



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)

REGULAR MEETING: Monday, March 27, 2017

TIME: 1:00 PM

PLACE: Visit Mendocino County, 390 West Standley Street, Ukiah, CA 95482 (small conference room)

- I. CALL TO ORDER – Chair call meeting to order at 1 pm
- II. ROLL CALL – Marcus Magdaleno, Chair; John Kuhry, Staff: Executive Director Brent Haugen and Kathy Chacon
- III. PUBLIC COMMENT - NONE
- IV. CHAIR'S COMMENTS - NONE
- V. APPROVE MINUTES FROM MARCH 6, 2017 MEETING - Motion to approve minutes by Member Kuhry. Member Magdaleno seconds. **Motion Approved 2-0.**
- VI. BANK ACCOUNT SIGNOR UPDATE – Executive Director Haugen gave an update on collecting all the signatures of the new officers for the bank account. There was discussion about preparing an addendum once the new Executive Director is seated in order to add them as a signer as well.
- VII. PAYROLL QUOTES - Staff Member Chacon provided three quotes from various outside payroll processing sources and discussions center around this topic and the services that would be provided.
 - a. HANEY DRAFT CONTRACT FOR 2017-18 - Abacus Accounting provided an annual contract outlining services and costs. Contract approval will be considered once BID funding is in place for the fiscal year. There was discussion tabling this topic until the new Executive Director is seated.
- VIII. REVIEW & FINALIZE 2017-18 BUDGET DRAFT – Executive Director Haugen gave a review of the 2017-18 budget. Executive Director Haugen suggested the Board approves of the major categories within the budget in the next meeting as the BID report will be going over to the BOS at the end of the month for approval. There is an estimated \$75,000.00 of a carryover from last fiscal year. The BID assessment is at a 5% increase. \$3,500.00 was moved from other income over to sponsorships to help offset the costs of sponsorship trade shows. The organization will be conducting a visitor's guide reprint as well as visitor guide advert under the cooperative & guide advertising line item which was increased to \$32,000.00. Other income is now at \$14,400.00 reflecting the move of monies for trade show sponsorships. Reserve contingency is based off of 10% of all VMC expenses and is at \$141,812.20. Currently total income is at \$1,559,934.20. Under print, digital, direct mail and broadcast is at \$360,000.00. \$300,00.00 is currently ear marked for the new marketing firm to conduct ad buys only and \$40,000.00 for staff directed and \$20,000.00 for family travel with Coleen Kelly. \$10,000.00 was freed up from the new executive director search and moved to surplus funds. Advertising was increased from \$6,000.00 to \$7,500.00 as recommended from the Marketing Committee. Long term plan and strategic research was also increased and now sits at \$20,000.00 in lieu of \$35,000.00 as requested by the Marketing Committee, marketing research, if needed, can then be pulled from the \$10,000.00 in surplus. Public relations contract is \$80,000.00 for Koli Communications. \$20,000.00 for opportunistic PR and \$6,000.00 for Burrell's Clipping Services. \$100,000.00 for Marketing Agency contract. \$2,500.00 for in county promotions and visiting media and FAM expenses is at \$10,000.00. Media events is at \$3,500.00. Public relations related to travel is \$10,000.00 and \$60,000.00 for the Marketing/Communications Coordinator. Scope of work for Marketing/Communications Coordinator will be reduced drastically with the hiring of the new marketing agency, Theory SF. A new contract will be needed to reflect these changes and costs. Website maintenance and development is at \$25,000.00 for the website refresh planned for this fiscal year. Social Media Coordinator contract is at \$24,000.00 with \$5,000.00 being billed to Visit Ukiah. This contractor is shared between VMC and VU. Under leisure group sales there is \$45,000.00 allocated for the Sales Manager contractor. Contract is updated and ready for the new Executive Directors review and approval. Consumer Trade Shows has been updated to \$15,000.00. Shipping is at \$3,000.00, Misc. Sales Opportunities is at \$2,000.00. State Fair Exhibit at \$5,000.00 and promotional and

booth development at \$5,000.00. Leisure group sales related travel was increased to \$10,500.00 and group travel and meeting FAMS changed with an additional \$2,000.00 added for meeting and event planning in county. Under Visitor Services fulfillment \$10,000.00 has been allocated for print collateral and general promotional items. These funds will be needed with the rebrand and/or refresh and those changes will need to spill over into our print media. Grant funding is at \$20,000.00 and \$14,400.00 allocated to the Arts Council, \$2,500.00 for Taste of Mendocino and \$6,750.00 for the Gualala Visitor Center and \$5,000.00 for customer incentives. There was discussion about the \$8,000.00 for signage that Visitor Services did not utilize for the gateway signs on 128. North Coast Tourism Council is at \$10,000.00. Memberships is at \$7,000.00; conferences, seminars and Leadership Mendocino is at \$6,000.00 and In County relations has been increased to \$3,000.00 so the new Executive Director and Team can do some in county networking events. Office and Rent increased to \$25,200.00. Office and rent was increased to \$25,200.00 to accommodate the increase in building rent. Office supplies at \$10,000.00 and was dropped from last budget leaving room to replace at least one computer this fiscal year. Maintenance was dropped to \$1,500.00 as well as postage. If VMC has their annual Summit there is no dollars within the budget to support that. \$225,000.00 is allocated for salaries leaving a reserve of \$32,880.00 for increases and bonuses. Member Magdaleno suggested to place this budget on the consent calendar for the Board. There was discussion over the unallocated funds line item as well as sub-categories and formatting to match the financials. Motion to working budget and recommendation to the Board was motioned by Member Kuhry and second by Member Magdaleno. **Motion Approved 2-0.**

IX. AUDIT RISK REVIEW UPDATE - Executive Director Haugen gave a brief update containing the continued review of MCTC's risk assessment being conducted by attorney Caren Callahan. Report will be forthcoming by next meeting.

X. MEMBERSHIPS & SPONSORSHIP DRAFT POLICY REVIEW - Executive Director Haugen presented a working draft membership policy and it was decided the new Executive Director will review and modify as needed.

XI. REVIEW, DISCUSS & RECOMMEND FOR APPROVAL -

- a. FEBRUARY FINANCIALS – Discussions centered around the increase of the account receivables and a request from the finance committee to have an AR aging report and an AP over 30 report to be generated and supplied in future meetings. There was discussion to provide a same day backup of the bookkeeping system at time of meeting as well as the check register
- b. FEBRUARY CREDIT CARD STATEMENT AND RECEIPTS - Committee reviewed and approved credit card statement.
- c. REVIEW CURRENT STAFF & CONTRACTOR REIMBURSEMENTS - Committee reviewed and approved all reimbursements.

XII. FUTURE AGENDA ITEMS –

a. **AUDIT RISK REVIEW UPDATE**

b. **MEMBERSHIPS & SPONSORSHIP DRAFT POLICY REVIEW**

XIII. ADJOURNMENT - Meeting adjourned at 2:54pm