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**RENO-SPARKS CONVENTION AND VISITORS AUTHORITY
NOTICE OF PUBLIC MEETING
PERSONNEL COMMITTEE MEETING**

**June 5, 2018
10:00 A.M.**

**Reno-Sparks Convention and Visitors Authority
4001 S. Virginia Street, Executive Conference Room
Reno, Nevada**

PERSONNEL COMMITTEE MEMBERS:

Mr. Nat Carasali, Chairman

Councilman Ed Lawson
Mr. Rick Murdock

Mr. Vick Wowo

THIS MEETING IS IN COMPLIANCE WITH THE NEVADA OPEN MEETING LAW AND HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:

Reno Sparks Convention & Visitors Authority (RSCVA) offices at 4001 S. Virginia St, Suite G, Reno, NV
Reno City Hall
Sparks City Hall
National Bowling Stadium
RSCVA Website: www.visitrenotahoe.com/about-us/public-meetings
Online at <https://notice.nv.gov/>

Items on the agenda are for possible action by the Board of Directors, unless stated otherwise. Items will not necessarily be considered in the order listed. The Board may combine two or more agenda items for consideration, may remove an item from the agenda or may delay discussion relating to an item on the agenda at any time.

Support materials are made available when they are provided to the Board, or if provided during the meeting, support materials will be made available at the meeting at the same time as they are made available to the Board. Support materials are also available at the RSCVA administrative offices and at the scheduled meeting. The designated contact to obtain support materials is Tawnie Black, 4001 South Virginia Street, Suite G, Reno, NV (775) 827-7618.

AGENDA

A. OPENING CEREMONIES

Call to Order
Pledge of Allegiance
Roll Call

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

Public comment is limited to three minutes. The public is encouraged to comment on all agenda items as well as issues not on the agenda during the Public Comment period, or on "action" items immediately before board discussion of such "action" items. Members of the public desiring to speak must complete a "Request to Speak" form and return it to the RSCVA clerk at the meeting. No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Public comments may not be accepted after the Chairman closes any period for public comment.

C. APPROVAL OF THE AGENDA

For Possible Action.

D. APPROVAL OF MINUTES OF PERSONNEL COMMITTEE MEETING

For Possible Action.

E. PRESENTATIONS – DISCUSSION AND POSSIBLE ACTION

E1. Phil DeLone, President/CEO Goals & Objectives for FY 2018-2019

Phil DeLone, President/CEO of the RSCVA will present to the Personnel Committee proposed goals and objectives for FY 2018-2019. The Personnel/Finance Committee will discuss, consider and take possible action to recommend FY 2018-2019 CEO Goals to the Board for approval.

For Discussion and Possible Action

I. COMMITTEE MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

For Possible Action

J. COMMENTS FROM THE FLOOR BY THE PUBLIC

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K. ADJOURNMENT

For Possible Action.

Persons are invited to submit written remarks for all matters, both on and off the agenda. Written remarks presented for inclusion in the Board of Directors’ minutes must be flat, unfolded, on paper of standard quality, and 8 ½ by 11 inches in size. Written remarks shall not exceed five (5) pages in length. The RSCVA will not accept for filing any submission that does not comply with this rule. On a case-by-case basis, the Board of Directors may permit the filing of noncomplying written remarks, documents, and related exhibits pursuant to NRS 241.035(1)(e). Board of Directors’ meeting rooms are accessible to persons with disabilities. If special arrangements are required, please contact Corie Carlsen at 775-827-7618.

For information or questions regarding this agenda please contact:
The RSCVA Executive Office
P.O. Box 837, Reno, NV 89504
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**Reno-Sparks Convention & Visitors Authority
Personnel/Finance Committee Meeting Minutes
October 25, 2017**

The Personnel/Finance Committee of the Reno-Sparks Convention & Visitors Authority held a Personnel/Finance Committee meeting at 4:00 p.m., October 25, 2017 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 John Farahi called the meeting to order at 4:04 p.m.

Committee Members Present:

Chairman John Farahi
Mr. Ed Lawson
Mr. Rick Murdock – arrived at 4:08 p.m.
Mr. Vick Wowo

Committee Members Absent:

A quorum of the members was present at roll call.

RSCVA Executive Staff, Legal and Other Counsel Present:

Phil DeLone, President/Chief Executive Officer
Robert Chisel, Director of Finance
Jennifer Cunningham, Executive Vice President
Molly Rezac, Legal Counsel
Erica Olsen, CEO, OnStrategy (via teleconference)

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

None.

C. APPROVAL OF THE AGENDA

MOTION: Mr. Ed Lawson made a motion to approve the agenda for the Personnel/Finance Committee Meeting of October 25, 2017. Seconded by Mr. Vick Wowo. **Motion carried unanimously.**

D. APPROVAL OF PERSONNEL/FINANCE COMMITTEE MEETING MINUTES OF SEPTEMBER 18, 2017

MOTION: Mr. Ed Lawson made a motion to approve the Personnel/Finance Committee Meeting Minutes of September 18, 2017. Seconded by Mr. Vick Wowo. **Motion carried unanimously.**

E. PRESENTATIONS – DISCUSSION AND POSSIBLE ACTION

E1. Review and Discussion Regarding Process for Awarding CEO Bonus

E2. Phil DeLone, President/CEO Goals & Objectives for FY 2017/2018

Items E1 and E2 were combined in the discussions.

Legal Counsel, Molly Rezac, discussed the materials presented in the Committee's packet. First, as requested by the Committee, there was a document setting forth a longer-term plan – 4 to 5 years. It is the one labeled "CEO Goals" at the top, is in a "landscape" direction and based upon the Strategic Plan as it is being proposed by CEO Phil DeLone and staff. This document is part of the proposed updated Strategic Plan and will be reviewed at the Board Retreat. The second document describes the proposed Fiscal Year Goals for 2017/18.

Ms. Rezac reminded the Committee that the goal for today, as agreed, was to reach consensus regarding a Mr. DeLone's goals for fiscal year 2017/18 and the process for which a bonus would be awarded based upon achievement of those goals. The long-term plan set forth in the proposed updated Strategic Plan will be fully discussed at the Retreat. Ms. Rezac's recommendation was to approve goals annually as the long-term plan could change over time.

The Fiscal Year Goals also set forth the percentage weight being proposed for each goal and as well as the process by which the bonus would be awarded for achievement of the goal. The goals each have a process--some are "all or nothing" goals, and some are "sliding scale" goals.

Phil DeLone added that these goals also reflect fiscal years beyond just the current fiscal year and they all tie back to the Strategic Long-Range Plan. They align with one another.

The Committee Members discussed the percentages for each Strategic Priority Item at length. It was discussed that Mr. DeLone could not be measured on something prior to it occurring. For example, the Marketing segment just started in May in the Los Angeles basin, the Bay Area, and Seattle. Until the third-party vendor measures the results, it cannot be analyzed. Erica Olsen with OnStrategy also clarified that while OnStrategy is currently the third-party vendor, it should say "The Visitor Origination Analysis" aka VOA. This first year has now set a baseline for comparison going into the second year. A correction to the Fiscal Year Goals will be made to reflect Visitor Origination Analysis (VOA) vs. OnStrategy.

Chairman Farahi questioned the range on Strategic Priority #1 showing 2-7%. Jennifer Cunningham said those were raw numbers reflecting the San Francisco market at approximately 5%, the Los Angeles market at 2% to 3%, and finally the Seattle market at 5% to 7%. The total range was 2-7% adding up to the \$1.245 number. Chairman Farahi requested they be reflected to show how the average was obtained.

Chairman Farahi stated his concern about using last year's numbers as this year's goals. He would like to see the total potential projection of the numbers. Mr. DeLone responded that he would as well, however, \$7 million worth of marketing going to the 8th largest economy in the world (California) with 48 million people is a big stretch. He does think it will impact Reno, but it also means changing where the marketing dollar is spent. The prior regime put \$2 million over a 6-year period into ASAE. Instead of that occurring now, the focus will be on expansion of the Reno-Sparks Convention Center, and private management of the RSCVA facilities. All of these things will be presented at the Board Retreat.

Vick Wowo put a dollar amount to each percentage indicating that as reflected on the draft goals, 22.5% for Strategic Priority #1 would currently reflect \$22,500 out of \$100,000 bonus. He asked if Mr. DeLone met 75% of that 22.5% goal, should the Committee discuss it? Did they feel it was appropriate? Or did they want to vote upon it?

Discussion ensued. Ed Lawson said he was comfortable with the current back half of the goals adding up to 55% for Client Satisfaction, Facility Management, Leadership, and Organization Health because to him they were all "yes or no" answers. Vick Wowo said he still preferred 35% go to Produced Room as the heaviest weighted one and the Committee Members all agreed. Chairman Farahi suggested the following: Produced Room Night Growth at 35%, drop the Visitation & Destination Awareness to 15% to total 50%. Then the other subjective priorities would be Facility Management dropped to 15% with the remaining ones staying the same for a total of 50% for a combined total of 100%.

Chairman Farahi stated he wanted to incentivize the CEO and, therefore, giving a 75% bonus just to meet last year's numbers did not work for him. Discussion was had at what Mr. DeLone had already given the RSCVA and community – Interbike at 107,000 room nights and Safari Club at 55,000 room nights just before coming on board. In his first 6 months, he has already accomplished more than expected, and yet not received a bonus. As it stands, he will not be receiving a bonus for his first year until the 18-month mark. Mr. Farahi also stated that

if Mr. DeLone "hits it out of the ballpark," he would be willing to give an even higher, additional bonus to Mr. DeLone.

Percentages for meeting the Strategic Priority Goals was discussed. Legal Counsel Molly Rezac reiterated that the Committee should be clear that once the CEO goals are set for the fiscal year, they will not be changed nor will the process by which a bonus will be awarded be changed for this fiscal year. Instead, this is the time to set expectations for the CEO and if he meets them, he should be able to determine what bonus he may receive. If the Board chooses to give him an additional discretionary bonus, they may do so.

The Committee discussed percentages for each priority and a motion was made as follows:

MOTION: Mr. Vick Wowo made a motion, composed by Legal Counsel Molly Rezac, to revise Phil DeLone's Fiscal Year 2017/18 Goals and present the new proposal to the Board of Directors as follows:

1. The percentage weights for Strategic Priority #1 (Visitation Destination and Awareness) be changed to 15%. Strategic Priority #2 (Projected Room Night Growth) be changed to 35%. Client Satisfaction remains at 10%. Facility Management be changed to 15%. Leadership remains at 15%. Organizational Health remains at 5%. Financial Health remains at 5%.
2. There be an addition to Strategic Priority #1 under how it is measured. The words "as measured by the Visitor Origination Analysis (VOA), currently done this Fiscal Year by OnStrategy".
3. Strategic Priority #1 and Strategic Priority #2, there will be three (3) different levels of bonus potential. If the CEO meets last year's numbers, he will receive 50% of the bonus pool for that goal. If he meets 90%, he will get 75% of the bonus pool for that goal. If he meets 100%, he gets 100% of the bonus pool for that goal.
4. Strategic Priority #4 (Build a Solid Management Team) - this will be awarded by majority vote. If a majority of the Board votes that the goal was met, he will receive the bonus amount.

Seconded by Mr. Rick Murdock. **Motion carried unanimously.**

The Committee talked about Mr. DeLone receiving an additional discretionary bonus over the 40% bonus pool eligibility, in the event, the Board decides he has exceeded them substantially.

MOTION: Mr. Ed Lawson made a motion, composed by Legal Counsel Molly Rezac, that if Phil DeLone substantially exceeds the goals, the Committee proposes that the Board discuss a potential discretionary bonus in addition to the 40% bonus pool. Seconded by Mr. Vick Wowo. **Motion carried unanimously.**

Fiscal Impact:

FY 2017: Not determined at this meeting.

F. FINANCE COMMITTEE MEMBERS COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

None.

G. COMMENTS FROM THE FLOOR BY THE PUBLIC

None.

H. ADJOURNMENT

Meeting adjourned at 5:12 p.m.



FY 17/18 CEO Goals

Strategic Priorities	FY 17/18 Goals	% Weight	Process	FY17/18 Performance
Strategic Priority #1: Visitation/Destination Awareness				
VISITATION/DESTINATION AWARENESS – Change the perception of Reno-Tahoe through positioning the destination around outdoor activities, arts and culture, and innovative industries. Increase destination awareness and visitor growth by 2-7% from target markets (Bay Area, LA and Seattle).	1,245,000 total room nights from 3 target markets (Bay Area, LA Basin, Seattle)	15%	Bonus calculated on following scale: If 1,245,000 or more room nights achieved, full bonus for this goal awarded. If 1,220,000-1,244,999 room nights achieved, 75% bonus for this goal awarded.	1,251,000 Actual room nights achieved. Performance based the 2017 Visitor Origination Analysis, produced by OnStrategy, representing a 2.6% increase.
Strategic Priority #2: Direct Room Night Growth				
PRODUCED ROOM NIGHTS – The number of room nights booked in meeting, convention, sports, equestrian and non-USBC bowling. FY 2015/2016 room nights were 238,000.	Produce 260,000 Room Nights	35%	Bonus calculated on following scale: If 260,000 room nights produced, full bonus for this goal awarded. If 255,000 to 259,999 room nights produced, 90% bonus for this goal awarded. If 250,000 to 254,999 room nights produced, 80% bonus for this goal awarded. If 247,000 to 249,999 room nights produced 70% bonus for this goal awarded.	305,000 total group room nights produced, as of June 30, 2018. NOTE: Performance includes 60,000 room nights representing 3 years of Interbike contracts.



FY 17/18 CEO Goals

CLIENT SATISFACTION – Maintain exemplary ratings on overall satisfaction and experience of meeting planners and event producers for all events booked via RSCVA sales staff, held at RSCVA facilities.	Establish Client Satisfaction benchmark	10%	Bonus given if goal achieved.	Benchmark established. Overall client satisfaction on a scale of 1-7. RSCC = 6.8 (13 surveys) RSLEC = 6.4 (13 surveys) NBS = 6.3 (13 surveys) REC = 7 (1 survey)
Strategic Priority #3: Facility Efficiency				
FACILITY MANAGEMENT – Realize the highest/best use of the facilities, in line with the RSCVA mission.	Board Approval of professional management contract for all facilities	10%	Bonus given if goal achieved.	Board approved SMG contract on March 22, 2018.
Strategic Priority #4: Organizational Sustainability				
LEADERSHIP	Build a solid Executive Management Team	15%	Bonus given if goal achieved.	100% retention of executive staff
ORGANIZATIONAL HEALTH – Provide overall organization health. Key indicators include: 1) internally-employee engagement & culture; 2) externally-community involvement and leadership.	Establish Employee Engagement benchmark	5%	Bonus given if goal achieved.	1. Employee benchmark established via an annual Employee Satisfaction Survey in October 2017. Mean Score of 4.3, 1-5 scale (41 responses). 2. Quarterly community engagement includes RTAA, EDawn, TravelNevada, Reno-Sparks Chamber, City of Reno, City of Sparks, Washoe County, etc. 50+ meetings.
FINANCIAL HEALTH – Deliver on the Board approved fiscal year budget in adherence to RSCVA financial policies and increase overall facility efficiency	+/- 5% of fiscal year budget achieved	5%	Bonus given if goal achieved	By June 30, 2018, anticipated to be w/in 5% of approved budget.



FY 18/19 CEO Goals

Strategic Priorities	FY 18/19 Goals	% Weight	Process
Strategic Priority #1: Visitation/Destination Awareness			
VISITATION/DESTINATION AWARENESS – Change the perception of Reno-Tahoe through positioning the destination around outdoor activities, arts and culture, and innovative industries. Increase destination awareness and visitor growth by 2-7% from target markets (Bay Area, LA and Seattle).	1,278,000 total room nights from 3 target markets (Bay Area, LA Basin, Seattle) which represents an average of 2.2% increase	15%	Bonus calculated on following scale: If 1,278,000 or more room nights achieved, full bonus for this goal awarded. If 1,251,000-1,277,999 room nights achieved, 75% bonus for this goal awarded.
Strategic Priority #2: Direct Room Night Growth			
PRODUCED GROUP ROOM NIGHTS – The number of room nights booked in meeting, convention, sports, equestrian and non-USBC bowling. FY 2017/2018 room nights were 260,000.	Produce 280,000 Room Nights	35%	Bonus calculated on following scale: If 280,000 room nights produced, full bonus for this goal awarded. If 275,000 to 279,999 room nights produced, 90% bonus for this goal awarded. If 270,000 to 274,999 room nights produced, 80% bonus for this goal awarded. If 267,000 to 269,999 room nights produced 70% bonus for this goal awarded.
CLIENT SATISFACTION – Maintain exemplary ratings on overall satisfaction and experience of meeting planners and event producers for all events booked via RSCVA sales staff, held at RSCVA facilities.	Maintain or exceed a straight average client satisfaction of 5.5 on a scale of 1-7, working closely with SGM on continuance of benchmark.	10%	Bonus given if goal achieved.
Strategic Priority #3: Facility Efficiency			
FACILITY MANAGEMENT – Realize the highest/best use of the facilities, in accordance with the RSCVA mission. Complete onboarding of SMG & SAVOR. Improve operating revenues and minimize losses.	Increase FY18/19 revenue by facility over FY17/18, excluding NBS due to renovations.	15%	Bonus given if goal achieved.



FY 18/19 CEO Goals

Strategic Priority #4: Organizational Sustainability			
LEADERSHIP	Maintain a solid Executive Management Team.	15%	Bonus given if goal achieved.
ORGANIZATIONAL HEALTH – Provide overall organization health. Key indicators include: 1) internally-employee engagement & culture; 2) externally-community involvement and leadership.	1) Maintain Employee Satisfaction with a minimum Mean Score above 4.0 (due to smaller sample size). 2) Maintain current community involvement levels at a minimum of 50 meetings.	5%	Bonus given if goal achieved.
FINANCIAL HEALTH – Deliver on the Board approved fiscal year budget in adherence to RSCVA financial policies and increase overall facility efficiency	+/- 5% of fiscal year budget achieved	5%	Bonus given if goal achieved