



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

DATE: Wednesday, November 2, 2016 **TIME:** 1:00 PM

PLACE: Travelodge Ukiah 1720 N State St, Ukiah, CA 95482

CALL IN LOCATIONS: Visit Mendocino County, 345 North Franklin Street, Fort Bragg, CA 95437

- I. CALL TO ORDER – The Chair called the meeting to order at 1:00pm.
- II. ROLL CALL – Marcus Magdelano, Debra DeGraw, Jitu Ishwar (absent)
- III. CHAIR’S COMMENTS – Member Magdelano announced that there is still an open seat for large coastal and hopes the county is in recruitment mode to fill that seat.
- IV. PUBLIC COMMENTS – none
- V. APPROVE MINUTES FROM OCTOBER 5, 2016 MEETING – There was one change to the minutes from the previous minutes. The time to adjourn should have read 2:58pm. Member Magdadelo made a motion to approve the minutes reflecting that change, Seconded by Member DeGraw (2-0).
- VI. MCPA FUND TRANSFER DISCUSSION – Member Magdaleno suggested that the chair and treasurer from each respective organizations find resolution with this issue. Further discussion is tabled until the next meeting.
- VII. REVIEW & RESPOND WITH IMPLEMENTED BEST PRACTICES FROM THE FINAL 2014-15 AUDIT REPORT – The Finance Committee reviewed each of the recommendations and responses. Member DeGraw requested that it be clear to reflect the fiscal year be listed on each page of the audit and recommendation, plus be titled properly so there is no confusion for the viewer. DeGraw also suggested that there should be indicators of an audit review or full audit reflected on the industry site.

Member Magdaleno wants to see what the current records policy is in place for the organization. If there is not one in place, the committee will work on developing or updating one.

The last item was in regards to 1099's and former staff. Member DeGraw wants to make sure that best practices are in place to reduce any liabilities for the organization. DeGraw asked contract bookkeeper Daphne Haney to ask the CPA if 1099's have been processed in the case regarding credit card rewards points.

VIII. REVIEW, DISCUSS & RECOMMEND FOR APPROVAL

- a. SEPTEMBER FINANCIALS (PAYABLES, CHECK REGISTER, P&L, BALANCE SHEET) – There was much discussion concerning the formatting of the reports and how numbers were being presented in the financial statements. These include the money received from MCLA and the carry-over from the previous fiscal year. Contract Bookkeeper Daphne Haney will make some of the adjustments needed for better reporting.

On page 4 of 9 under Insurance, there was a question on why the number was higher by Member Magdaleno. Haney explained it is about timing with this specific expense. Haney went on to explain that the general liability insurance is reflected this year from last year as a pre-paid expense. Magdaleno also questioned the cost of Telecommunications. Executive Director Haugen explained that it was a bit higher, due to a pay-off of a cell phone to change to an overall business plan. Haugen went on to explain that postage/shipping was higher due to the full year payment to Certified Folder and direct mail. He is recommending that \$5,000 be taken out of surplus and transferred into this line item for future expenses.

Member Magdaleno asked about the Contracted Bookkeeper Haney if there was a different way the number at the bottom of page 8 of 9 could be displayed differently. Currently it reflects as a negative number. Haney explained that not all payments are broken up into twelfths, but could look into changing the format if needed. Haney explained further that when there are one-time payments, breaking it into the format would not make sense on the financials.

b. SEPTEMBER CREDIT CARD STATEMENTS AND RECEIPTS

In reviewing the statement, Member DeGraw noticed a late fee charge. Contract Bookkeeper Haney explained that there was internal staff issue that resulted in the payment being sent out after the due date. Other future items that will be addressed by staff are changing the monthly subscription charges to the MCTC Executive Director's business card. There are plans to assure this change is done by the end of the year. Other questions by the Finance Committee were involved around hotel charges. Executive Director Haugen stated that the organization will continue to work on that area and try to reduce costs where it can be made.

Because all the receipts were not present at the time of reviewal (due to staff travels), the September statement will be paid, but final approval is tabled until the next meeting.

c. REVIEW CURRENT STAFF & CONTRACTOR REIMBURSEMENTS – none at this time

IX. MID-YEAR BUDGET REVIEW – Executive Director Haugen went through all the documents regarding the current budget and the financial numbers now known provided from the county. Haugen explained also of how some of the estimated revenue came in less than anticipated. This included the carry over from the previous fiscal year. The estimated total was \$207,174.00 and the actual number is \$154,933. Other revenues in the Other Income and North Coast Tourism Council categories were less.

Haugen continued to discuss that the transient occupancy tax (TOT) match at \$400,000 and the Business Improvement District (BID) Assessment collectively came in a bit higher than anticipated (\$11,980.94). With that being said, Haugen encouraged the Finance Committee to take the final BID Assessment number at the end of last fiscal (\$811,980.94) and increase the estimated revenue by 6% for this fiscal year to reflect a new collective revenue amount equal to \$1,260,698.00. The total cumulative amount came to \$1,573,475.00, which is \$4,042 less than the budgeted amount. This difference of \$4,042 will be deducted from the \$150,000 surplus in the current budget.

Haugen went on to gain an approved recommendation from the Finance Committee on line items needing funding from the surplus. These include the Ukiah on Ice Rink Sponsorship at \$10,000, \$15,000 towards the strategic planning process, \$65,000 towards the hiring of a marketing firm, and \$5,000 towards shipping/postage. The remaining balance of \$50,957.80 will remain in the surplus and if used will go through the committee and board approval process.

Member Magdaleno made a motion to move forward the recommendations to the MCTC board presented by Executive Director Haugen; seconded by Member DeGraw (2-0).

X. FUTURE AGENDA ITEMS

a. MCPA Transfer Discussion

b. Finance Committee Assistance on Audit Recommendations

i. 1099's for Current & Previous Staff & Contractors

ii. Capitalization Policy

iii. Control Form

iv. Bank Account Signor Audit

c. 2015-16 Audit Timeline

d. September Credit Card Statement

XI. SET NEXT MEETING – Monday, December 19, 2016 at 10:00am

XII. ADJOURNMENT 4:24pm