$113,000 short beyond subsidy.
- With that in mind, looking at the calendar there will be a few events in September and October and should be close to breaking even with just the subsidy number.
- The first six months of the year were so strong and on record pace, which has been helped provide some stability for the second half of the year.

Cooperstein congratulated the ICC team on managing expenses and knows how hard it is to furlough some of the team. Knowing the record-breaking pace at the beginning of the year, it is heartbreaking to go through these challenges, but noted the ICC is far ahead of most other convention centers in all areas of operation. Meehan stated he checks in with furloughed employees and all are doing well. The staff that is working remotely is being very productive and diligent with booking and rebooking events.

In response to a question from Lindsey, Meehan stated the purchasing of special cleaning equipment and supplies is not reflected in the financial reports. They are reimbursements from the CARES Act and the City of Irving. The engineering staff has been working hard on accomplishing several projects in the building that would have been impossible to do while events are occurring. For example, checking and replacing the Barrisol lighting in the Grand Ballroom ceiling.

Cooperstein made a motion to accept the ICC June 2020 Financials and a second from Board member Clem Lear. With no opposed, the motion to accept passed unanimously.

Discussion was held on continuing with the scheduled full 2019-20 ICC annual audit or conduct a financial review rather than full audit. It was noted the Board bylaws state an annual audit will be conducted and the full audit has always included more detail than requested by the City when the contract was established. The discussion centered around two choices: conduct a discounted six month (noting this will cause additional work for auditors in next fiscal year review) or a full audit at a discount. Chief Financial Officer Jeff Litchfield stated the City does not have the bandwidth at this time to conduct the audit and the ICC is a separate entity from the City and not included in City financials. Councilman Al Zapanta noted it would be good to have a financial baseline moving forward into a difficult next fiscal year.

ACTION ITEM: Meehan to send current financial information and confirm reduced rate from Crowe LLP audit firm for a full audit capturing 12 months.

#### UPDATE ON SHORT-TERM RENTAL OCCUPANCY TAX COLLECTIONS

Litchfield reported contract negotiations are underway with LODGINGRevs for data collection and rental compliance. There will be a six-week ramp up time and everything should be in place for the October 1 new fiscal year. Councilman Kyle Taylor added it is an important topic and he appreciates the effort to keep the topic fresh. He fully supports the process Litchfield and City staff have taken to move forward.

#### QUARTERLY HOTEL TAX COLLECTION PROCESS UPDATE

Litchfield reported the Council approved changes to the Hotel Occupancy Tax Ordinance defining penalty and interest. The change to convert collections from quarterly to monthly is in process. The offer of a 2% discount if collections were paid in the first 20 days of the month, cannot be made due to the language for restrictions to the ICC debt payments. The monthly collection change will be presented at the August 20 City Council meeting for discussion and would be effective October 1.

ACTION ITEM: Based on Council approval, Executive Director Maura Gast will communicate changes to the local hotel properties. Litchfield noted the City will also send out documentation at that time.

Board member Bob Bourgeois made a motion to accept the Executive Committee minutes from June 19, 2020, and a second from Lear. With no opposed, the motion to accept passed unanimously.

Gast reviewed the ICVB Board of Directors July 27 meeting agenda noted an individual consideration item from the Board and Business Development Committee recommendation to the City regarding the City Bond Election. Litchfield will provide an update on the topic under the City Reports on the agenda. Board member David Cole will provide an update on COVID-19 restaurant closings.

Councilman Zapanta added his appreciation for the Board's thoughtfulness and decisions of the Committee. He noted the ICVB Executive Director report to City Council is important and hopes it will be scheduled again on the calendar. He thanked the ICVB staff, in particular the Marketing and Communications team, for their assistance with the upcoming Olympic Day on Tuesday, July 28. The next Executive Committee meeting is scheduled for Friday, August 21.

Lindsey adjourned the meeting at 10:08 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME  
Executive Director