

## MCKINNEY CONVENTION AND VISITORS BUREAU BOARD

### Finance Committee Meeting

February 19, 2014

The McKinney Convention & Visitors Bureau Finance committee met for a meeting on February 19, 2014 in the MCVB conference room located at 200 W. Virginia Street.

In attendance was: Rodney Rhoades City Finance Director, Board Members: Steve Conlin & Sally Huggins, & Director Dee-dee Guerra

The meeting was called to order at 8:05 a.m.

1. Rodney Rhoades- Discuss changes to Financials and questions that came up during the January Board meeting.
  - a. CFO Rhoades addressed the following questions that were brought at the January MCVB Board Meeting:
    - i. **Can Finance provide the Board with the following information: Hotel/Motel Fund (not the MCVB Operating Budget) – Historical Balance and Current Balance (not projected)? The Board would like to see the monthly deposit amounts that go into that account. Is there some reconciliation to the Hotel Monthly Receipts?** CFO Rhoades stated to the Committee that, on a monthly basis, he would include the Hotel/Motel Fund statement. This statement will include (1) hotel tax revenues received, (2) the CVB operating statement, and (3) the city's administrative & general expense allocation for CVB support.
    - ii. **On Hotel Monthly Receipts the Board would like to see a column added for projected tax city 7% tax revenue per hotel.** Finance Director Rhoades stated that, the Operating Statements are done manually for each of the M groups. As such, staffing is limited, but he would see if this could be added to the operating statement.
    - iii. **The Board would also like to know a little more about the plan to draw down the MCVB Fund Balance to 121k so we can plan.** This was discussed and CFO Rhoades Stated that the City would like to reduce the CVB fund balance to approximately 25% of the operating budget, or \$125,000. Currently the balance is \$304,696, so a plan should be developed by the CVB staff, approved by its Board, and presented to Council to reduce the balance with \$215,000 of new expenditures, over a three (3) year period. There was some discussion about the opportunity to use some percentage of the new expenditures to be dedicated to the promotion of the new conference center.

- iv. **Can Finance give the Board a summary (preferably with bullet points) how the Gateway Bonds will be paid for and where the tax receipts will go and for how long.** CFO Rhoades stated that the City will provide debt service of \$6 million dollars towards the Gateway project and that 100% of the taxable receipts from the Sheraton Hotel will go to pay this debt. The debt is slated to be paid back within 20 years.
  - v. He also answered questions on what items were/meant on the Operating Statement as well as will look into a discrepancy that Board Member Conlin pointed out regarding a statement on the bottom of the Operating Statement regarding the Historical Find Balance and how the Budget number had not changed.
2. The Committee reviewed the following items:
- a. MCVB Financials for January 2014 & September 2013- Final after council approved the reallocations. Everything seems to be in line for year to date.

(At 8:45 am Sally Huggins and Rodney Rhoades excused themselves they had another obligation).

- b. Taxable Hotel Receipts for McKinney- November (We saw these last month, the state comptroller's website has not been updated) & Taxable Receipts Comparison for McKinney for the last 3 years. Board Member Conlin asked to have these report as part of the Financials.
- c. Taxable Hotel Receipts from Sister Cities. . Board Member Conlin asked to have these report as part of the Financials but asked to add a column of the number of hotel rooms per City.

The meeting adjourned at 9:00 a.m.