

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
EXECUTIVE COMMITTEE
IRVING CONVENTION CENTER
Friday, November 15, 2024

Attendance: Richard Stewart, Jr. – Board Chair; Yasir Arafat, David Cole, Colvin Gibson, Julia Kang, and Sam Reed - Committee Members; Anthony Buttafuoco – Board member; Tom Meehan and Jeremy Pierce – ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda, Brice Petty, and Susan Rose – ICVB. Nick Wells – BVWD LLP – Guest.

Board Chair Richard Stewart, Jr. called the meeting to order at 9:00 a.m. There were no citizen comments.

Stewart asked for a motion to approve the September 20, 2024, Executive Committee meeting minutes. On a motion from Board member Colvin Gibson, and a second from Board member Sam Reed, the motion to approve the minutes unanimously was approved.

ACCEPTING THE ICC FINANCIAL REPORTS

General Manager Tom Meehan reviewed the ICC September 2024 financials, and noted FY2023-24 was a record-breaking year for ICC financials. Last year \$840,000 of the \$1.395 million subsidy was returned to the ICVB for the Capital Improvement Projects fund. This year FY2023-24, the final numbers show returning \$1,280,757 of the \$1.395 million.

Highlights:

- September there were 35 less events than last year and 255,275 in attendance, up by 107,992.
- Adjusted Gross Income for the year is \$8,503,002, up \$1,384,847 from budget and well over last year.
- Expenses are up \$1,280,757 from budget.

YTD Income Statement:

- Rental Income is \$2,171,339, last year was \$1,827,238.
- Catering is \$4,645,400.
- Total Other Operating Income is \$1,585,694.
- Adjusted Gross Income is \$8,503,002.
- Expenses are up from last year.
- Net Income is \$1,280,757 ahead of budget.

Year-over-Year Comparison (over the last five years)

- YTD Rental Income set a new record - \$2,171,339.
- YTD F&B Catering set a new record - \$4,645,400 – The Gross number is almost \$10 million.
- YTD Total Event Income set a new record - \$6,917,308.
- Expenses are up with major projects and repairs in the building.

Meehan reminded the Committee last November a discussion was held on creating staff wide incentives for ICC employees. A Performance Bonus Plan was implemented based on customer service survey scores, Adjusted Gross Income, and the subsidy return. Staff met and exceeded those goals, and each received a \$2,000 bonus, totaling \$70,000. The bonus is accounted for in the financials. There was also the \$90,000 unexpected insurance payment that impacted the subsidy return. It was an incredible year, and the financial results are stunning. Missed the subsidy \$1.395 million return by approximately \$114,000. Within ASM

Global, the ICC ranks #3 out of 65 Convention Centers of all sizes. The ICC staff will be recognized at the November Board meeting.

Stewart asked for a motion to approve the September 2024 ICC financial report. On a motion from Board member Sam Reed, and a second from Board member Julia Kang, the motion was unanimously approved.

ACCEPTING THE ICC AUDIT REPORT FOR FY2023-24

Meehan introduced BVWD, LLP Partner Nick Wells who presented the Committee with the FY2023-24 ICC audit report. He noted the audit went smoothly and was organized. There is a good relationship with the BVWD team. The audit report was distributed as a handout.

Wells congratulated Meehan and the ICC staff on a fantastic year and gave a brief review of the audit report and required standard communications:

- Significant Risk identified (typical of all audits) – There was no material impact on the financial statements.
- Accounting estimates were evaluated, and they are reasonable relative to the financial statements taken as a whole. No significant unusual transactions were identified during the audit.
- No fraud or suspected fraud was identified.
- There were no difficulties in dealing with management or disagreements.
- There were no corrected misstatements identified during the audit.
- This was a **clean** audit.

In response to a question from Gibson, Executive Director Maura Gast responded the language under significant risks in last year's audit raised a question after the Board meeting presentation from the City Attorney's Office, even though the language is required standard language per AICPA. This audit will be presented at the November Board meeting and all questions will be asked and answered on the record. Further questions were answered regarding the time expended on the audit. Meehan noted the ICC team begins the pre-audit in August and there is a team of three auditors from BVWD, LLP who review year-end numbers in September. Wells noted the communications with the ICC team is excellent. In response to a question regarding peer audit reviews, Wells noted all audits are reviewed by a second BVWD partner as well as the final audit report as a part of quality control. There is also a peer review from an outside firm every three years, and the next will be December 2025. When asked how the ICC stacks up against similar convention centers, Wells replied there are different metrics, but the ICC is run more efficiently. Wells replied to a question from Kang on how fraud is measured. There are audit sampling tools to identify which transactions to test. They are random, near the year-end and include weekends and holidays. Errors can be considered fraud but are reviewed.

Stewart asked for a motion to accept the ICC Audit Report for FY2023-24. On a motion from Gibson, and a second from Board member Yasir Arafat, the motion passed unanimously.

APPROVING THE BUDGET ADJUSTMENT TRANSFER ACHIEVED FROM THE ICC FY2023-24 OPERATIONAL SAVINGS TO THE CONVENTION CENTER RESERVE / CAPITAL PROJECTS FUND

Gast noted this item will be presented on the City Council agenda when they approve budget adjustments. On a motion Reed and a second from Board member David Cole, the motion passed unanimously.

REVIEW OF THE HOTEL OCCUPANCY TAX COLLECTIONS

Accounting and Budget Director Marianne Lauda noted she is working with the City to close out the budget for year-end and will hopefully have the ICVB September financials for the December meeting.

Lauda reviewed the Hotel Occupancy Tax Collections for August 2024:

- **Luxury & Full Service:**
 - All but two hotels have paid. Both the Doubletree by Hilton DFW Airport North and the Sheraton DFW Airport hotels still are delinquent, and the total delinquent is currently over \$1.8 million. A court hearing remains pending. The City's outside counsel has requested a continuance. Any Business Development Incentive Payments continue to be paid to the client directly, and not the hotels' management.
- **All Suite / Extended Stay:**
 - One hotel has not paid.
 - Collected \$149,635.81.
- **Budget Service:**
 - All hotels in this category have paid.
 - Overall collected \$53,262.48.
- **Limited Service:**
 - One hotel has not paid.
 - Collected \$108,484.82 for the month and is down from all previous months.
- **Short-Term Rentals:**
 - There are 28 properties reported in August for \$22,728.31 collected.
 - This category is performing at a steady pace.
- **Summary:**
 - August collected \$700,450.32. Budgeted \$856,841.00, short 18.3%.
 - Cumulative Year-to-Date Actual for August is \$8,51,016.67, down 7.3% from Budget.
 - Prior Year collected \$655,546.22.

In response to a question from Reed, Lauda replied the FY2023-24 budget increased 1-2%, but in determining the FY2024-25 budget the last 12 months of actuals with no increase was forecasted. Gast added data from Tourism Economics forecasting, historical data, election year consideration, and recession are all included in the determination but with conservative numbers.

BOARD AGENDA REVIEW

Gast reviewed the November 18, 2024 Board agenda:

- There will be a recommendation for Board officers from the Nominating Committee presented and a vote taken. New officers and appointments will take effect in December.
- Individual Consideration – the ICC audit report and Budget Adjustment will be presented for acceptance and approval.
- The Board Chair will recognize the departing Board members, and there are four Convention Services Associates receiving their 15-year service awards.

It was noted the Board and Business Development Committee will meet in December to recommend names for the Former Board Member seat on the Board and presented for approval to the Board at the December meeting.

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CITY COUNCIL UPDATES

There were no updates.

Gast added City Council Liaison Councilman Kyle Taylor's wife's Celebration of Life will be at Via Real on November 17.

CHAIRMAN/EXECUTIVE DIRECTOR & STAFF UPDATES

Arafat added he has met with AT&T planning for a 5G cellular upgrade to the ICC with plans for 2025. Assistant General Manager Jeremy Pierce added he is working with AT&T and cannot speak to another carrier at this time.

With no further comments or discussion, Stewart adjourned the meeting at 9:45 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director