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**Reno-Sparks Convention & Visitors Authority
Board of Directors Meeting Minutes
March 28, 2019**

The Regular Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 9:00 a.m., March 28, 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 9:00 a.m.

Pledge of Allegiance led by Jonathan Seiden, Miss USA

Board Members Present:

Nat Carasali
Lee Dillard
Councilman Ed Lawson
Commissioner Bob Lucey
Rick Murdock
Mayor Hillary Schieve
Mark Sterbens
Bill Wood

Board Members Absent:

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
Art Jimenez, Executive Director of Tourism Sales
Esther Isaac, Director of Marketing
Sheri Nill, Director of Human Resources
Ben Kennedy, Legal Counsel
Molly Rezac, Legal Counsel

RSCVA Executive Staff Absent:

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

One public comment submitted through email will be added to the minutes.

C. APPROVAL OF THE AGENDA

Chairman Lucey requested an adjustment in the agenda in moving item **H1. Review, discussion and possible action to approve special event funding for the Miss USA Pageant** to directly follow item **E2. Legislative Update**.

MOTION: Member Lee Dillard made a motion to approve the March 28, 2019 agenda with adjustments. Seconded by Member Mark Sterbens. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF FEBRUARY 28, 2018 REGULAR BOARD MEETING

MOTION: Member Hillary Schieve made a motion to approve the Minutes of February 28, 2019, Regular Meeting. Seconded by Member Rick Murdock. **Motion carried unanimously.**

E. PRESENTATIONS

E1. Appointment of Board Member Pursuant to NRS 244A.601(1)(d)(2)

Ben Kennedy, Legal Counsel for the RSCVA, drew the boards attention to the letter contained in the board materials from the Chamber of Commerce. The Chamber of Commerce submitted three names for consideration to fill the seat recently vacated by Vick Wowo. The nominees are as follows:

Kurt Mische, CEO, KNPB Public Television

Darrell Plummer, President, Sierra Nevada Properties

Ann Silver, CEO, Reno+Sparks Chamber of Commerce

Mr. Kennedy opened the floor for discussion and reminded the board that this item would be voted on by elected officials only.

Chairman Lucey made a motion to nominate Ann Silver, CEO of the Chamber of Commerce, to fill the remainder of Mr. Wowo's term on the RSCVA Board of Directors. This position will be filled until the end of the term in July 2019 and voted on again once the term is up.

MOTION: Chairman Lucey made a motion to approve Ann Silver to the RSCVA Board of Directors. Seconded by Member Ed Lawson. **Motion carried unanimously.**

E2. Legislative Update

Jesse Wadhams, of Fennemore Craig, provided an update on the Legislative Session and issues of interest to the RSCVA. Mr. Wadhams discussed bills that pertained to the RSCVA such as Open Meeting Laws, PERS, OSHA, Minimum Wage and Health Insurance. Mr. Wadhams briefly touched on bill AB368 sponsored by Steve Yeager, from the Nevada Resort Association (NRA) and additional bills that would affect room tax.

Chairman Lucey asked about bill AB160. He asked if the number of seats is decreased and how many seats would be dedicated to eco-tourism.

Phil DeLone stated that bill AB160 sponsored by Lesley Cohen, Heidi Swank and Patricia Spearman for revised provisions governing the Commission on Tourism. It requires that the Commission on Tourism include two members representing eco-tourism. The number of members representing travel and tourism and gaming is reduced from 8 to 6 to accommodate this change.

Rick Murdock voiced concern that the bill would possibly eliminate the Northern Nevada seat currently occupied by Cindy Carano.

Mr. Wadhams stated that he would keep the board apprised of any movement on bills that would affect tourism.

E3. RSCVA Staff Update

Phil DeLone, President/CEO, and RSCVA staff will deliver updates on Executive Office, Marketing, Sales, and Finance, including the Corporate Scorecard. He stated that the RSCVA has been selected from a field of over 100 local companies as "one of the best places to work in Reno & Sparks," a program sponsored by the Reno Gazette Journal. This is the first time in the organization's history that we have been selected, and the Authority is proud to be a finalist. Mr. DeLone stated that preparation of the RSCVA's 2019/20 annual budget is underway. He announced that the complete transfer of Wildcreek Golf Course, and all of its assets to Washoe County, has entered escrow. Mr. DeLone gave a brief update on the RSCVA facilities. He stated that the RSLEC DocBar Room will have new ceiling tile, fresh paint throughout, all new LED lighting and new LVT engineered wood flooring along with new furnishings. He went on to say that the entire indoor arena is now scheduled to receive all new lighting starting September 15th. Mr. DeLone said that the remodel of the National Bowling Stadium is scheduled for completion October 4th, and staying within budget according to the City of Reno.

Jennifer Cunningham, Executive Vice President, stated that last month staff was asked about the decline in website visits from the LA Market. She said that the team changed the digital strategy from awareness to engagement, moving dollars from network display advertising to paid social support. Ms. Cunningham added that the marketing team would be giving a short presentation next month that will give a better understanding to all of the changes that have impacted website visits in addition to where people are going on our website. Ms. Cunningham drew the boards attention to the Year-To-Date (YTD) numbers. She said that Seattle and LA are both down, however, Planner Requests, Travel Planners viewed online, and Newsletter signups are all up. Ms. Cunningham announced that Overall Occupancy declined 4% for January in room nights. She affirmed the ADR was up considerably and contributed to a 4.8% increase in Taxable Revenue. She briefly touched on air service announcing that Alaska Airlines will upgrade one of their four flights to Seattle to a 737 aircraft as of July 15th. Stating that this larger aircraft adds 100 seats daily to the market. Along the same line, United Airlines has put in a daily schedule to Houston starting in September. She added that RASC would be supporting the new service with marketing dollars.

Michael Larragueta, Vice President of Sales, introduced Roma Giordano, the RSCVA's new Regional Director of Convention Sale for the South-Central territory based in Dallas, Texas. He addressed the Direct Room Night Growth saying that gross produced room nights equaled 19,004 on a goal of 18,429 for the month of January. He mentioned the Interbike cancellation is reflected in the January scorecard; hence the net produced room nights for the month being (-26,414). Mr. Larragueta went on to say that for the year, excluding the Interbike cancellation, the RSCVA is pacing at 90% to goal and with the Interbike cancellation we are at 60% to goal. He added that gross produced room nights equaled 9,919 on a goal of 21,103 for the month of February. Mr. Larragueta reminded the board that Chairman Lucey requested an update on the Convention Sales teams activities and how we are strategically pursuing convention business at the February board meeting. He reported the first quarter numbers as follows:

- 24 sites
- 53,865 room nights
- 13 of the 24 sites will turn definite representing 38,035 room nights
- 7 of the sites have a high probability of going definite representing 11,589 room nights
- The remaining four sites representing 4,241 room nights are looking at several cities
- 40% of the room nights are represented by new business

He stated that moving forward the sales team would report monthly on the number of site inspections that were held the previous month, the number of room nights these sites represented, the forecasted close percentage of these sites and the percentage of these sites that is new business to our city.

Art Jimenez, Executive Director of Tourism Sales, reported on the tourism numbers. He stated that the tourism sector room nights at 53,435, or a decrease of 3,827 from last January. This is 88% of the goal of 60,697 room nights. He added that the YTD room nights are 454,813, which is 88% of the YTD total goal of 516,431 room nights. Mr. Jimenez updated the board on the partnership marketing campaigns. He said that the RSCVA had completed the fourth seasonal Expedia campaign which has produced exposure across all of the Expedia brands.

Esther Isaac, Director of Marketing, was pleased to announce that the RSCVA marketing department was awarded several American Advertising Federation awards for excellence in advertising, along with an Adrian Award from the Hospitality Sales and Marketing Association International (HMSAI) for the RSCVA website.

Mr. Robert Chisel, Director of Finance, gave the board a brief financial update. He stated that for the month of January 2019, the RSCVA's total room tax collections are at \$20.8M to a budget of \$20.8M. He added that tourism surcharge is down \$3.154M to a budget of \$3.2M; however, overall revenue is up \$769,000 over budget. He finished by saying the RSCVA financial department is busy with the FY 2019/20 budget, capital improvement plan and the completion of the Wildcreek transfer.

E4. Downtown Reno Business Improvement District (BID) Update

Alex Stettinski, Executive Director, Downtown Reno Business Improvement District (BID), also known as Downtown Reno Partnership, presented an update to the board on the four-month progress the BID has had since its inception. He touched on the three different programs that the BID is charged with including the Ambassadors, Marketing and Economic Development. Mr. Stettinski opened the floor for comments and questions.

Lee Dillard asked Mr. Stettinski how the board helps to get the word out as to what the BID has accomplished.

Mr. Stettinski stated that the BID is in the process of putting together a brochure that explains what they are doing to improve the downtown area and some of the accomplishments. He said that the BID will mail this brochure, as well as hand it out any all of their events.

Rick Murdock praised Mr. Stettinski and the BID Ambassadors for their hard work and the results they have accomplished.

Mr. Stettinski thanked Mr. Murdock and added that he has called a meeting of local leaders together, including the Mayor, Chief of Police and the City Attorney, to get everyone on the same page.

F. FINANCE DIVISION

F1. Review, discussion and possible action of bid award 2019-07 to Trastar for light fixtures at the Reno-Sparks Livestock Event Center in an amount not to exceed One Hundred Thousand Sixty-Four Dollars (\$100,064)

The Board of Directors was asked to review, discuss and approve the award of bid 2019-07 to Trastar for light fixtures at the Reno-Sparks Livestock Event Center in an amount not to exceed One Hundred Thousand Sixty-Four Dollars (\$100,064).

MOTION: Lee Dillard made a motion to approve bid award 2019-07. Seconded by Member Mark Sterbens. **Motion carried unanimously.**

F2. Review, discussion and possible action to approve a resolution pertaining to the issuance of general obligation bonds by the Reno-Sparks Convention & Visitors Authority in the name of and on behalf of Washoe County

The Board of Directors was asked to review, discuss and approve Resolution 585 authorizing the Director of Finance to arrange for the issuance and sale, in accordance with Chapter 350 of NRS, of general obligation (limited tax) refunding bonds (secured with pledged revenues), in an amount to be determined (and subject to future Board of Directors approval) in one or more series of bonds in a principal amount necessary to effect a refunding of existing bonds.

MOTION: Lee Dillard made a motion to approve Resolution 585. Seconded by Member Mark Sterbens. **Motion carried unanimously.**

G. MARKETING DIVISION

G1. Review, discussion and possible action for a new contract for website planning, marketing and website maintenance with Noble Studios, the existing website vendor

The Board of Directors was asked to review, discuss and approve the renewal of the contract with Noble Studios for website planning, digital marketing and website maintenance for fiscal year 2019/2020 with an annual extension for two additional years (July 1, 2019 through June 30, 2022) at a cost not to exceed \$134,000 per fiscal year.

MOTION: Rick Murdock made a motion to approve the contract for Noble Studios as recommended. Seconded by Mayor Schieve. **Motion carried unanimously.**

H. SPECIAL FUNDING REQUEST

H1. Review, discussion and possible action to provide special event funding for the Miss USA Pageant

Phil DeLone stated that the RSCVA Board of Directors had previously heard a presentation from Mr. Jonathan Sieden, Legal Council, IMG and Larry Parra, VP Finance and CFO with the Miss Universe Organization (MUO) at the February 28, 2019 RSCVA Board of Directors meeting. He added that the Miss USA organization wishes to hold their televised event here in Reno Tahoe on Thursday, May 2nd, five weeks from today. The Grand Sierra Resort (GSR) has been in discussion with the Miss USA pageant for some time, and it has been determined that the event will film in the GSR Showroom. The pageant is requesting sponsorship from the community. There are several concessions including 3,400 complimentary room nights. He added that the GSR has generously agreed to provide 1,500 complimentary rooms along with 2,100 meals that are a requirement. The pageant committee stated that they have secured the balance of the requested needed rooms elsewhere in the destination of the room nights. The pageant committee has asked for sponsorship of up to and not to exceed \$350,000 from the community which is up for discussion today. Mr. DeLone turned the meeting back to Chairman Lucey.

Chairman Lucey introduced Paula Shugart, President, Miss Universe Organization and Jonathan Sieden, Legal Council, IMG and asked that they present to the board of directors.

Paula Shugart, President, Miss Universe Organization discussed the Miss USA brand and stated that the organization is always asked to come back by the participating cities because what the pageant can offer. She said that Miss USA offers exposure and distributes to over 70 countries. Ms. Shugart added that the Miss USA Advisor council met in New York a few weeks ago and they are excited at the possibility of having the event in Reno; they asked if the Miss USA team would consider having the Miss Teen USA event in Reno as well. Ms. Shugart said Miss Teen USA would bring in even more families to the area. She stated that Miss USA offers 20M impressions per day to a younger audience, as well as reaching an older audience through the telecast. She expressed interest in taking a group of the contestants to Carson City and meet with the women in the legislature. She said that per diem is close to \$300K which is all left in the community. Ms. Shugart offered to answer any questions of the board.

Rick Murdock asked if there is any data that show the states within the US that are impacted by the Miss USA pageant.

Jonathan Sieden, Legal Council with IMG, stated that there is social media data that shows that California and Nevada are two of the top five states impacted.

Ms. Shugart added that this is a unique year by having Catriona Gray, Miss Universe, in attendance it will draw a huge following from the Filipino community both in Nevada and California.

Chairman Lucey asked Ms. Shugart and Mr. Sieden if six weeks is the standard amount of time to plan for an event this size. He added that the RSCVA has never put on an event this size and magnitude, nor has the RSCVA been asked to sponsor at this level and given the short amount of time in which to pull it off. He said that it leaves him with a level of concern as to the quality of the event produced in five weeks.

Ms. Shugart stated that the MUO would prefer more time. However, they have worked with less time, and she would not be here before the board if she weren't 100% sure they could pull this off. She added that the MUO has a calendar of events ready to plug in the dates and locations.

Chairman Lucey stated that in the presentation to the board on February 28th, Mr. Sidens estimated that the room nights to be total room nights 5,500. Is that correct?

Mr. Seiden stated that was in their statistics, so that would be correct.

Chairman Lucey then said that Mr. Sieden mentioned 5,500 room nights. Is that inclusive of the 3,400 that would be comp rooms?

Ms. Shugart stated MUO would want the comp rooms out of that, but she would say it would probably be more in terms of people traveling to the location.

Mr. Seiden stated that Mr. Larry Parra corrected the record at the last meeting that not all of that was part of the 5,500 room nights especially if MUO does the Miss Teen USA pageant at the same time. He added that it would bring a lot of families who would transition from Miss Teen USA to the Miss USA pageant, so it would be more rooms at that time.

Chairman Lucey asked if the MUO was talking about two shows instead of one.

Ms. Shugart stated yes, the shows happen at the same time. She said that the teens would travel with the Miss USA contestants. The event happens a couple of days before, but it is just a footprint that is overlaid on the calendar.

Mark Sterbens asked if the RSCVA was not able to fund the full amount, is there an alternative plan or location the MUO is considering?

Ms. Shugart stated that the MUO would go to the network and ask them to move the show and look at one of the previous locations if they were unable to get the funding. She added that MUO and the network are very focused on having the event in Reno and they are very willing to promote the region. She said that Fox is interested because the show has never been done in Reno and it makes a better story for the network.

Mayor Schieve asked for a breakdown of the Miss USA demographics.

Ms. Shugart stated that much of the audience from social and web come from Southeast Asia, North America and Latin America and the gender breakdown is 60% female to 40% male.

Mr. Seiden stated that the research showed that the top states, based on the fans through social media (Instagram, Twitter, and Facebook), were California, Texas, Nevada, Florida, Georgia, Ohio, Pennsylvania, and New York.

Rick Murdock asked if Catriona Gray, Miss Universe, would be doing appearances and would she be available for promotion? He also asked if they RSCVA and other properties, not just the host hotel, would have access to that promotion?

Ms. Shugart said that not only would she be available for the event, but she would also be available for promotion for the year. For example, if there is a big event or anything else to promote in the region that you want to bring Miss Universe back, the MUO would have access to Ms. Gray. She stated that the MUO sees this as a long-term partnership.

Chairman Lucey stated that he has a lot of concern surrounding this event. The RSCVA is involved in several legacy events such as the Barracuda Golf Tournament, and this is the first time that the board has had an ask of this magnitude and size. He said he understands that the exposure that comes with the Miss USA event is tremendous. However, \$350,000 can buy a significant amount for airtime and exposure. Mr. Lucey said that he doesn't see the cost versus benefit in the room nights that will cover any ask, especially \$350K. He said he would like to see the media buy would be for that amount of money.

Ms. Cunningham said the marketing team reached out to our partners and stated that Decker Royal, the PR firm out of New York, said that type of dollar amount would get air time on the Jimmy Kimmel Show, Today Show or Ellen.

Mr. Seiden stated that the audience of the Miss USA pageant is going to be larger than the Today Show, Jimmy Kimmel or Ellen. He added that the organization does not have the Nielson ratings, but the audience in the US is likely over 2M, not to mention 70 other countries. He stated that the two-hour show promoting the area is a commercial in and of itself.

Ms. Shugart mentioned that the advantage of promoting during the broadcast is that the audience does not skip through the show like they would commercials. She went on to say that there will be people visiting the region that would never have traveled here if it were not for the pageant and that they would probably return after their positive experience. She also said that the contestants and title holders could feed out any commercial from the RSCVA and the MUO would have no problem with titleholders feeding them out every day if the RSCVA wanted.

Mr. Sieden added that there would potentially be four separate events held in Reno. The Miss Teen USA preliminary event and the finale show. Both are digitally broadcast. Then there would also be a Miss USA preliminary event that is digitally broadcast and the prime time Miss USA finale show.

Mayor Schieve agreed with Chairman Lucey that the RSCVA is involved in several legacy events; however, the exposure for the Miss USA pageant in her belief is far greater than the Barracuda tournament. She asked if it would be possible to work with the Miss USA social media team to market the brand and destination simultaneously with the RSCVA social media team?

Ms. Shugart stated that they would want to work with the RSCVA marketing team. Adding that no one knows the destination and branding better than the RSCVA. The MUO would expect to take direction from the RSCVA team. Again stating that this is a partnership. She added that the three weeks leading up to the pageant are the most trafficked in the world and Miss Universe beat the Olympics in fan traffic.

Christina Erny, Senior Digital Marketing & Engagement Manager with RSCVA, stated that the social media reach is big, however presenting the right message is critical.

Mr. Sieden stated that it is very important that the destination become part of the event. He added that no other awards show incorporates the destination like the Miss USA pageant.

Councilman Lawson asked the marketing team if the 2.1 million followers reach is worth the \$350K ask?

Ms. Erny stated in terms of how much the RSCVA would pay social media influencers; she said that the investment was more than she would spend. She added that it is hard to accurately calculate to reach in terms of the dollar amount.

Nat Carasali voiced his concern that this is the right event for our destination. He asked if the RSCVA marketing and public relations partners are in favor of such an event.

Jennifer Cunningham said that the marketing department reached out the BVK, Decker Royal and EXL Media for feedback. She asked that Esther Isaac, Director of Marketing and Ben McDonald, Communications Manager, to share their findings with the board.

Ms. Isaac said that the team reached out to the RSCVA marketing partners for their opinions and advice. Concerns were raised by the RSCVA's media buying agency, EXL Media, about the media value and brand position. Ms. Isaac also read the statement from the RSCVA's national public relations firm of record, BVK.

"Over the last several years, the Miss USA Pageant has been faced with declining viewership, significant public scrutiny, and negative press. While it appears that the Miss USA Pageant is taking steps toward refreshing its image and representing a new generation of female leaders, it's still unknown whether those changes will result in improved perception and ultimately, ratings. Moreover, the Pageant's current viewership is misaligned with Reno

Tahoe's target audience. Given Reno Tahoe's commitment to focusing on partnerships that enhance the brand and inspire visitation, we believe that a marketing partnership with the Pageant is not prudent at this time."

Mr. McDonald stated he spoke with the team at BVK, the RSCVA's Integrated Marketing Firm, and shared some of the comments that include:

"While we have no reason to doubt the optimistic figures in the pitch deck, based on a media review, we feel certain that the resulting coverage will not be destination driven. We also feel that the timing of hosting a beauty pageant is off-brand for Reno Tahoe, particularly in light of the negative press the pageant has garnered and its waning ratings which have been widely reported. RSCVA has spent nearly three years developing the "Ambition" brand, working to redefine itself as something very different, giving visitors a new reason to visit. Brand Reno Tahoe was designed to attract visitors who "live in the moment as active participants, not spectators." For all the pageant's best intentions, our target audience may feel like this is a spectator sport."

Mayor Schieve responded "that the marketing partners are saying that this is not a demographic that we would generally go after, but isn't that the reason we look at other events is that they go after a demographic that we typically wouldn't reach?" She went on to say that staff needs to be careful when talking about the Miss USA brand not being ambitious. Mayor Schieve wanted to make it clear that a lot these women are very ambitious. She said that she has employees in her business that participate in pageants and they are some of the most impressive women that she employs.

Mark Sterbens asked where the money would come from to fund this event.

Mr. DeLone stated that the RSCVA would either pull from the marketing budget, air service fund, and/or the contingency fund.

Member Bill Wood asked how much exposure time is dedicated to the host city during the broadcast.

Ms. Shugart answered by saying that it is approximately four minutes.

Member Rick Murdock asked the RSCVA staff if it would be worth \$350K to go out and buy this event.

Ms. Cunningham stated that it is probably worth \$350K taking into consideration the air time and exposure. She also said that it probably wouldn't be something that the RSCVA would go out and buy.

Chairman Lucey asked where the pageant was filmed in previous years.

Ms. Shugart stated that the pageant has previously held in Shreveport, Louisiana (2018), Las Vegas, Nevada (2016 & 17), Baton Rouge, Louisiana (2014 & 15).

Chairman Lucey stated that the tree-lined streets by the river and other areas of Reno might not be in bloom the first week of May. He asked what the production team plans to do to market the beauty of Reno during that time.

Ms. Shugart stated that the production team will intercut video and promotion from the best videos they have to offer.

Chairman Lucey thanked Mr. Sieden and Ms. Shugart for the presentation and asked for some direction from the board in regards to where to go with this item.

Councilman Lawson made a motion to approve the special event funding for Miss USA pageant in the full amount of \$350K.

Mayor Schieve seconded the motion.

Chairman Lucey asked if there was any further discussion.

Rick Murdock asked about the state's funding of \$100K and asked if there was a different amount other than \$350K for the board to consider.

Chairman Lucey stated that the NCOT has indicated interest to match the amount agreed upon by the RSCVA board up to \$100K. He agreed with Mayor Schieve that there is a motion and a second at the full amount presented and that the board needed to vote on the motion presented.

MOTION: Councilman Lawson made a motion to approve the special funding in the full amount of \$350K. Seconded by Mayor Schieve. **Motion carried 6 to 3.** The vote tally was as follows:

Nat Carasali:	Aye
Lee Dillard:	Aye
Ed Lawson:	Aye
Bob Lucey:	Nay
Rick Murdock:	Aye
Hillary Schieve:	Aye
Anne Silver:	Aye
Mark Sterbens:	Nay
Bill Wood:	Nay

I. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

Rick Murdock asked for a monthly booking report from SMG on conventions and entertainment.

J. COMMENTS FROM THE FLOOR BY THE PUBLIC

No public comments were presented. A written comment was presented for inclusion in the board meeting minutes (see attached letter).

K. ADJOURNMENT

Meeting adjourned at 11:31 a.m.