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**Reno-Sparks Convention & Visitors Authority
Board of Directors Meeting Minutes
January 25, 2018**

The Regular Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 8:00 a.m., January 25, 2018 at the Reno-Sparks Convention and Visitors Authority, 4001 S. Virginia Street, Reno, NV. The meeting was properly noticed and posted in compliance with the Nevada Open Meeting Law.

A. OPENING CEREMONIES

Call to Order

Chairman Bob Lucey called the meeting to order at 8:05 a.m.

Pledge of Allegiance led by Mr. Phil DeLone

Board Members Present:

Nat Carasali
Lee Dillard
Councilman Ed Lawson
Commissioner Bob Lucey
Rick Murdock
Mark Sterbens
Bill Wood
Vick Wowo

Board Members Absent:

Mayor Hillary Schieve

RSCVA Executive Staff Present:

Phil DeLone, President/Chief Executive Officer
Jennifer Cunningham, Executive Vice President
Michael Larragueta, Vice President of Sales
Robert Chisel, Director of Finance
Sheri Nill, Director Human Resources
Esther Isaac, Director of Marketing
Ben Kennedy, Legal Counsel
Molly Rezac, Legal Counsel

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

None

C. APPROVAL OF THE AGENDA

Chairman Bob Lucey amended the agenda prior to approval by pulling Item E2 and saying Item G2 will be addressed as part of Item E3 entitled "Reno-Sparks Convention and Visitors Authority Staff" update.

MOTION: Member Vick Wowo made a motion to approve the amended January 25, 2018 Agenda. Seconded by Member Rick Murdock. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF DECEMBER 7, 2017 REGULAR MEETING & DECEMBER 12, 2017 SPECIAL CONCURRENT MEETING

MOTION: Member Lee Dillard made a motion to approve the Minutes of December 7, 2017 Regular Meeting and December 12, 2017 Special Concurrent Meeting. Seconded by Member Nat Carasali. **Motion carried unanimously.**

E. PRESENTATIONS – DISCUSSION AND POSSIBLE ACTION

E1. Appointment of Board Member Pursuant to NRS 244A.601(1)(d)(3)

Legal Counsel Ben Kennedy shared with the Board that Mr. Bill Woods' initial two-year terms expires the end of January and he is eligible for reappointment for an additional two-year term. Ms. Heather Bacon, Incline Village Crystal Bay Visitors Bureau, nominated Mr. Woods for reappointment and also Mr. Andy Chapman, current President/CEO of Incline Village Crystal Bay Visitor's Bureau, for consideration. The item was open for discussion by the entire Board, but could only be voted upon by the elected officials.

Discussion: Chairman Bob Lucey and Member Rick Murdock commented that Mr. Wood has served the Board well, brings a lot to the table and is very good for Reno Tahoe relations.

MOTION: Councilman Ed Lawson made a motion to reappoint Mr. Bill Wood to the RSCVA Board of Directors for a second term. Seconded by Commissioner Bob Lucey. **Motion carried unanimously by majority vote. Mayor Hillary Schieve was absent.**

E3. Reno-Sparks Convention and Visitors Authority Staff Updates

President/CEO Phil DeLone welcomed Shannon Keel to the meeting. She is the recently appointed General Manager of the Grand Sierra Resort. Mr. DeLone said in preparation for the 2019 Legislative Session, three (3) qualified candidates submitted proposals in response to the RFP for governmental affairs: McDonald Carano; Steven Polikalas Law Corporation, and Fennemore Craig. Staff is recommending Fennemore Craig. In response to the RFP for the RSCC Feasibility Study, six (6) firms submitted proposals in alphabetical order: Crossroads Consulting; Conventions, Sports & Leisure; Hunden Strategic Partners; HVS; JLL; and Johnson Consulting. Staff is recommending Johnson Consulting, headquartered in Chicago, as they are familiar with the Reno market having worked for the City of Reno on an operational review of the National Bowling Stadium. They have also worked for the Las Vegas Convention and Visitors Authority and other large convention destinations. Their proposal for the work will be accomplished within fourteen (14) weeks and within a budget of \$100,000. In response to the RFP for Professional Management, four (4) national firms responded and three (3) toured all the RSCVA facilities. The review committee, which included the City of Reno and City Manager, Sabra Newby, and Legal Counsel Ben Kennedy, will meet on January 29th and report back to the Board. Wildcreek Golf Course has no further news to report at this time. Legal Counsel has been crafting the appropriate agreements with Washoe County and the School District and it is moving forward. Work continues on the RSCC with the designer, TVS, and the RFP has been sent out to manufacturers of carpet. No delays in the re-carpeting of the RSCC are anticipated and it should be done by August 1st. Bid specs and design on the refurbishment of the RSCC restrooms are also forming.

Executive Vice President Jennifer Cunningham provided a marketing update. Ms. Cunningham pointed out the Corporate Scorecard shows visitor volume up 6.6% year to date, cash occupied rooms and overall occupancy as of the end of November year-to-date are up 6.0%, and taxable revenue is up 15% which is the result of ADR going up 7.6%. The November ADR is a historic high of \$106.51. Airlift is at 10% growth year-over-year as well, which is also a record number. TEDx is a sold-out event for the RSCC - a group effort with the University.

Vice President of Sales Mike Larragueta reported an update on both tourism and convention sales for November 2017 and detailed the November month-to-date scorecard sales. PHG, the contracted representative for the China-inbound product, has signed the contract and provided their 90-day implementation plan. February 27th through March 3rd, four (4) of the PHG representatives, three (3) of which are from Beijing, Shanghai and Guangzhou will be in Reno touring the entire city, Virginia City, Carson City, and North Lake Tahoe to familiarize themselves with the RSCVA and stakeholder's properties. Mr. Larragueta also announced the hiring of a Regional Director of Conventional Sales in Chicago, Ms. Mattie Metcalf.

Director of Finance Robert Chisel said the calendar year is still in the process of being closed out and eleven (11) homeowners have yet to file. Taxable revenue was just short of \$41 million at \$40,988,000 which is a 12.3% increase. ADR for the calendar year was \$100.10 a 6.6% increase, the first time it has been over \$100 in a calendar year.

E4. Board Review and Approval of Bid Award and Contract for RFP 2018-02 to Johnson Consulting for a Feasibility Study on Expansion of the Reno-Sparks Convention Center (RSCC)

Phil DeLone had nothing more to add to his recommendation of Johnson Consulting except to say that their references checked out as a reputable company, they have been in business a long time, and are fully suited to conduct the feasibility study. Most importantly, they can accomplish the work in 14 weeks.

Discussion: Vice Chairman Ed Lawson asked if the RSCVA moving into the Convention Center was part of the Feasibility Study. Mr. DeLone replied it the eventual intent, but will come down to cost. Mr. Chisel added that a recent meeting with the landlord at the Reno Town Mall renewed the lease to 2022, but anything more will be based on the Convention Center expansion and timing. Mr. Lawson encouraged the move so clients see the location they will be renting and RSCVA employees will be onsite daily to see what they are selling to witness ongoing conventions. Mr. Chisel said the RSCVA currently rents 15,000 square feet at the Reno Town Mall for approximately \$.95/square feet a month.

MOTION: Member Nat Carasali made a motion to approve the bid award and contract for RFP 2018-02 to Johnson Consulting for a Feasibility Study on the expansion of the Reno-Sparks Convention Center (RSCC) in the amount of Eighty-Eight Thousand Dollars (\$88,000.00). Seconded by Member Vick Wowo. **Motion carried unanimously.**

E5. Board Review and Approval of Bid Award and Contract for RFP 2018-03 to Fennemore Craig, P.C. for Government Affairs Representation for the Reno-Sparks Convention & Visitors Authority

Attorney Jesse Wadhams with Fennemore Craig thanked the Board for the opportunity to present the bid and their goals for the upcoming 2019 Legislative Session. Chairman Lucey commented that the last legislative session was more than the anticipated observation session, so the Board is looking forward to establishing a Legislative Platform going into the upcoming session and not making decisions on the fly. He added that he appreciated the reputation of Fennemore Craig.

MOTION: Member Vick Wowo made a motion to approve the bid award and contract for RFP 2018-03 to Fennemore Craig, P.C. for Government Affairs Representation for the Reno-Sparks Convention and Visitors Authority (RSCVA) through the end of the 2019 Legislative Session, for a total amount of Sixty-Two Thousand Five Hundred Dollars (\$62,500.00). Seconded by Member Rick Murdock. **Motion carried unanimously.**

F. FINANCE DIVISION

F1. Discussion and Potential Approval of the Reno-Sparks Convention & Visitors' Authority's (RSCVA's) Investment Policy

Director of Finance Robert Chisel said this was an updated investment policy that had not been updated for a number of years. It designates how the RSCVA invests its idle cash that is not needed for operations in accordance with the Government Finance Officers Associations and the Nevada Revised Statutes. The RSCVA believes with a small 25-basis-point increase revenue could be increased by \$70,000 to \$100,000 a year.

MOTION: Vice Chairman Ed Lawson made a motion to approve the Reno-Sparks Convention and Visitors Authority's Investment Policy as set forth by staff. Seconded by Member Lee Dillard. **Motion carried unanimously.**

F2. Discussion and Potential Authorization for the Director of Finance to Retrieve and Claim All Unclaimed Property in the Name of the Reno-Sparks Convention & Visitors Authority (RSCVA)

Director of Finance Robert Chisel said occasionally all governments and companies are required to claim unclaimed property escheated to the state. For the RSCVA to retrieve that money, the State Treasurer requires a Board-approved representative. It is estimated the amount is about \$5,000 to \$6,000. This would also enable the RSCVA appointed representative to search other local governments and state agencies for any other unclaimed property belonging to the RSCVA.

MOTION: Vice Chairman Ed Lawson made a motion to authorize the Director of Finance to retrieve and claim all unclaimed property and monies in the name of the Reno-Sparks Convention and Visitors Authority (RSCVA) from both local governments and state agencies and that this become the permanent policy of the RSCVA. Seconded by Member Lee Dillard. **Motion carried unanimously.**

G. SALES AND MARKETING

G1. 2018 Special Event Partnership Funding

Special Events & Marketing Manager Nina Brown summarized the recommendations for the 2018 Special Event Partnership Funding. Ms. Brown explained that \$500,000 is available as a pre-allocated budget. For 2018 calendar year funding, 29 events applied and were evaluated by a 7-person panel consisting of RSCVA managers and executive staff. Distribution recommendation were based on a qualitative rather than quantitative analysis as outlined in the report. Qualification guidelines and analysis considerations are also available on the RSCVA website. After review and vetting all applicants, the panel recommended allocating \$481,500 to 25 different events and retaining \$18,500 in contingency funds for new events that may arise

throughout the year. Upon Board approval, each event will receive a funding contract outlining the terms and conditions of the partnership. Ms. Brown answered a question regarding videos and said a clause has been added to the funding contract, as well as the website, stating that an event cannot do anything to disparage RSCVA branding, must be in good taste and positively highlight the destination. To answer the question regarding the marketing and awareness of this program, Ms. Brown said five notices were emailed to events and the program is also published on the website. In addition, funding notices were emailed to other government agencies and lodging properties to share with their affiliated events. Events are awarded 50% of their funding upon signing the contract of the terms and conditions. The remainder of their funding is paid after the event is done and a post-event synopsis and proof of fulfillment of all RSCVA sponsorship amenities are provided. If an event cancels, their funding award is rolled into contingency funds. The Partnership Funding Program is designed as a marketing opportunity. Funds augment an event's ability to expand their marketing and promotional efforts that otherwise would not be possible without funding. In broadening their marketing, potentially more visitors might visit the destination, which is the goal. Event requests are limited in two ways: 1) they cannot ask for more than 25% of their cash operating budget and 2) what they request has to equate to how they want to use the money in marketing.

MOTION: Member Rick Murdock made a motion to approve the funding allocation recommendations for the 2018 Special Events Funding and approve the Distribution of Funds requested by the Marketing Department. Seconded by Member Vick Wowo. **Motion carried unanimously.**

G2. Convention and Tourism Sales Update

Item skipped by Chairman Lucey per Agenda revision. This item was covered in Item E3.

G3. Bid to Host USA Volleyball's Boy's Nationals

Director of Sports Development Shelli Fine said with respect to the Executive Summary for the USA Volleyball's Boy's Nationals for 2020, the event is scheduled for June 24 through July 5, 2020. The RSCVA has hosted this event back in 2013. In 2013 it actualized just under 17,000 room nights. The Collegiate Nationals, another USA Volleyball event, was hosted here in 2014, and actualized about 9,000 room nights. Reno Tahoe has also hosted a couple pre-Olympic qualifiers called the World League, which are very high profile, both in 2013 and 2015. Cities that competed for 2020 USA Volleyball's Boy's Nationals included: Anaheim, Dallas, Minneapolis, Milwaukee, and Columbus. It is anticipated this event will actualize approximately 20,000 room nights in 2020. All major hotels and a handful of select service hotels have submitted their proposed room block and concession packages to the USA Volleyball and those packages have been vetted and tentatively approved by the USA Volleyball upon approval of the RSCVA's bid packet. USA Volleyball also institutes a very strict stay-to-play policy. Essentially that means participants cannot compete in the event unless they book in one of the contracted hotels. This ensures a very accurate auditing process. In an effort to secure the rights to host this event, the RSCVA is requesting to fund a cash sponsorship of \$100,000. In addition, the RSCVA is requesting to fund an official shuttle program for the week of the event not to exceed \$35,000. There will be a performance clause associated with the contractual agreement with USA Volleyball that will mirror the performance clause enacted by legal and Robert Chisel for the Interbike contract. The RSCVA is also collecting a \$12 confidential subsidy from all the hoteliers which should total approximately \$200,000-\$240,000 to be applied against facility rental. Staff is recommending the Board approve the funding package to host the USA Volleyball's Boy's Nationals in June of 2020 in an amount not to exceed \$135,000.

Discussion: Member Lee Dillard asked what sold this location to them. Ms. Fine said a couple of items: 1) The RSCVA's success in 2013 and 2014; 2) The ongoing relationship with USA Volleyball over the years; 3) Hosting the pre-qualifying Olympic events went a long way. It essentially saved them to some degree for the 2015 event; and 4) They are required to geographically move around and must come back to the West Coast. Member Rick Murdock said the dates and timing could not be better. Ms. Fine responded to Chairman's Lucey question about back-to-back event bookings. Their governing bodies require that in an effort to be fair, USA Volleyball has to hosted coast to coast. Girl's Nationals will be circling back around and the region will have another chance at it again. That event is more to the tune of 50,000 room nights. The next opportunity for Boy's Nationals would be 2023 or 2024. Member Vick Wowo asked if there would be a housing authority in charge of the auditing the stay-to-play for the players to ensure it was happening and if they would be receiving some type of rebate. Ms. Fine said yes, there is a 10% commission paid to a firm named Team Travel Source and there is a \$17 rebate paid back to USA Volleyball.

MOTION: Member Nat Carasali made a motion to approve to move forward with a Letter of Intent to host USA Volleyball's Boy's Nationals over the dates of June 24 through July 5, 2020 for 20,000 room nights. The bid is to include a sponsorship component on the part of the RSCVA in an amount not to exceed \$135,000. Seconded by Member Vick Wowo. **Motion carried unanimously.**

H. HUMAN RESOURCES

H1. Proposed Revision to RSCVA HR Holiday Policy

Director of Human Resources Sheri Nill said some time ago, the RSCVA went away from observing Veteran's Day in lieu of a floating holiday. Staff is recommending elimination of the floating holiday and reinstatement of Veteran's Day in recognition of the sacrifices made by our military personnel. This will have no financial impact on the RSCVA.

MOTION: Member Lee Dillard made a motion that beginning 2018, the RSCVA reinstate the observation of Veteran's Day in recognition of our military personnel in lieu of the current Floating Holiday provided to RSCVA employees. Seconded by Member Mark Sterbens. **Motion carried unanimously.**

H2. Proposed Revision to RSCVA HR Retirement Policy 600.605

Director of Human Resources Sheri Nill said in the RSCVA's retirement policy there is language that they had some concern about. If an employee is with the RSCVA for five (5) years or more, there are certain benefits they are allotted. Should an employee with five (5) or more years lose their position due to layoff, the RSCVA would like to exclude the language in the existing policy that restricts them from working for ninety (90) days if they choose to exercise the right to retire from the RSCVA to ensure those benefits are granted after five (5) years of service. The goal of the RSCVA is to ensure that if for instance they retired on a Friday from the RSCVA, they would have their benefits in place and be able to work on Monday, making sure the RSCVA is providing a seamless transition for those individuals with five (5) or more years of service that are retiring rather than layoff.

Discussion: Chairman Lucey asked with respect to this policy, being that Nevada is a right-to-work state, could the RSCVA even draft a policy for an individual preventing them from working for 90-day period anywhere. Legal Counsel Molly Rezac clarified that Nevada is an "at will" state meaning that a person is employed at the will of the employer and the employee, which is very different. This policy is not saying somebody would not work for ninety (90) days under any retirement policy. It says that in order to obtain these additional benefits, because the RSCVA is an "at will" employer, the RSCVA is not required to provide any benefits when somebody ceases employment via layoff, via retirement, or whatever the case may be. The RSCVA is not required to provide those benefits. The standard definition of retiring is that you are seeking to stop working and there are certain benefits obtained from that. However, there was some concern that the ninety (90) day provision of time requirement to stop working, when an employee may be losing their position through no fault of their own through a layoff, for those long-term employees who have looked toward certain benefits, may choose to retire now so they can maintain those benefits, and the RSCVA would lose the ability to keep them employed while this Board makes certain decisions regarding that. Staff is making a recommendation for instances when people may be losing their job due to layoff, to simply waive the requirement of the ninety (90) days. If somebody, instead, separate from the RSCVA for a completely different type of situation, they would be subject to the standard retirement requirements. They would retire, go through PERS, and cease working for the ninety (90) days.

MOTION: Member Nat Carasali made a motion to revise the RSCVA Retirement Policy 600.605 for employees that are notified they will be laid off, have worked at least five (5) years for the RSCVA and their position is eliminated to allow those employees to choose to retire rather than be laid off, but not be required to cease work for the ninety (90) days. Seconded by Member Rick Murdock. **Motion carried unanimously.**

H3. Proposed Revision to RSCVA HR Layoff and Recall Policy 900.903

Director of Human Resources Sheri Nill said with respect to the layoff and recall policy there is currently a practice that if an employee has had service with the RSCVA for fifteen (15) or more years, they can take one-third (1/3) or up to three hundred (300) sick hours when they leave or are laid off. This was not included in the formal RSCVA policy and simply needs to be corrected.

MOTION: Member Rick Murdock made a motion to revise the RSCVA HR Layoff and Recall Policy to include language reflecting the long-standing practice of the RSCVA to pay out a portion of unused sick leave (up to a maximum of three hundred (300) hours) when the employee with at least fifteen (15) years of service to the RSCVA is laid off due to lack of work, reorganization, etc. as set forth in the Employee Handbook. Seconded by Member Mark Sterbens. **Motion carried unanimously.**

I. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

Staff Member Michael Larragueta made an additional comment pertaining to the variance in the November Net Room Nights – Year-to-Date 2016-2017 versus 2017-2018. Mr. Larragueta explained that room nights are a result of when contracts are turned definite so the variance between 2017-2018 and 2016-2017 in Quarter 2 of 2017 happened with Safari Club, which was a multi-year contract, and was a little more than 51,000 contracted room nights driving that variance. Of the 54,000 room-night variance Year-to-Date between 2016-2017 and 2017-2018, Safari Club represented 51,000 of those.

Member Lee Dillard asked if the postponed item regarding the Downtown Business Improvement District Presentation will be brought back to the Board prior to scheduled meetings with the City of Reno. Chairman Lucey assured Mr. Dillard that the presentation will be held at the next Board Meeting on February 22, 2018.

J. COMMENTS FROM THE FLOOR BY THE PUBLIC

None

K. ADJOURNMENT

Meeting adjourned at 9:29 a.m.