



**MENDOCINO COUNTY TOURISM COMMISSION, INC.
FINANCE COMMITTEE MEETING MINUTES**

The Finance Committee shall be composed of a total of three (3) Directors, with a preference for Directors with financial experience, including but not limited to service as treasurer for other organizations. The Committee shall be chaired by the Treasurer of the Corporation. The Executive or its designee shall attend all Finance Committee meetings as a non-voting member to provide staff support. The Committee shall be responsible for informing and advising the Board in the fulfillment of its financial duties and obligations, including but not limited to preparing and reviewing budgets and financial statements, and for selecting a Certified Public Accountant to perform financial reviews and audits-bylaws Article 6, Section 6.1, (d) (i)

DATE: Tuesday, January 24, 2017 **TIME:** 1:00 PM

PLACE: Visit Mendocino County, 345 North Franklin Street, Fort Bragg, CA 95437

CALL IN LOCATIONS: Travelodge Ukiah 1720 N State St, Ukiah, CA 95482

- I. CALL TO ORDER – Meeting called to order at 1:01 PM.
- II. ROLL CALL – Marcus Magdaleno, Jitu Ishwar, and VMC Staff Executive Director Brent Haugen, Kathy Chacon and Contract Bookkeeper Daphne Haney
- III. CHAIR'S COMMENTS – Board of Directors made their selections for At Large and Food & Beverage seats. John Kuhry has been re-elected as the At Large seat and Cynthia from Saucy restaurant is the Food & Beverage Seat. Cally is the new Large Coastal. Member DeGraw joined the meeting at 1:03 PM
- IV. PUBLIC COMMENTS - Member Magdaleno, Thank you Debra for your service and hard work on the Board and on Committees
- V. APPROVE MINUTES FROM NOVEMBER 22, 2016 MEETING – Member Ishwar motions to approve November meeting minutes and Member DeGraw seconds. **Motion Passed 3-0.**
- VI. MCPA FUND TRANSFER DISCUSSION – Marketing Committee Chair Dym provided the balance sheet and the first transfer of funds of the county match that has flowed through MCPA to MCTC. Bookkeeper Daphne Haney has joined the meeting. Member Magdaleno asked for confirmation of the transfer, bookkeeper Haney showed the committee a check from MCPA for \$9,000.00 and Member Magdaleno asked for those funds to be placed in line item of unallocated funds under surplus and on the 5015-expense line. Member Magdaleno would like the report out of transfer of funds to be placed on the next meeting agenda.
- VII. 2016-17 BUDGET ADJUSTMENTS – Executive Director Haugen reminded the committee that 22.5 thousand dollars and suggested monies to be transferred from salary wages to contractors due to R. Strom now being an independent contractor. Income from the Marketing and Communication Summit is over by a few hundred dollars, Executive Director Haugen suggested using a portion of the 9 thousand dollars in surplus to help cover these costs. Member Magdaleno motions to accept Executive Director Haugen's recommendations of the above items, Member Ishwar seconds. **Motion Passed 3-0.**
- VIII. 2017-18 BUDGET – Guy from the BID advisory board is in attendance. This budget is based off the current budget that is in place and is representative of what the carryover would like. We will save some money within some categories and areas. Searchwide's cost is an unknown at present. The Executive Director will do a review on the contingency fund to ensure enough funds availability should the organization dissolves. There was much discussion about growth and what to allot for, 3% vs 5 or 6%. There was some discussion about research and development and what it is used for. There was dialogue over the Mendocino County Arts Council contract and the partnership with VMC and whether benchmarks and accountability should be a reporting requirement on a quarterly basis and what will be the deliverables. Member DeGraw left the meeting at 2 PM. Member Magdaleno explained to Guy from BID Advisory that this is a hot topic as there are board members who would like to have explained the return of this investment for tourism in Mendocino County and established parameters may be warranted. The committee discussed the Redwood Chamber of Commerce in Gualala and the potential to enter into an agreement with them and in turn VMC would have a satellite office there. There was much discussion over what percentage of growth should be expected and measured. Member Magdaleno motioned to recommend to the board of directors a 5% increase of expected

growth, Member Ishwar seconds. **Motion passed 2-0.** Member Magdaleno also recommends the finance committee take a working budget to the board, Member Ishwar seconds. **Motion Passed 2-0.**

- a. Budget Format for the BID Advisory Board Report – BID Advisory is working on the annual report. The BID board needs clarification on which items are fluid and which are stationary. The BID board does not want movement between major categories and wants to stay on top of the funding and how it's broken down per category.
- b. Fluid and Stationary Budget Categories – The fluid accounts are the sub-categories within the major stationary categories.

IX. UPDATE ON THE 2014-15 AUDIT – Executive Director Haugen was in touch with a tax attorney and acquired an estimate of \$1,00.00 to assess any risks for the 2014/2015 fiscal year and the two years prior. Executive Director Haugen also had a meeting with the former ED S. Schneider who was more than willing to assist, provided suggestions to help find the missing 1099's and dropped off numerous keys for the fireproof filing cabinet. Bookkeeper Daphne Haney presented the board with the 1099's in question for years 2010 through 2015 that she found the night before. Member Magdaleno motioned to recommend to the board the use of the tax attorney, Caren Callahan, to assess VMC's risk for the allotted time frame. Member Ishwar seconds, **Motion passed 3-0.** Guy from BID Advisory arrived 1:38pm

X. CONTROL FORM – BID Advisory Member Guy leaves meeting at 3:00 PM. Topic will be re-visited.

XI. RECORDS RETENTION POLICY REVIEW – Document was reviewed by all members and changes were discussed about retention years and changes in verbiage. Member Magdaleno motions for these changes and Member Ishwar seconds. **Motion Passed 2-0.**

XII. INTEREST BEARING ACCOUNT OPTIONS – The Executive Director proposed placing a portion of the Contingency funds into an interest-bearing account. Penalties are as follows; for CD's up to one (1) year the penalty is 30 days of interest. For CD's over one (1) year the penalty is 90 days of interest. There was much discussion over the figures to be invested. Member Magdaleno motions to move \$100,00.00 to an interest-bearing CD account for four (4) years at the interest rate of .5% and leave \$30,000.00 in savings. Member Ishwar seconds. **Motion Passed 2-0.**

XIII. REVIEW, DISCUSS & RECOMMEND FOR APPROVAL

- a. **NOVEMBER & DECEMBER FINANCIALS** – There was much discussion about the modifications of the financials concerning the equity line item contingency unrestricted matching the BID Advisory reports to match the contingency amount recommended by the board that exists in the savings account. Further discussion occurred over roll over amounts and dollars usage and it was determined that at this moment nothing will change until the end of the fiscal year. Member Magdaleno motioned to approve the financials and Member Ishwar seconds. **Motion Passed 2-0.**
- b. **NOVEMBER & DECEMBER CREDIT CARD STATEMENT AND RECEIPTS** – There was a review of the credit card statements. Member Magdaleno will complete the review as Treasurer and report to the Board.
- c. **REVIEW CURRENT STAFF & CONTRACTOR REIMBURSEMENTS** – Member Magdaleno will complete this review as Treasurer and report to the Board.

XIV. FUTURE AGENDA ITEMS –

- a. Report out of transfer of funds
- b. Analysis of the breakdown of the contingency fund spending in case of dissolution.

XV. SET NEXT MEETING – TBA

XVI. ADJOURNMENT

