

**RENO-SPARKS CONVENTION AND VISITORS AUTHORITY
NOTICE OF PUBLIC MEETING
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, September 26, 2019, at 9:00 A.M.
Reno-Sparks Convention and Visitors Authority
4001 S. Virginia Street, Board Room
Reno, Nevada**

**BOARD OF DIRECTORS:
Commissioner Bob Lucey, Chairman**

Mr. Nat Carasali
Ms. Shannon Keel
Councilman Ed Lawson
Mayor Hillary Schieve

Ms. Ann Silver
Mr. Mark Sterbens
Mr. Bill Wood

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)
Reno City Hall
Sparks City Hall
National Bowling Stadium
RSCVA Website: www.rscva.com/public-meetings

Reno-Sparks Convention Center
Washoe County Administration Bldg.
Washoe County Courthouse
Online at <http://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 Corie Carlsen, 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 OF SEPTEMBER 26, 2019 BOARD OF DIRECTORS' REGULAR MEETING

For possible action.

D. APPROVAL OF MINUTES OF AUGUST 22, 2019 BOARD OF DIRECTORS' REGULAR MEETING

For possible action.

E. PRESENTATIONS

E1. RSCVA Board Appointment of Nevada Resort Association Board of Directors seat pursuant to NRS 244A.601(1)(d)(4)

The elected public official members of the Board of Directors will consider the appointment of a representative to the RSCVA Board nominated by the Nevada Resort Association for the seat recently vacated by Lee Dillard. The Nevada Resort Association has nominated Don Kornstein, Board Member at Caesars/Harrah's. If approved, the appointment will become effective immediately.

For possible action.

E2. Election of the RSCVA Secretary and Treasurer

The RSCVA Board of Directors will elect a Secretary and Treasurer from among its members pursuant to NRS 244A.605. This seat was previously vacated by Lee Dillard.

For possible action.

E3. SMG General Update

Michael Day, General Manager of SMG - Reno, will provide an overview of the four SMG managed facilities. As well as discuss the Kingpin Club by Brunswick and the Grand Reopening Gala for the National Bowling Stadium.

This is an information item. Not an action item.

E4. RSCVA Staff Update

Phil DeLone, President/CEO, and RSCVA staff will deliver updates on Executive Office, Marketing, Sales, and Finance, including the Corporate Scorecard.

This is an information item. Not an action item.

E5. Downtown Reno Partnership Update

Alex Stettinski, Executive Director of the Downtown Reno Partnership, will deliver updates on the Downtown Reno Partnership.

This is an information item. Not an action item.

F. FINANCE DEPARTMENT

F1. Review, discussion and possible approval of a wireless network lease with American Tower Corporation for the Reno-Sparks Convention Center

The Board of Directors is being asked to review and approve a Wireless Network Lease for the Reno-Sparks Convention Center (RSCC) for the installation of an indoor distributed antenna system (DAS) for wireless telecommunications and data for a period of ten years with renewal terms.

For possible action.

F2. Review, discussion and possible approval of the Reno-Sparks Convention and Visitors Authority's Investment Policy

The Board of Directors is being asked to review and approve the updated Investment Policy for the Reno-Sparks Convention & Visitors Authority.

For possible action.

F3. Review, discussion and possible approval of the advance purchase and reimbursement of cost from the City of Reno for carpeting and HVAC for the National Bowling Stadium for an amount not to exceed \$143,573

The Board of Directors is being asked to review and approve the RSCVA purchasing, on behalf of the City of Reno, carpeting for the "Pro Shop" area and the "South Atrium" area of the fourth floor of the National Bowling Stadium for a cost to not exceed \$63,548, and HVAC for the "South Atrium" area for a cost to not exceed \$80,025 (engineers estimate \$72,750 plus 10% contingency of \$7,275), for a total not to exceed \$143,573, subject to reimbursement by the City of Reno as funds become available.

For possible action.

G. EXECUTIVE/LEGISLATIVE COMMITTEE RECOMMENDATIONS

G1. Phil DeLone, President/CEO Goals & Objectives for FY 2019-2020

Erica Olsen, OnStrategy, will present to the board issues discovered regarding the measurement of room nights relative to Visitation/Destination Awareness and Tourism Sales. The Executive/Legislative Committee is recommending modifications to the RSCVA CEO Goal Strategic Priority #1 FY 2019-2020 based thereon.

For possible action.

H. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

This is an information item. Not an action item.

I. COMMENTS FROM THE FLOOR BY THE PUBLIC

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I. 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 under 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
775-827-7618



P.O. Box 837
Reno, NV 89504 USA
t: 775.827.7600
VisitRenoTahoe.com

**Reno-Sparks Convention & Visitors Authority
Board of Directors Meeting Minutes
August 22, 2019**

The Regular Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 9:00 a.m., August 22, 2019, 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 Andrew Diss, Director of Government Affairs, Meruelo Group

Board Members Present:

Nat Carasali
Shannon Keel
Councilman Ed Lawson
Commissioner Bob Lucey
Mayor Hillary Schieve
Ann Silver
Mark Sterbens
Bill Wood

Board Members Absent:

RSCVA Executive Staff Present:

Phil DeLone, President/Chief Executive Officer
Jennifer Cunningham, Executive Vice President
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:

Michael Larragueta, Vice President of Sales

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

None

C. APPROVAL OF THE AGENDA

MOTION: Member Mark Sterbens made a motion to approve the August 22, 2019 agenda with the amendments. Seconded by member Mayor Hillary Schieve. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF JUNE 27, 2019 REGULAR BOARD MEETING

MOTION: Member Ann Silver made a motion to approve the Minutes of June 27, 2019, Regular Meeting. Seconded by Member Mark Sterbens. **Motion carried unanimously.**

E. PRESENTATIONS

E1. RSCVA Staff Update

Phil DeLone, President & CEO, gave the board a brief state of affairs at the RSCVA. He began by saying that this past week we booked and contracted the 13,000-room night convention for Moose International for June of 2023. Mr. DeLone added that he would accompany Mayor Schieve and her team tomorrow as the United States Conference of Mayors tours the city as a possible site for their Summer 2021 conference. He thanked Mayor Schieve for her solicitation of this business for the community. Mr. DeLone brought the board up to speed on a new incentive program with the RSCVA Sales Team for city-wide conventions. The RSCVA's board approved the definition of a city-wide is a group using 2,000 rooms minimum on peak night, an RSCVA public facility, two or more hotels for housing and the group must book a minimum of 12,500 room nights. Those salespeople that succeed in booking a citywide group will receive a \$10,000.00 additional bonus. Mr. DeLone stated that final numbers for FY 2018/2019 are now in and reportable. He stated that Washoe County Average Daily Rate stands at \$115.53 for the 12 months ending June 30th, this is a 10.7% increase from the year prior. He went on to say that the 41 hotel properties in the county saw an ADR of \$121.09, or an increase of 10.5% year-over-year. For the first time in the destination's history, taxable room revenue in Washoe County exceeded \$401 Million. He added that air service, as reported by the RTAA, year-over-year passenger counts are up 4.1% at 4,298,555 inbound/outbound and passenger seat counts are up 3.8% at 5,379,662 inbound/outbound. Mr. DeLone said that the RSCVA Sales Team booked 289,030 room nights of future business and tourism sales secured 749,157 room nights driven from OTAs, travel wholesalers, receptive tour operators, travel agents, motorcoach, ski and golf operators. He went on to say that the destination consumed 1,218,148 room nights from our three core markets of the San Francisco Bay Area, the Los Angeles Basin, and Seattle.

Jennifer Cunningham shared with the board research on women and travel. She stated that women represent the fastest-growing segment in both leisure and business travel markets. She added that women are typically the driving force behind travel decisions, therefore necessitating adaptation by the travel industry and by tourism marketing. When it comes to travel making process, women tend to rely on social media community recommendations, reviews, and advice. According to Forbes, women make up 80% of all travel decisions, and according to the Travel Industry Association of America, that number is 82%. Ms. Cunningham gave a brief presentation on a media influencer that the RSCVA hosted this past weekend. JJ Yosh and his cat Simon a.k.a. the "Backpacking Kitty" came to our area this past weekend and enjoyed several of Reno's hottest spots. She suggested the board take a look for JJ and Simon on one of the fastest-growing social media sites, tik tok. There you can find JJ and Simon enjoying their time in the region. Ms. Cunningham added that the marketing department would recap all of the Influencers the RSCVA utilized this summer in a presentation to the board this fall. Ms. Cunningham also shared that the RSCVA, in conjunction with Chris Hoff and the team at the Baracuda Championship, hosted Tron Carter and Chris Solomon from the popular golf podcast "No Laying Up." Their combined social media followers total is approximately 900K followers. They visited several spots in the region and played in the Baracuda Pro-Am (see the Strapped trailer at <https://youtu.be/MjbX6dPcvFc>). Ms. Cunningham invited Chris Hoff, Tournament Director of the Baracuda Championship, to give the board a recap and update on the program.

Chris Hoff, Tournament Director, Barracuda Championship, gave the board an update on the 2019 Baracuda Championship. He stated that Collin Morikawa was crowned the winner on championship Sunday. It was his first PGA Tour victory, his seventh PGA start. Despite the rain on Friday, sponsorship sales, concessions, merchandise sales were all up from last year. The RSCVA partnered with the Baracuda to engage out-of-market audiences, including a co-branded promotion at the celebrity event at Edgewood. The event saw a significantly younger demographic and Mr. Hoff thanked Jennifer and her marketing team for helping to bring the RenoTahoe vibe to the event. He stated that founders of the "No Laying Up" podcast, Tron Carter and Chris Solomon, interviewed Jason Bone and Tim Herron and it was one of the top three out of over 250 podcasts. Mr. Hoff went on to discuss the decision by the Montreaux Board of Directors to cancel the contract with the Baracuda Championship. He stated that very few tournaments play at the same course year after year. He said that the Baracuda has been blessed with the Montreaux Golf Course since 1999 and the plan is to stay in the area.

Art Jimenez, Executive Director of Tourism Sales, presented the Tourism Sales update for the Fiscal Year 2019. He touched on the tourism sales & marketing programs, the China initiative and room night totals for the year. He's stated that the room nights were not what the RSCVA had hoped for; however, the ADR has increased by \$2.42.

Robert Chisel, Director of Finance, discussed the interim financials for May and June found in the board materials. He pointed out that the June financials are unaudited as Eide Baily, external auditors, are in the process of completing the 2019 audit. Mr. Chisel added that the RSCVA recently completed an audit by the Public Employees Retirement System with no significant finds. He reviewed a few of the RSCVA Capital Projects underway, stating that the repairs to the roof at the Livestock Event Center are complete, the furniture installation for the public areas of the Convention Center is nearly complete, and the LED lights for the Livestock Arena have been delivered for installation in September.

E2. President/CEO Review and Evaluation for FY 2018-2019

Molly Rezac, Legal Council, reminded the board of the employment contract with Mr. DeLone. By way of background, Mr. DeLone was recruited in 2016 when the board went through the President/CEO recruitment process. A third party headhunter recommended a base salary of between \$350,000 to \$500,000 per year with the ability of a bonus of 20% of the base salary. However, through the recruitment process, the board determined that they would rather start at a lower salary, but increase the bonus amount so that the board would have more control to set goals and objectives, to be able to monitor those goals and determine the overall CEO salary. The board agreed on a base salary of \$250,000 with the opportunity to earn a bonus incentive of up to 40% of that base salary. Ms. Rezac stated that any salary increase is at the sole discretion of the board of directors, as stated in the employment contract, specifically paragraph 2.1.1. under Salary Increases "Employee shall be eligible for increase in the salary in the sole discretion of RSCVA's Board of Directors. However, an the Board authorizes a cost-of-living increase for Employees of the RSCVA, Employee shall be entitled to receive that cost-of-living increase as well." Ms. Rezac stated that the board has not authorized a cost-of-living increase; the staff has received merit increases. She went on to say that under paragraph 2.2 "Employee may be entitled to a Bonus of up to 40% of the Salary at the sole discretion of the Board as set forth in Exhibit B."

Shannon Keel asked how the Executive/Legislative Committee arrived at the 10% merit increase.

Molly Rezac answered by saying that the E/L Committee recommended the 10% increase based on the information in the meeting materials under Item E2 FY 19-19 CEO Merit Evaluation. This included a self -evaluation by Mr. DeLone, a 360° Review by the Executive Leadership Team and Board Evaluations. Based on this information, the Executive/Leadership Committee made the recommendation of the 10% salary increase.

Nat Carasali, chairman of the Executive/Legislative Committee, added that the committee met on two separate occasions and looked at all of the information presented in the board packets. He stated that they discussed all of the information in that packet, both positive and negative, and voted on the 10% merit increase.

Chairman Lucey asked if Mr. DeLone had any remarks to the decision of the Executive/Legislative Committee.

Phil DeLone stated that the Executive/Legislative Committee met to review and discuss the CEO annual performance, through the verification of measurable performance goals. He added that the merit increase is tied to the goals and objectives in the long-range strategic plan adopted by the RSCVA Board of Directors. Mr. DeLone addressed Strategic Priority #1: Visitation/Destination Awareness. He said that a goal of 1,278,000 room nights was established for destination marketing driven room nights from our three core markets of the Los Angeles basin, the San Francisco Bay Area and Seattle. He said that the results were off slightly, by 4%, however this is arguably attributable to the properties driving a nearly 11% increase in the average daily rate (ADR). This higher ADR is a

significant increase, resulting in more than \$11million in additional taxable room revenue. He said that the resorts and hotels are sacrificing a little occupancy, for a higher room rate. Mr. DeLone addressed Strategic Priority #2: Direct Room Night growth. He stated that in convention and meeting sales, the team exceeded the goal, booking 289,030 room nights of convention business for the future. Of those room nights, 37% was completely new business having never met in the destination previously, nor having had previous contact with the RSCVA. He said that this achievement indicates that our eight sales people located remotely throughout the United States, plus our seasoned team here in Reno, are producing measurable results. He added that client site inspections, another measurable statistic, have increased, resulting in more property visits and the booking of cash room nights. Mr. DeLone then addressed Strategic Priority #3: Facility Efficiency. He said that the RSCVA facilities provide great service and have consistently been given high marks by our customers for the level of service and attention to detail that our facilities offer. He added that SMG and Savor are doing an excellent job in keeping our valuable customers happy. Finally, Mr. DeLone spoke to Strategic Priority #4: Organizational Stability. He said that the financial health of the RSCVA is excellent. The RSCVA met revenue expectations while controlling expenses. He stated that the RSCVA was nominated as "one of the best places to work" in Reno Tahoe by the Northern Nevada Human Resources Association. In order to secure this designation, the RSCVA employees themselves, through a third-party survey, had to evaluate the employer at a satisfaction rate of no less than 80%. The RSCVA received a score of 89%. Mr. DeLone went on to say that he has read the recommendation by the Executive & Legislative Committee, and while they unanimously voted to recommend a 10% annual base salary increase, he accepted a 5% increase. Mr. DeLone closed by saying that he is honored that the Committee believes in his leadership and that the RSCVA is being led in the right direction.

Chairman Bob Lucey stated that the staff reviews of Mr. DeLone are understandably anonymous, however, the board review of Mr. DeLone did not afford the board the ability to make comments or elaborate on any given question. He said that, in the future, the board should have the ability to address any issues, make a comment and voice concerns in the evaluation. He added that he felt a 10% was high, but a motion was made for the 10% and seconded. Mr. Lucey said that it is now up to the sole discretion of the board to decide if they agree with the Executive/Legislative Committee.

Shannon Keel stated that she remained fairly neutral in the board review process as she is a relatively new member of the board. Ms. Keel agreed that future reviews should give the board the ability to expand on any given answer.

Mayor Schieve commended Mr. DeLone on putting together an exceptional team together. She added that she agrees with chairman Lucey, that the board should not be anonymous and that she has no problem accounting for her answers. Mayor Schieve added that she is constantly getting compliments on the branding of the region. She asked Mr. DeLone if there is a current plan to recapture business in the wake of the Interbike and SCI cancellations.

Mr. DeLone stated that no one could have foreseen that Interbike would fulfill one year of their five-year contract before the company imploded. He added that while SCI will fulfill two of the three-year contract, he feels that they will be back in Reno very soon. He went on to say that Michael Larraguetta has assembled a reliable sales team, including eight regional sales managers strategically placed throughout the country. Mr. DeLone said that he is more than confident that the team will meet and even exceed their numbers for this year. He said that although air service is growing, it continues to be a challenge when booking the city wide conventions. Mr. DeLone stated that SMG and Savor were hired to improve efficiencies at the four facilities and lessen the losses from those buildings. SMG is entrusted to lessen those losses. He added that our concert level has increased at the event center and the food and beverage profits are higher than in previous years.

Mayor Schieve stated that her concern is having empty buildings and thanked Mr. DeLone for staying on top of the facility management.

MOTION: Vice Chairman Ed Lawson made a motion to accept Mr. DeLone's offer of a 5% Merit Increase to his current salary. Seconded by Member Bill Wood. **Motion carried unanimously**

E3. Phil DeLone, President/CEO Goals & Objectives for FY 2018-2019

Molly Rezac, Legal Council, drew the board attention to Item E3 in the board packet. She noted that Strategic Priority #1, Visitation/Destination Awareness, was not achieved. The Goal was set at 1,278,000 total room nights from 3 target markets (Bay Area, LA Basin, Seattle). For FY 2018-2019, the room nights realized from the three core markets was 1,218,148. Therefore, the goal was missed by 59,852 room nights. She said that the Committee noted that ADR was up 10.7%. Upon inquiry, it was determined that this increase produced \$11,925,614.00 more room revenue than the year prior. The Committee felt that this increase in ADR more than makes up for the decrease in total room nights from the 3 target markets. She added that the committee noted that there were other factors such as weather and wildfires that may have affected the visitation as well. She said due to this information, the committee decided that Strategic Priority #1 was achieved. Ms. Rezac moved onto Strategic Priority #2, Direct Room Night Growth. She stated that the Fiscal Year 2018-2019 Goal was to produce 280,000 room nights. The RSCVA produced 289,030 room nights, stating that the goal was achieved. That said, the Committee discussed the Interbike cancellation, noting that the team had taken credit for 45,270 room nights that will not be consumed. However, the Committee felt, due to no fault of the RSCVA team, Interbike went out of business, and that this was the reason why these room nights will not be consumed. The Committee recommends that the Board not penalize the CEO for matters outside his control regarding Interbike and not require any deduction from the produced room nights. Therefore, the Committee found that the Strategic Priority #2, Direct Room Night Growth CEO Goal has been achieved. Ms. Rezac also touched on Client Satisfaction, noting that the goal was to maintain or exceed a straight average client satisfaction of 5.5 on a scale of 1-7, or 78%. She said that SMG conducted post-event surveys that detail an overall satisfaction of 90.4% and this goal was achieved. Ms. Rezac discussed Strategic Priority #3: Facility Efficiency. She said that this priority is to achieve the highest/best use of the facilities, in line with the RSCVA mission. The RSCVA was charged with the complete onboarding of SMG & SAVOR, improving operating revenues and minimize losses. Ms. Rezac stated that the facilities realized a revenue increase of 22.1%, from \$6.18 million to \$7.54 million, noting that this is without the National Bowling Stadium due to renovations. She added that even including NBS in the accounting, revenue increased 10.5% from \$7.17 million to \$7.92 million. Ms. Rezac finished with Strategic Priority #4, Organizational Sustainability, Leadership. The Leadership goal requires the CEO to "maintain a solid Executive Management Team." The Committee noted that in the Board CEO Evaluation Survey, 100% of the responses were positive and either "agreed" (2 responses) or "strongly agreed" (6 responses) with the statement "Phil DeLone has built a solid Executive Management Team." Ms. Rezac noted that with regards to Organizational Health, the RSCVA was nominated as committee agreed that this goal was achieved as the RSCVA was nominated as one of the "Best Places to Work" by the Northern Nevada Human Resources Association with an overall score of 88.09%. (Better than required 4.0 out of 5 or 80%). Finally, the financial health of the organization was met as the unaudited budget indicates that the RSCVA was under budget. Therefore, the Committee considered this CEO Goal achieved. In review of the remaining CEO Goals, the Committee noted that all other CEO Goals had been achieved. Based upon the above, the Committee recommended that the Board find that all FY 2018-2019 CEO Goals were achieved and award Mr. DeLone his full available Bonus, or \$110,000.

Nat Carasali, chairman of the Executive and Legislative Committee, stated that he stands by the committee's recommendation to award Mr. DeLone 100% of the 40% bonus and asked Mr. Lucey and Sterbens to weight in as members of the committee.

Bob Lucey shared that RSCVA has seen tremendous success in the time that Mr. DeLone has been running the organization, despite the setbacks like Interbike and Safari Club. He added that through the review process he saw lots of good suggestions from staff and the board that should be considered moving forward. Chairman Lucey said, to the Mayor's point, the RSCVA needs to continue to grow and evolve as an organization. He also recommends that the Executive/Legislative Committee revisit the CEO Bonus structure, namely the board reviews. He feels that the board should have the ability to make comments in each section to give the CEO crucial feedback. He also suggests that the board reviews no longer be anonymous. With that, Chairman Lucey stated that Mr. DeLone did achieve all of his goals set forth by the board and that he should receive the full 100% of the

40% bonus as laid out in his contract.

Mark Sterbens stated that as a member of the Executive/Legislative Committee, he voted in favor of the full bonus. He added that Mr. DeLone consistently asks him how the RSCVA can support the Nugget and the answer is to help find a better spending profile customer. Mr. Sterbens said that he feels the RSCVA has accomplished this through the higher ADR and an increase in air travel. He added that it is evident that Phil has secured a great team of people at the RSCVA.

Ann Silver stated that, as a member of the Executive/Legislative Committee, she supports the recommendation of the committee for the full bonus of 40% of the CEO salary.

Bill Wood stated that Mr. DeLone has assembled an outstanding team and supports the full bonus amount. He added that he would like to see the addition of a comment section in each section of the CEO review.

Shannon Keel stated that she agrees that Mr. DeLone is doing a great job; however, she disagrees with the recommendation of the Executive/Legislative Committee to award 100% of the bonus. She addressed Strategic Priority #1: Visitation/Destination Awareness and stated that the upturn in ADR could also be attributed to the investments the individual properties have made, marketing and holding their ground on rates. Therefore, she does not feel that 100% of the 15% should be awarded. Ms. Keel went on to address Strategic Priority #2: Direct Room Night Growth and said that she while Interbike and SCI canceling was no fault of RSCVA, the business is not coming to our destination and has not been replaced, and as a result she does not support the full bonus on Strategic Priority #2. Ms. Keel asked for clarification on Strategic Priority #3: Facility Efficiency. She stated that in the Priority it reads "Improve operating revenues and minimize losses" however, under Goal it reads "Increase Revenue." She said that she asked for clarification if the actual goal included profit and losses or just profit. Ms. Keel finished by saying that she feels that Mr. DeLone is entitled to a bonus, however, she does not feel that the full bonus should be awarded.

Mayor Schieve shared her concerns about the facilities and added that she would like to see a plan for future business to replace the two city-wide cancellations. She went on to say that she feels the Bowling Stadium is a prime example. It is newly renovated and asked what business SMG plans to bring to that building. She stated that she is not in favor of supporting the full bonus.

Councilman Ed Lawson commended Mr. DeLone and the entire team at the RSCVA on a job well done. He added that he supports the bonus recommendation.

MOTION: Nat Carasali made a motion to accept the Executive/Legislative Committees recommendation of the full 40% bonus (\$110,000). Seconded by Member Bill Wood. **Motion passes with a 7-1 vote in favor.**

E4. E-Sports Presentation

Shelli Fine, Director of Sports Development, presented the current trends and analysis on the complicated world of E-Sports.

E5. Review of the Fiscal Year 2018-2019 Public Relations Program

Ben McDonald, Senior Communication Manager, presented a review of the Fiscal Year 2018-2019 Public Relations Programs.

F. FINANCE DIVISION

F1. Board Award and Contract RFP 2020-02 (PWP WA 2019-279)

Robert Chisel, Director of Finance, asked the board to review and approve the bid award and contract for RFP 2020-02 (PWP WA 2019-279) to West Coast Paving Inc for the Reno-Sparks Livestock Events Center Pavement Repair in the amount not to exceed Two Hundred Eighty-Eight Thousand Three Hundred Ten Dollars (\$288,310).

MOTION: Member Ed Lawson made a motion to approve the bid award and contract to West

Coast Paving Inc. Seconded by Member Mark Sterbens. **Motion carried unanimously.**

F2. Board Award and Contract RFP 2020-01 (PWP WA 2019 268)

Robert Chisel, Director of Finance, asked to review and approve the bid award and contract for RFP 2020-01 (PWP WA 2019 268) to Kodiak Roofing & Waterproofing for the Reno-Sparks Convention Center Hall 3 Roof Replacement Section A and B in the amount not to exceed One Million Two Hundred Twenty Thousand Fifteen Dollars (\$1,220,015).

MOTION: Member Ann Silver made a motion to approve the bid award and contract to Kodiak Roofing & Waterproofing. Seconded by member Ed Lawson. **Motion carried unanimously.**

G. TOURISM SALES

G1. Review and Possible Action to Redirect Funding and Terminate the Existing Contract with Preferred Hotel Group, Inc., dba PHG Consulting

Art Jimenez, Director of Tourism Sales, recommended that the Board take action to redirect funding currently allocated to marketing efforts in China, and to exercise the RSCVA's right to terminate the contract between the RSCVA and Preferred Hotel Group, Inc., dba PHG Consulting. Pursuant to the terms of the PHG Consulting contract, the termination would become effective 120 days after the notice of termination is delivered, and the RSCVA would be required to make one additional payment of \$36,000 to PHG Consulting on or before October 15, 2019.

MOTION: Member Mark Sterbens made a motion to redirect funding currently allocated to marketing efforts in China. Seconded by Shannon Keel. **Motion carried unanimously.**

H. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

H1. Amendment of the RSCVA Unsolicited Proposal Policy and Guidelines

Phil DeLone presented proposed amendment to the RSCVA Unsolicited Proposal Policy and Guidelines. He drew the boards attention to the Evaluation Criteria section of the document and stated that number six was added and states "The proposal meets the core mission of the RSCVA – to produce cash revenue room nights for the Reno Tahoe community. These cash room nights ideally should be in sufficient number to allow the RSCVA the ability to recoup the cash investment in the unsolicited proposal, or, provide sufficient documentable economic impact.

MOTION: Chairman Bob Lucey made a motion to amend the RSCVA Unsolicited Proposal Policy and Guidelines. Seconded by . **Motion carried unanimously.**

H. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

Chairman Lucey asked for an update on the progress of the new RSCVA offices.

I. COMMENTS FROM THE FLOOR BY THE PUBLIC

No public comments were presented.

J. ADJOURNMENT

Meeting adjourned at 11:24 a.m.



NEVADA
RESORT
ASSOCIATION

September 17, 2019

Philip DeLone
General Manager
Reno Sparks Convention & Visitors Authority
P.O. Box 837
Reno, NV 89504

Dear Mr. DeLone,

As you know Lee Dillard recently separated from Harrah's Reno creating a vacancy on the Reno- Sparks Convention and Visitors Authority (RSCVA) Board of Directors. Mr. Dillard served in a seat designated in the Nevada Revised Statutes (NRS) for representatives from the association representing the largest gaming companies in the county. Nevada Resort Association (NRA) is the only association that meets this statutory requirement. Further, NRS states that the NRA nominates members for the NRA designated seats on the board.

The NRA Northern Nevada Board of Directors voted to nominate Mr. Don Kornstein, Board Member at Caesars/Harrahs, to serve on the board for the remainder of Mr. Dillard's two-year term. We request that he be appointed to the RSCVA Board.

You may reach Mr. Kornstein by email at DRKornstein@gmail.com or by contacting his office at (775) 432-2288.

Thank you for your consideration of this request. Please let me know if you have any questions regarding the nomination of Mr. Kornstein.

Sincerely,

Virginia Valentine
President
Nevada Resort Association

cc: Mr. Don Kornstein

RSCVA Monthly Snapshot: July 2019

Strategic Plan Priority #1: Visitor Growth & Awareness						
OVERALL VISITOR GROWTH		July'19	July'18	Y/Y%	Monthly Goal	
Marketing Goals	Visitor Volume	466,017	485,062	-3.9%	479,138	
	# of Web Sessions - National Overall	423,080	284,370	48.8%	284,370	
	Number of Partner Referrals	7,222	5,811	24.3%	5,811	
	SF: Web Sessions	96,948	57,465	68.7%	57,465	
	Seattle: Web Sessions	46,553	9,932	368.7%	9,932	
	LA Basin: Web Sessions	78,881	28,334	178.4%	28,334	
MARKET PERFORMANCE/CASH OCCUPIED ROOMS						
Washoe County Total						
	Room Inventory	712,349	718,901	-0.9%	724,678	
	Cash Room Nights	329,772	347,401	-5.1%	341,747	
	Comp Room Nights	90,384	86,208	4.8%	-	
	Overall Occupancy	74.6%	77.8%	-4.1%	75.0%	
	Taxable Revenue	\$41,432,592	\$41,424,218	0.0%	\$41,480,374	
	A.D.R.	\$125.64	\$119.24	5.4%	\$121.38	
	Rev Par	\$63.13	\$63.17	-0.1%	-	
	Gaming Win	\$78,081,219	\$78,010,058	0.1%	-	
Hotel Market Segment						
	Room Inventory	496,070	482,901	2.7%	499,246	
	Cash Room Nights	273,372	291,494	-6.2%	285,875	
	Comp Room Nights	89,674	85,847	4.5%	-	
	Overall Occupancy	75.2%	80.8%	-6.9%	71.1%	
	Taxable Revenue	\$35,879,911	\$36,231,019	-1.0%	\$36,265,223	
	A.D.R.	\$131.25	\$124.59	5.3%	\$126.86	
	Rev Par	\$73.68	\$77.25	-4.6%	-	
AIRLIFT						
	Air Passengers	432,188	414,529	4.3%	-	

Strategic Plan Priority #2: Direct Room Night Growth						
Marketing	TOURISM SALES GOALS		July'19	July'18	Y/Y%	Monthly Goal
	Travel Wholesaler		1,143	1,800	-36.5%	1,836
	International/Domestic Receptive Operators		1,177	1,624	-27.5%	1,656
	Online Travel Agent		53,675	52,328	2.6%	53,375
	Travel Agent		12,294	14,277	-13.9%	14,563
	Group Tour/Motorcoach		4,030	2,613	54.2%	2,665
	Ski and Golf Production		3,415	3,573	-4.4%	3,644
TENTATIVE SALES PIPELINE						
Sales Goals	# of Leads Issued		59	55	7.3%	54
	# of Room Nights for Leads Issued		71,175	83,561	-14.8%	-
	# of Outstanding Leads in Sales Pipeline		304	280	8.6%	-
	# of Room Nights in Sales Pipeline		515,132	587,572	-12.3%	776,000
	PRODUCED ROOM NIGHTS					
	Gross Produced Room Nights		25,012	16,002	56.3%	19,115
	*Net Produced Room Nights		25,012	16,002	56.3%	19,115
	Net Produced Room Nights % of Goal		130.9%	83.7%	56.3%	100%
	Convention Produced Room Nights		23,043	7,575	204.2%	14,013
	Sports Produced Room Nights		1,454	1,769	-17.8%	3,082
	RSLEC Produced Room Nights		515	596	-13.6%	2,020
	ACTUAL ROOM NIGHTS (RNs Realized This Month)					
Groups/Conventions Actual Room Nights		8,086	27,286	-70.4%	8,081	
Sports Actual Room Nights		14,957	15,757	-5.1%	14,957	
Total Actual Room Nights		23,043	43,043	-46.5%	23,038	
Number of concert events at REC		0	1	-100.00%	-	

Strategic Plan Priority #3: Facility Efficiency						
OPERATING MARGIN		July'19	July'18	Y/Y%	Monthly Goal	
GM Goals	Reno-Sparks Convention Center	-\$361,086	-\$212,576	69.9%	-\$445,415	
	Reno Events Center	-\$95,713	-\$152,799	37.4%	-\$39,131	
	National Bowling Stadium	-\$157,964	-\$70,117	-125.3%	-\$208,168	
	Reno-Sparks Livestock Events Center	-\$41,253	-\$116,206	64.5%	-\$99,485	

Legend:

Comparison of current actual to the monthly goal

>= 95% of target

80-95% of target

< 80% of target

*Net reflects the definite cancellations of Interbike 2019 and 2020

RSCVA Monthly Snapshot: Year-to-Date July 2019

Strategic Priority #1: Visitor Growth & Awareness							
Marketing Goals	OVERALL VISITOR GROWTH		FY 19-20	FY 18-19	YTD Target	Y/Y%	Annual Goal
	Visitor Volume		466,017	485,062	479,138	-3.9%	5,195,137
	# of Web Sessions - National Overall		423,080	284,370	284,370	48.8%	2,865,968
	Number of Partner Referrals		7,222	5,811	5,811	24.3%	62,864
	SF: Web Sessions		96,948	67,687	57,465	43.2%	567,741
	Seattle: Web Sessions		46,553	9,932	9,932	368.7%	199,162
	LA Basin: Web Sessions		78,881	28,334	28,334	178.4%	415,614
	MARKET PERFORMANCE/CASH OCCUPIED ROOMS						
Washoe County Total							
Room Inventory		712,349	718,901	724,678	-0.9%	8,666,216	
Cash Room Nights		329,772	347,401	341,747	-5.1%	3,636,161	
Comp Room Nights		90,384	86,208	87,066	4.8%	-	
Overall Occupancy		74.6%	77.8%	75.0%	-4.1%	67.8%	
Taxable Revenue		\$41,432,592	\$41,424,218	\$41,480,374	0.0%	\$418,607,365	
A.D.R.		\$125.64	\$119.24	\$121.38	5.4%	\$115.12	
Rev Par		\$63.13	\$63.17	-	-0.1%	-	
Gaming Win		\$78,081,219	\$78,010,058	-	0.1%	-	
Hotel Market Segment							
Room Inventory		496,070	482,901	499,246	2.7%	5,953,476	
Cash Room Nights		273,372	291,494	285,875	-6.2%	3,084,157	
Comp Room Nights		89,674	85,847	86,705	4.5%	-	
Overall Occupancy		75.2%	80.8%	77.1%	-6.9%	68.4%	
Taxable Revenue		\$35,879,911	\$36,231,019	\$36,265,223	-1.0%	\$371,965,854	
A.D.R.		\$131.25	\$124.29	\$126.86	5.6%	\$120.61	
Rev Par		\$73.68	\$77.25	-	-4.6%	-	
AIRLIFT							
Air Passengers		432,188	414,529	-	4.3%	-	

	Strategic Priority #2: Direct Room Night Growth						
	TOURISM SALES GOALS		FY 19-20	FY 18-19	YTD Target	Y/Y%	Annual Goal
Marketing	Traditional Wholesaler		1,143	1,800	1,836	-36.5%	14,122
	International/Domestic Receptive Operators		1,177	1,624	1,656	-27.5%	11,625
	Online Travel Agent		53,675	52,328	53,375	2.6%	518,754
	Travel Agent		12,294	14,277	14,563	-13.9%	162,897
	Group Tour/Motorcoach		4,030	2,613	2,665	54.2%	41,610
	Ski and Golf Production		3,415	3,573	3,644	-4.4%	15,136
	TENTATIVE SALES PIPELINE						
Sales Goals	# of Leads Issued		59	55	54	7.3%	688
	# of Room Nights for Leads Issued		71,175	83,561	-	-14.8%	N/A
	# of Outstanding Leads in Sales Pipeline		-	336	-	-100.0%	N/A
	# of Room Nights in Sales Pipeline		-	556,029	776,000	-100.0%	776,000
	PRODUCED ROOM NIGHTS						
	Gross Produced Room Nights		25,012	16,002	19,115	56.3%	290,000
	*Net Produced Room Nights		25,012	16,002	19,115	56.3%	290,000
	Net Produced Room Nights % of Goal		130.9%	113.9%	100.0%	14.8%	100%
	Convention Produced Room Nights		23,043	7,575	14,013	204.2%	176,595
	Sports Produced Room Nights		1,454	1,769	3,082	-17.8%	88,255
	RSLEC Produced Room Nights		515	596	2,020	-13.6%	25,150
	ACTUAL ROOM NIGHTS (RNs Realized This Year)						
	Groups/Conventions Actual Room Nights		8,086	27,286	8,081	-70.4%	159,366
Sports Actual Room Nights		14,957	15,757	14,957	-5.1%	95,988	
Total Actual Room Nights		23,043	43,043	23,038	-46.5%	255,354	
Number of concert events at REC		-	1	-	-100.0%	-	

Strategic Priority #3: Facility Efficiency							
OPERATING MARGIN			FY 19-20	FY 18-19	YTD Target	Y/Y%	Annual Goal
GM Goals	Reno-Sparks Convention Center		-\$361,086	-\$212,576	-\$445,415	-69.9%	-\$1,191,427
	Reno Events Center		-\$95,713	-\$152,799	-\$39,131	37.4%	\$23,054
	National Bowling Stadium		-\$157,964	-\$70,117	-\$208,168	-125.3%	-\$1,618,639
	Reno-Sparks Livestock Events Center		-\$41,253	-\$116,206	-\$99,485	64.5%	-\$1,038,304

Legend:	
Comparison of current actual to the Year to Date Target	
Green	>= 95% of target
Yellow	80-95% of target
Red	< 80% of target
*Net reflects the definite cancellations of Interbike 2019 and 2020	



**Reno-Sparks Convention & Visitors Authority
Fiscal Year 2019-20
Interim Financials**

July 2019-20



Reno-Sparks Convention and Visitors Authority
Fiscal Year 2019-20 Interim Financial
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**Consolidated Summary
Report of Operations
One Month Ending July 2019
RENO-SPARKS CONVENTION AND VISITORS AUTHORITY**

	Period Ending July 2019			Period Ending July 2018			Annual FY 2019	
	Actual	Budget	Increase (Decrease)		Actual	Increase (Decrease)		% of Actual
			Amount	%		Amount	%	
Revenues								
Room Tax Collections	\$ 3,597,446	\$ 3,577,682	\$ 19,764	0.6%	\$ 3,573,477	\$ 23,969	0.7%	10.0%
Tourism Surcharge	482,123	482,947	(824)	-0.2%	503,853	(21,730)	-4.3%	9.3%
City Center Tax	-	-	-	0.0%	-	-	0.0%	0.0%
Facility Revenues								
Reno-Sparks Convention Center	98,287	71,018	27,269	38.4%	88,718	9,569	10.8%	2.1%
National Bowling Stadium	10,046	9,504	542	5.7%	32,819	(22,773)	-69.4%	0.8%
Reno Events Center	139,070	163,236	(24,166)	-14.8%	34,050	105,020	308.4%	6.1%
Reno-Sparks Livestock Events Ctr	128,569	93,875	34,694	37.0%	40,296	88,273	219.1%	11.8%
RSCVA Facilities	-	-	-	0.0%	-	-	-	-
Wildcreek Golf Course	-	-	-	0.0%	-	-	0.0%	0.0%
Total Facility Revenues	375,972	337,633	38,339	11.4%	195,883	180,089	91.9%	4.1%
Other Income	111,947	161,570	(49,623)	-30.7%	176,243	(64,296)	-36.5%	5.1%
Total Revenues	\$ 4,567,488	\$ 4,559,832	\$ 7,657	0.2%	\$ 4,449,456	\$ 118,032	2.7%	8.5%
Operating Expenses								
Payroll & Related	\$ 271,191	\$ 296,854	\$ (25,663)	-8.6%	\$ 260,431	\$ 10,760	4.1%	3.7%
Supplies & Services	1,137,805	1,284,633	(146,828)	-11.4%	812,050	325,754	40.1%	7.8%
Travel & Entertainment	42,510	85,760	(43,250)	-50.4%	40,863	1,648	4.0%	3.8%
Promotion & Advertising	887,915	3,449,972	(2,562,057)	-74.3%	1,648,377	(760,462)	-46.1%	6.8%
Special Projects	65,551	665,200	(599,649)	-90.1%	204,770	(139,219)	-68.0%	3.1%
Capital Outlay	12	5,653	(5,641)	-99.8%	2,347	(2,335)	-99.5%	0.0%
Total Operating Expenses	\$ 2,404,984	\$ 5,788,072	\$ (3,383,088)	-58.4%	\$ 2,968,838	\$ (563,855)	-19.0%	6.3%
Non Operating Expenses								
Debt Service	\$ 5,895,000	\$ 7,402,022	(1,507,022)	-20.4%	\$ 7,516,397	\$ (1,621,397)	-21.6%	51.2%
Incline Village/Cystal Bay Room Tax	176,138	209,126	(32,988)	-15.8%	174,940	1,198	0.7%	9.9%
Capital Improvements	54,968	300,000	(245,032)	-81.7%	80,746	(25,778)	-31.9%	1.4%
Insurance	68,618	64,836	3,782	5.8%	99,210	(30,592)	-30.8%	7.5%
Contingency	-	-	-	0.0%	-	-	0.0%	0.0%
Total Non Operating Expenses	\$ 6,194,723	\$ 7,975,984	\$ (1,781,261)	-22.3%	\$ 7,871,293	\$ (1,676,569)	-21.3%	33.3%
Total Expenses	\$ 8,599,707	\$ 13,764,056	\$ (5,164,347)	-37.5%	\$ 10,840,131	\$ (2,240,424)	-20.7%	15.1%
Profit/(Loss)	\$ (4,032,219)	\$ (9,204,224)	\$ 5,172,005	56.2%	\$ (6,390,675)	\$ 2,358,456	36.9%	135.2%

Consolidated Summary
Transient Lodging Tax Collections and Statistics
For the Month of July 2019
RENO-SPARKS CONVENTION AND VISITORS AUTHORITY

	July 2019			July 2018	
	Actual	Budget	Increase (Decrease) Amount %	Actual	Increase (Decrease) Amount %
<i>Room Tax Collections</i>					
Lodging	2,763,256	2,748,075	15,181 0.6%	2,744,845	18,411 0.7%
Convention Center	834,190	829,607	4,583 0.6%	828,632	5,558 0.7%
Tourism Surcharge	482,123	482,947	(824) -0.2%	503,853	(21,730) -4.3%
Total Tax Collections	4,079,569	4,060,629	18,940 0.5%	4,077,330	2,239 0.1%

Room Statistics

Taxable Room Revenues	41,432,592	41,480,374	(47,782) -0.1%	41,424,218	8,374 0.0%
Occupied Rooms-Cash	329,772	341,747	(11,975) -3.5%	347,401	(17,629) -5.1%
Average Rate - Cash	\$125.64	\$121.38	\$4.26 3.5%	\$119.24	\$6.40 5.4%
Occupied Rooms					
Cash	329,772	341,747	(11,975) -3.5%	347,401	(17,629) -5.1%
Comp	89,991	87,066	2,925 3.4%	86,208	3,783 4.4%
28 Day	110,872	114,785	(3,913) -3.4%	126,016	(15,144) -12.0%
Total Occupied Rooms	530,635	543,598	(12,963) -2.4%	559,625	(28,990) -5.2%

Percentage of Occupancy

Cash	46.3%	47.2%	(0.9) -1.9%	48.3%	(2.0) -4.1%
Comp	12.6%	12.0%	0.6 5.0%	12.0%	0.6 5.0%
28 Day	15.6%	15.8%	(0.2) -1.3%	17.5%	(1.9) -10.9%
Total Percentage of Occupancy	74.5%	75.0%	(0.5) 5.0%	77.8%	(3.3) -4.2%

**Consolidated Summary
Departmental Margins
For the Month of July 2019
RENO-SPARKS CONVENTION AND VISITORS AUTHORITY**

	July 2019				July 2018		
	Actual	Budget	Increase (Decrease)		Actual	Increase (Decrease)	
			Amount	%		Amount	%
Facilities							
Reno-Sparks Convention Center	(361,086)	(445,415)	84,329	18.9%	(212,576)	(148,510)	-69.9%
National Bowling Stadium	(157,964)	(208,169)	50,205	24.1%	(70,117)	(87,847)	-125.3%
Reno Events Center	(95,713)	(39,131)	(56,582)	-144.6%	(152,799)	57,086	37.4%
Reno-Sparks Livestock Events Ctr	(41,253)	(99,485)	58,232	58.5%	(116,206)	74,953	64.5%
RSCVA Facilities	-	-	-	0.0%	-	-	0.0%
Wildcreek Golf Course	-	-	-	0.0%	436	(436)	-100.0%
Total Facilities	(656,016)	(792,200)	136,184	17.2%	(551,261)	(104,755)	-19.0%
Sales and Marketing							
Convention Sales	(305,182)	(599,087)	293,905	49.1%	(316,380)	11,198	3.5%
Tourism Sales	(108,275)	(187,031)	78,756	42.1%	(82,056)	(26,219)	-32.0%
Marketing	(771,095)	(3,663,507)	2,892,412	79.0%	(1,626,809)	855,715	52.6%
Total Sales and Marketing	(1,184,552)	(4,449,625)	3,265,073	73.4%	(2,025,246)	840,694	41.5%
General and Administrative	(118,647)	(117,377)	(1,270)	-1.1%	(51,523)	(67,124)	-130.3%
Room Tax Revenues	3,597,446	3,577,682	19,764	0.6%	3,573,477	23,969	0.7%
Tourism Surcharge	482,123	482,947	(824)	-0.2%	503,853	(21,730)	-4.3%
Total Operating Margins	2,120,354	(1,298,573)	3,418,928	263.3%	1,449,300	671,055	46.3%
Capital and Debt Service	(6,152,573)	(7,905,651)	1,753,078	22.2%	(7,839,973)	1,687,400	21.5%
Total Departmental Margins	(4,032,219)	(9,204,224)	5,172,005	56.2%	(6,390,674)	2,358,455	36.9%

Date: September 16, 2019
To: Phil DeLone, President/CEO
From: Rhonda Leach, Director of Equestrian and Sports Sales
CC: Mike Larragueta, Vice President of Sales
Subject: **NATIONAL BOWLING STADIUM REACTIVATION SALES PLAN**

Goal: to book sweeper groups and regional tournaments generating increased number of room nights to the region utilizing the National Bowling Stadium.

I. SALES CALLS

- a. November 12-14 travel to meet with tournament directors and bowling centers in Northern California (see attached list)
- b. Q1 2020 continue travel and meetings in Northern California market
- c. Q2 2020 travel to other western states (WA, AZ, OR) to meet with tournament directors and bowling centers
- d. Create 5x7 postcard, "Roll Back to Reno", announcing refreshed look with photos and contact info; hand out and pin up on bowling center boards

II. FAMILIARIZATION TOUR

- a. To be held in conjunction with NBS Grand Re-Opening (January 2020)
 - i. Day one – arrivals/NBS Grand Re-Opening reception, including local VIP's
 - ii. Day two – hotel sites, fun activity, closing dinner
 - iii. Day three – departures
- b. Client list to include:
 - i. Bowling publications
 - ii. United States Bowling Congress
 - iii. Bowlero (recently purchased PBA)
 - iv. Bowling Associations; i.e. Bowling Proprietors Association of America, Nor Cal Bowling Centers, Arizona State BPA, etc.
 - v. Tournament directors (see attached list)
 - vi. Sponsors
- c. Client gift – bowling towels/bowling shirts

III. MARKETING

- a. Research bowling newsletters and publications to advertise "Roll Back to Reno", new NBS remodel

IV. COLLEGIATE BOWLING

- a. Identify regional and junior colleges that have collegiate teams
- b. Create a Western States Collegiate Tournament
- c. Sponsor a UNR team as a draw to future regional tournaments

V. EXPLORE OTHER MAJOR TOURNAMENTS

- a. Youth tournaments
- b. Team USA Trials
- c. TNBA (The National Bowling Association)
- d. PBA Masters

Identify/determine sponsorship costs vs. ROI



To: RSCVA Board of Directors

From: Robert Chisel, Director of Finance

CC: Phil DeLone, President/CEO
Bob Lucey, Board Chair

Date: September 26, 2019

Subject: Discussion and potential approval of a Wireless Network Lease with American Tower Corporation for the Reno-Sparks Convention Center

Executive Summary

Staff is seeking approval of a Wireless Network Lease for the Reno-Sparks Convention Center (RSCC) for the installation of an indoor distributed antenna system (DAS) for wireless telecommunications and data for a period of ten years with renewal terms. This DAS will allow the cellular providers to enhance the cellular voice and data coverage of guests to the RSCC. The Authority will provide space and provide electrical service to the DAS. American Tower Company (ATC). ATC will conduct a due diligence for the installation and marketing of the DAS. If the DAS due diligence proves favorable, ATC will install and maintain the DAS for use by the cellular voice and data providers in accordance with Federal Communications Commission (FCC) regulations. The Agreement does not provide any revenue for the RSCC, but is intended to enhance service to our guests.

Background

As cellular voice and data service has become a necessity for many people, including guests to the RSCC. The RSCC has received complaints from guests about the lack of coverage and slow data connection. A review of the RSCC has identified a number of locations that due to the physics of radio waves, has no coverage for some carriers. In addition, during events with large numbers of guests, the cellular service may become overloaded and cause users problems. An investigation of solutions has determined that the best and most economical approach would be to install a dedicated radio site within the RSCC to provide cellular voice and data service.

The Authority was referred to ATC by the carriers and has negotiated to have ATC install, maintain, and market the DAS to all wireless carriers licensed with the FCC at no cost to the Authority.



The Authority will provide space in the RSCC of approximately 600 square feet of secure interior space, cooling, and 400 amps of electrical service. The Authority has identified the space and has the necessary electrical service. It is anticipated there will be costs to prepare the room for use as a DAS, approximately \$.

Fiscal Impact

Funds to prepare the DAS secure room are estimated to cost \$, funds are available in the Capital Fund.

Recommendation

Staff recommends

**WIRELESS NETWORK LEASE
ATC SITE #**

THIS WIRELESS NETWORK LEASE (“*Agreement*”) is made as of the last date of signature below (“*Effective Date*”) between _____, a (“*Owner*”) and ATC Indoor DAS LLC, a Delaware limited liability company (“*ATC*”) (each individually “*Party*” and collectively the “*Parties*”).

RECITAL

- A.** Owner owns or has a long-term leasehold interest in the parcel(s) of land and the buildings and other improvements thereon known as Reno Sparks Convention Center, having a street address of 4590 South Virginia Street, Reno, NV 89502 in Washoe County and described on Exhibit A to this Agreement (“*Property*”); and
- B.** Owner desires ATC to provide wireless services or communications at the Property by means of a distributed antenna system or “DAS”; repeater system; “small cells”; rooftop or façade mounted antenna sites; or any other temporary or permanent infrastructure or technology that provides or enables wireless services or communications (collectively “*Wireless Network*”).

NOW THEREFORE, in consideration of the mutual promises and obligations (defined below) contained in this Agreement, the sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. HEAD END SPACE SELECTION AND LEASE OF PREMISES.

(a) **Head End Space Selection.** Owner and ATC will reasonably select a central room or other location at the Property for the main radio units, utility connections, and other “head end” components of the Wireless Network (“*Head End Space*”). The Parties may approve the Head End Space at any time, and drawings showing the approved location will be attached to this Agreement as Exhibit B. If ATC requires additional space to accommodate additional components, Owner will provide space, if reasonably available, for no additional consideration.

(b) **Lease of Premises.** Subject to Owner’s approval of the Head End Space and the Plans as defined in and pursuant to Section 6(a), Owner leases to ATC the Head End Space and grants ATC a non-exclusive easement for the use of the following (collectively, the Head End Space and easements are the “*Premises*”): (i) risers, raceways, conduits, cable pathways, and interior ceiling and wall areas of any building; (ii) utility, telecommunications, and mechanical rooms or closets on each floor of any building; (iii) existing access and utility easements from a public way to the Head End Space (or if sufficient easements do not exist, Owner will grant additional easements over the Property or adjacent property under common ownership); and (iv) areas on exterior surfaces of the building for the placement of components necessary for the Wireless Network. Owner additionally grants ATC a temporary license to utilize certain portions of the Property or adjacent property under common ownership approved by Owner as construction staging areas.

(c) **Consideration.** Within sixty (60) days of the Effective Date, ATC will deliver to Owner documentation confirming that ATC has designated the site as marketable and is actively marketing (e.g. ATC has uploaded and included the site information in ATC’s marketing database and ATC will provide Owner with a marketing brochure) the site as consideration for the mutual execution of this Agreement (the “*Consideration*”).

2. PERMITTED USES.

(a) **Permitted Uses.** Subject to the exceptions in Section 2(b), Owner grants ATC the following rights (“*Permitted Uses*”):

(i) the exclusive right to install, modify, and monitor a Wireless Network operating on radio frequencies subject to regulation by the Federal Communications Commission (“*FCC*”) (including but not limited to mobile wireless, citizen broadband radio service (“*CBRS*”) priority access license (CBRS-PAL), CBRS general authorized access (CBRS-GAA), and wireless local area networks (“*WLAN*”)); and

(ii) the exclusive right to enter into contracts with one or more wireless carriers and operators (including, but not limited to, multi service operators) (each such contract is a “*Customer Contract*” and each wireless carrier or operator that is a party to a Customer Contract is a “*Customer*”) for the provision of wireless services or communications utilizing radio frequencies subject to regulation by the FCC (whether through a neutral-host system or carrier-specific technology) at the Property.

(b) **Exceptions to Exclusivity.** The exclusive rights granted in Section 2(a) shall be exercised by ATC in a manner consistent with 47 C.F.R. § 64.2500 and are subject to: (i) Owner’s right to operate any non-competitive wireless systems related to Owner’s primary business; and (ii) the rights of any third party pursuant to a written agreement with Owner executed prior to the Effective Date for the operation of a wireless system, provided that (A) Owner will provide ATC copies of each agreement on or before the Effective Date and (B) if the system competes with any exclusive Permitted Use, Owner will not permit the wireless system to be expanded or the agreement to be extended.

3. DUE DILIGENCE PERIOD AND TERM.

(a) **Due Diligence Period.** The due diligence period will commence on the Effective Date and continue for a period of thirty-six (36) months (“*Due Diligence Period*”). During the Due Diligence Period, ATC may perform all due diligence that is reasonably required to determine the suitability of the Property for the Permitted Uses, secure Customer Contracts, and design and construct the Wireless Network. Within thirty (30) days after the Effective Date, Owner will provide building and floor drawings; reports; and other due diligence materials as reasonably required by ATC.

(b) **Initial Term.** The initial term of this Agreement will be ten (10) years commencing on the earlier of (i) the expiration of the Due Diligence Period or (ii) the first date of operation of the first Customer on the Wireless Network (excluding testing periods) (“*Term Commencement Date*”).

(c) **Renewal Terms.** This Agreement will be automatically renewed for two (2) terms of five (5) years unless: (i) an ATC Default (as defined in Section 16(a)) exists or (ii) ATC gives written notice to Owner at least sixty (60) days prior to the expiration of the then current term of ATC’s intention not to renew the Agreement.

(d) **Holdover.** If ATC remains in possession of the Premises beyond the termination or expiration of this Agreement, its occupancy will be deemed a month-to-month tenancy under the same terms of this Agreement.

4. Intentionally Omitted.

5. ACCESS. During the Due Diligence Period and Term of this Agreement, the authorized personnel of ATC, Customers, and their contractors will have twenty-four (24) hour per day, seven (7) day per week access to the Property, subject to the reasonable regulations in effect at the Property, which Owner will provide to ATC in writing, to conduct any activities consistent with the Permitted Uses. ATC will notify Owner's Access Contact (as defined in Exhibit C) by phone or email prior to access. ATC, Customers, and their contractors will not be required to pay any fee to access the Property.

6. PLAN APPROVAL AND INSTALLATION.

(a) Owner Plan Approval. Prior to the installation or modification of the Wireless Network and the designation or expansion of the Head End Space, ATC will submit plans for Owner's written approval ("**Plans**") which must be approved or denied by Owner's representative authorized to approve or deny Plans ("**Plan Approval Designee**") (as defined in Exhibit C) within fifteen (15) calendar days after receipt. Owner's failure to timely respond in writing to the Plans with any required changes of any special conditions for the proposed installation will be deemed an approval. Plan approval is not required for (i) maintenance, repairs, or replacement of all or any component of the Wireless Network or (ii) the addition, modification, or reconfiguration of any components in the Head End Space.

(b) Required Approvals. ATC will maintain in effect any applicable licenses, permits, or approvals required by any government agency for the Permitted Uses ("**Required Approvals**"). Owner will execute any applications or letters of authorization within ten (10) days of a request without requiring ATC to pay a fee, and will cooperate with ATC and Customers to obtain any Required Approvals.

(c) Installation of Wireless Network. The Wireless Network will be installed in a good and workmanlike manner in accordance with (i) the Plans; (ii) any Required Approvals; and (iii) any applicable laws, regulations, and directives of any government agency having jurisdiction over the Property (collectively, "**Applicable Law**"). Within ten (10) days of ATC's completion of any installation or modification of the Wireless Network, Owner will notify ATC in writing of any inconsistencies with the Plans or Owner's other written requirements. Owner's failure to timely notify ATC of any inconsistencies will be deemed an acceptance of the installation as built.

(d) Expansion of Wireless Network. If Owner intends to construct new buildings or perform additions to existing buildings at the Property, Owner will notify ATC of its plans as soon as possible to allow ATC to determine the feasibility of expanding the Wireless Network during Owner's construction. If ATC, in its sole discretion, decides to expand the Wireless Network in conjunction with Owner's work, the Parties will work in good faith to coordinate the installation of the Wireless Network with Owner's construction. Nothing in this paragraph obligates ATC to expand the Wireless Network.

7. MAINTENANCE AND RELOCATION.

(a) ATC Maintenance. ATC will repair and maintain in reasonable condition: (i) the non-structural portions of the Premises and (ii) the Wireless Network. Subject to the terms of Section 14(c) regarding release and waiver of subrogation, ATC will be responsible for the costs of any damage to the Property attributable to the actions of ATC and Customers and their agents and contractors.

(b) Owner Maintenance. Owner will repair and maintain in reasonable condition all portions of the Property necessary for the Permitted Uses other than those that are the responsibility of ATC as provided in Section 7(a), including but not limited to, all structural portions and mechanical systems of the Property. Subject to the terms of Section 14(c) regarding release and waiver of subrogation, Owner will be responsible for the costs of any damage to the Premises and to the personal property of ATC and Customers attributable to the actions of Owner and its agents and contractors.

(c) **Relocation.** Upon ninety (90) days' written notice by Owner, ATC and Customers will relocate any portion of the Wireless Network, other than the Head End Space, to alternative areas of the Property subject to the following conditions: (i) Owner will issue a purchase order for the approximate cost of the relocation (including reinstallation costs); (ii) the relocation will not negatively impact the Wireless Network's coverage except on a temporary basis; (iii) the relocation will not materially increase the cost of operating the Wireless Network; and (iv) within thirty (30) days of receipt of an invoice from ATC, Owner will pay ATC's and any Customer's costs and expenses.

8. UTILITIES.

(a) **Utilities Required.** ATC and Customers may obtain utility services including, but not limited to, electricity, telephone, and internet access from a provider of their choosing. Owner may not require any additional consideration from ATC, Customers, or a utility provider for the installation and usage of utilities except reimbursements for the actual cost of electricity usage described in Section 8(b).

(b) **Electricity Consumption and Metering.** ATC will obtain metered electrical service directly from the local utility or connect to the Property's electrical service. If ATC submeters from Owner, Owner will read the meter at least once per month and keep records of ATC's usage. Owner will send ATC an invoice within thirty (30) days of reading the meter identifying ATC's usage and calculating the cost of electricity using the average kilowatt-hour rate actually paid by Owner to the utility for electricity at the Property without mark-up by Owner. ATC shall have no obligation to reimburse Owner for any electricity usage paid by Owner unless Owner invoices ATC within twelve (12) months of the date said payments for electricity usage were originally due. ATC and Customers may install backup generators upon the written consent of Owner.

9. LIENS. ATC will promptly discharge any mechanic's or materialman's liens filed against the Property as a result of the Permitted Uses. Owner waives any statutory liens on all components located on the Property owned by ATC or Customers.

10. CASUALTY AND CONDEMNATION.

(a) **Casualty.** If there is a casualty, Owner will restore the Property to its previous condition unless: (i) the casualty is not covered by Owner's insurance; (ii) a lender does not permit the application of adequate insurance proceeds for restoration; or (iii) the damage renders the Property unusable for its intended purposes. Within thirty (30) days from the casualty, Owner will notify ATC of its estimated restoration date. ATC may terminate this Agreement in its sole discretion at any time until the date that is thirty (30) days after the actual restoration date. Any termination will be effective as of the casualty date, any amount owed or paid to Owner will be abated as of the date of casualty, and any prepaid amounts will be reimbursed to ATC.

(b) **Condemnation.** If substantially all of the Premises is taken by eminent domain or deed in lieu of condemnation, then ATC in its sole discretion may terminate this Agreement at any time until the date that is thirty (30) days after the vesting of title from the taking. Any termination will be effective as of the taking date, any amount owed or paid to Owner will be abated as of the date of taking, and any prepaid amounts will be reimbursed to ATC. Owner and ATC may pursue their own separate awards.

11. INTERFERENCE.

(a) **ATC Interference.** ATC will not permit the Wireless Network to interfere with any existing FCC-licensed wireless systems at the Property (including, but not limited to, electromagnetic interference as well as any physical obstructions of antennas), provided that the systems function within normal operating parameters and comply with Applicable Law.

(b) **Owner and Occupant Interference.** Owner will not—and will not permit any user or occupant of the Property within its control to—interfere with the Wireless Network (including, but not limited to, electromagnetic interference as well as any physical obstructions of antennas), provided that the Wireless Network functions within normal operating parameters and complies with Applicable Law.

(c) **Resolution of Interference.** If either Party suspects that the other Party is causing interference pursuant to this section, it will notify the other Party's information technology contact ("**IT Contact**") (as defined in Exhibit C) by phone or email followed by written notice to that Party's Notice Address pursuant to Section 20 and Exhibit C. The receiving Party will use commercially reasonable efforts to respond to the notice within twenty-four (24) hours of receipt of the call or email and will use commercially reasonable efforts as soon as practicable thereafter to eliminate the interference.

12. ASSIGNMENT, SUBCONTRACTING AND SUBLETTING.

(a) **ATC Assignment and Subcontracting.** ATC may assign this Agreement in whole or in part and may subcontract any obligations provided pursuant to this Agreement upon the prior written consent of Owner. Notwithstanding the foregoing, ATC may assign this Agreement to a lender, may assign this Agreement in whole or in part to an Affiliate (as defined below), or may subcontract any obligations provided pursuant to this Agreement to an Affiliate without Owner's consent. An "**Affiliate**" is any party that: (i) directly or indirectly (such as through one or more subsidiaries) controls ATC; (ii) is controlled directly or indirectly by ATC; (iii) is under the common control directly or indirectly with ATC by the same parent corporation or other entity; (iv) is the successor or surviving entity by a merger or consolidation; or (v) purchases all or substantially all of ATC's assets. The issuance or utilization of debt, equity, or derivative securities by ATC or an Affiliate will not be deemed an assignment of this Agreement.

(b) **ATC Licensing.** ATC may enter into, modify, or terminate any Customer Contract without the consent of Owner.

(c) **Owner Assignment.** Owner may convey any interest in the Property or assign this Agreement to any party other than a Competitor (as defined below) upon written notice to ATC. Owner may not without the prior written consent of ATC, which may be withheld in ATC's sole discretion, convey any interest (including but not limited to options, leases, licenses, or easements) in the Property or this Agreement to a Competitor (as defined below). A "**Competitor**" is any third party engaged in: (i) owning, operating, or managing Wireless Networks or (ii) acquiring interests in or purchasing the rental stream from Wireless Network agreements.

(d) **Evidence of Ownership Change.** If Owner transfers its interest in the Property, the transferee will provide to ATC within fifteen (15) days of the transfer the following: (i) sufficient evidence of transfer including but not limited to an assignment and assumption agreement, deed, and/or certificate of merger; (ii) IRS Form W-9 of the transferee; and (iii) the Notice and Payment Address, Access Contact, and IT Contact of the transferee pursuant to Section 20 and Exhibit C. ATC will have no liability to the transferee for any payments made to the transferor prior to the timely receipt of the information required by this paragraph, and may withhold any amounts due under this Agreement until all required information is received.

13. **TAXES.** ATC will pay any taxes directly attributable to the Wireless Network and the use of the Premises by ATC or Customers levied under Applicable Law. If ATC is not billed directly by the taxing authority, Owner will send an invoice for the amount due along with a copy of the tax bill and ATC will pay the invoice within thirty (30) days of receipt. ATC will have the right to file an appeal for any taxes for which it is responsible. ATC will have no liability for the payment or reimbursement of any other taxes, including without limitation, taxes associated with or assessed on the Property, or taxes applicable to Owner's general or net income or chargeable to Owner as a result of Owner's business.

14. INSURANCE.

(a) **ATC and Customer Insurance.** ATC and each Customer will maintain the insurance policies listed below:

- (i) workers' compensation insurance at statutory limits and employer's liability insurance with minimum limits of \$500,000;
- (ii) property insurance with coverage extended for the perils of flood and earthquake, in an amount equal to the full replacement cost of the Wireless Network valued at the time of loss;
- (iii) commercial general liability insurance with coverage with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; and
- (iv) excess liability (umbrella) insurance with a minimum limit of \$5,000,000 per occurrence.

All policies will be written by an insurer rated at least A- by A.M. Best. The commercial general liability and umbrella policies above will list Owner as an additional insured. ATC and Customers may procure the coverage under one or more blanket policies of insurance covering the Premises and other locations of ATC or the Customers. ATC and Customers will provide a certificate of insurance evidencing this coverage upon request by Owner. Notwithstanding the foregoing requirements, a Customer may self-insure if it: (i) uses an independent third party administrator to manage all claims; (ii) maintains sufficient capital reserves; and (iii) complies with Applicable Law including the timely making all necessary government filings.

(b) **Owner's Insurance.** Owner will maintain the insurance policies listed below:

- (i) property insurance with coverage extended for the perils of flood and earthquake, in an amount equal to the full replacement cost of the Property valued at the time of loss;
- (ii) commercial general liability insurance with coverage with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; and
- (iii) excess liability (umbrella) insurance with a minimum limit of \$5,000,000 per occurrence.

Upon request of ATC, Owner will provide a certificate of insurance evidencing this coverage.

(c) **Release and Waiver of Subrogation.** Each Party releases the other and their respective shareholders, directors, members, managers, partners, officers, employees, and agents (collectively "**Associates**") from any claims arising in its favor against the other Party relating to bodily injury or property damage at the Property from any cause except to the extent the injury or damage is the result of (i) the willful misconduct of the other Party or its Associates or (ii) the negligence of the other Party or its Associates, provided that the Party and its Associates will be released from negligent acts or omissions to the extent that the injury or damage is recovered or recoverable under an insurance policy of the Party suffering the injury or damage. Each Party's insurance policies will contain a waiver of subrogation by the insurer for claims arising from the negligent acts or omissions of the other Party. Notwithstanding the foregoing, neither Party waives any claim against the other Party for a loss which is not covered by such Party's property insurance policy because such loss is less than \$ 100,000.00 per claim or such other commercially reasonable amount specified as the property insurance deductible on the certificate of

insurance for the then-current policy year. In the event that a Party suffers a loss which is greater than the amount of a commercially reasonable deductible but below the actual deductible by that Party, such Party shall be responsible for the amount of the loss which is above the then-current commercially reasonable deductible.

15. INDEMNITY AND WAIVER OF CONSEQUENTIAL DAMAGES.

(a) **Indemnity.** Subject to the release in Section 14(c), each Party (“**Indemnitor**”) hereby defends, indemnifies, and saves harmless the other Party (“**Indemnitee**”) and its Associates against and from all third party claims for damages, liabilities, obligations, penalties, costs, charges, and expenses, including reasonable attorneys’ fees arising directly from the performance of this Agreement and relating to bodily injury or property damage to said third parties that is alleged to have resulted from the Indemnitor’s negligence or willful misconduct.

(b) **Procedure.** To be indemnified, the Indemnitee must: (i) give the Indemnitor timely written notice of the claim (unless the Indemnitor already has notice); (ii) give the Indemnitor full and complete authority, information, and assistance for the claim’s defense and settlement; and (iii) not materially prejudice the Indemnitor’s ability to satisfactorily defend or settle the claim. The Indemnitor’s obligation to indemnify the Indemnitee will be reduced to the extent of any increased claims or losses resulting from the Indemnitee’s failure to comply with the previous sentence. The Indemnitor may settle or defend the claim at its own expense and with its own counsel, provided that the Indemnitor may not admit any guilt or culpability of or on behalf of the Indemnitee. The Indemnitee may participate in the settlement or defense of the claim with its own counsel and at its own expense, but the Indemnitor will retain sole and absolute control of the claim’s settlement or defense.

(c) **Waiver of Consequential Damages.** NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR LOSS OF ANTICIPATORY PROFITS OR ANY OTHER INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, LOST BUSINESS OPPORTUNITIES, IMPERFECT COMMUNICATIONS, MARKET SHARE OR CONSEQUENTIAL DAMAGES (“**CONSEQUENTIAL DAMAGES**”) INCURRED IN CONNECTION WITH THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY CONSEQUENTIAL DAMAGES ARISING FROM OR RELATED TO ANY NETWORK DISRUPTION, MALFUNCTION, DISRUPTION OF SERVICE, VANDALISM, FORCE MAJEURE, OR ANY OTHER REASON, EVEN IF THE PARTIES CONTEMPLATED THE POSSIBILITY OF SUCH DAMAGES IN ADVANCE.

16. DEFAULT AND TERMINATION.

(a) **Default.** It will be a “**Default**” if:

(i) any Party’s representations or warranties are materially false and, if a breach of warranty can be cured, the non-complying Party does not remedy the failure within thirty (30) days after receipt of written notice of default by the other Party;

(ii) either Party fails to pay when due any sum of money due to the other Party, and the non-complying Party does not remedy the failure within thirty (30) days after receipt of written notice of default by the other Party; or

(iii) either Party fails to perform any other obligation and does not remedy the failure within thirty (30) days after receipt of written notice of default by the other Party, or if the failure cannot reasonably be remedied in that time, if the non-complying Party does not commence a remedy within thirty (30) days and exercise reasonable efforts to prosecute the remedy to completion.

(b) **Remedies for Default.** Upon the occurrence of a Default, the non-defaulting Party may terminate this Agreement upon thirty (30) days' written notice to the defaulting Party and pursue any additional legal and equitable remedies permitted by Applicable Law. The non-defaulting Party must mitigate its damages resulting from a Default.

(c) **Additional Termination by ATC.** Provided that no ATC Default exists, ATC may terminate this Agreement upon thirty (30) days' written notice:

(i) during the Due Diligence Period and upon one hundred eighty (180) days' written notice after the Due Diligence Period;

(ii) if ATC or any Customers are unable to: (A) use the Wireless Network in accordance with the Permitted Uses as a result of material interference; (B) obtain or maintain any rights necessary to provide access or utilities to the Premises; or (C) obtain or maintain any Required Approvals despite diligent efforts to do so;

(iii) if all Customer Contracts terminate or expire; or

(iv) if Owner shall become bankrupt, insolvent, or file a voluntary petition in bankruptcy, have an involuntary petition in bankruptcy filed against Owner which cannot be or is not dismissed by Owner within sixty (60) days of the date of the filing of the involuntary petition, files for reorganization or arranges for the appointment of a receiver or trustee in bankruptcy or reorganization of all or a substantial portion of Owner's assets, or Owner makes an assignment for such purposes for the benefit of creditors.

(1) If ATC elects to terminate this Agreement pursuant to Section 16(c)(iv), ATC will send Owner an invoice for the Termination Fee (as defined below) and Owner will pay the invoice within thirty (30) days of receipt thereof. The "**Termination Fee**" is the sum of the Unamortized Component Cost, the Aggregate Cost of Capital, the Premium, and the Remaining Revenue. The "**Unamortized Component Cost**" is the sum of any unamortized costs and expenses related to the design, construction, installation, or modification of the Wireless Network. The "**Aggregate Cost of Capital**" is the sum of the Annual Cost of Capital for each year of the lease term. The "**Annual Cost of Capital**" for any particular lease year is the product of 12.5% and the Unamortized Component Cost as measured on the first day of the lease year. The "**Premium**" is the sum of the Unamortized Component Cost and the Aggregate Cost of Capital, all multiplied by fifteen percent (15%). The "**Remaining Revenue**" is the net present value of the aggregate remainder of the revenue due to ATC under each Customer Contract, including available renewal terms, calculated using a discount rate of four percent (4%).

Upon ATC terminating in accordance with this Section 16(c)(i)-(iii), all amounts payable under this Agreement will be paid through and apportioned as of the termination date. If there is no Default by either Party, then upon termination, neither Party will have any rights or obligations under this Agreement except for any rights or obligations that expressly survive the termination of the Agreement.

17. REMOVAL OF COMPONENTS UPON TERMINATION OR EXPIRATION. Within ninety (90) days following the termination or expiration of this Agreement, ATC will remove the Wireless Network (other than as described below) from the Property and restore the Premises to as good a condition as it was in prior to the installation of the Wireless Network, reasonable wear and tear and casualty excepted. ATC may — but will not be required to — remove any fiber optic or other cable, wiring, sleeving, or conduit installed by ATC or restore or fill in any core drillings that ATC created in any structures on the Property.

18. QUIET ENJOYMENT AND TITLE. Owner warrants and represents that: (a) it has marketable fee simple title to the Property (or a long-term lease or similar interest contained in a written instrument, which has been provided to ATC) free of any encumbrances that may adversely affect the Permitted Uses; (b) it has not received any notice of condemnation for the Property; (c) there is no existing or threatened litigation relating to the Property that may adversely affect the Permitted Uses; (d) it has the full power and authority to enter into and perform its obligations under this Agreement, and, to the extent applicable, the person(s) executing this Agreement on its behalf, has the authority to enter into and deliver this Agreement on its behalf; (e) its execution and performance of this Agreement will not violate any Applicable Laws or the terms of any mortgage, deed of trust, encumbrance, lease, or other agreement; (f) it is not in default of any underlying leases or other agreements from which it derives its interest in the Property or any mortgage or deed of trust that encumbers the Property, and has committed no act that with the passage of time or the giving of notice will ripen into a default; and (g) ATC will have quiet enjoyment of the Premises as long as there is no ATC Default.

19. HAZARDOUS SUBSTANCES.

(a) **Definition of Hazardous Substances.** “*Hazardous Substances*” will have the same meaning as “hazardous substance” as defined in 42 U.S.C. §9601(14), as may be amended or superseded, provided however that the exclusions for petroleum and natural gas contained in the second sentence of 42 U.S.C. §9601(14)(F) will not be applicable and said substances will be considered “Hazardous Substances” for the purpose of this Agreement.

(b) **ATC’s Use of Hazardous Substances.** ATC will not use any Hazardous Substances at the Property except for materials that are necessary and directly related to the Permitted Uses and which are used according to Applicable Law. ATC hereby indemnifies, defends, and holds harmless Owner and its Associates from all losses, claims, suits, and damages (including remediation costs) incurred by those parties as a result of (i) the use of Hazardous Substances by ATC or (ii) the exacerbation, due to ATC’s negligence or willful misconduct, of any Hazardous Substances existing at Property prior to the Effective Date of which Owner has disclosed to ATC pursuant to Section 19(c).

(c) **Owner’s Representations.** Owner represents and warrants to ATC that as of the Effective Date, the Property is free from (i) asbestos and (ii) any other Hazardous Substances except in de minimis amounts used by Owner and occupants of the Property in accordance with Applicable Law and in connection with those parties’ ordinary and regular conduct of business from the Property. Within thirty (30) days following the Effective Date and on a continuous basis thereafter, Owner will notify ATC of the presence of Hazardous Substances at the Property. Owner hereby indemnifies, defends, and holds harmless ATC and its Associates from all losses, claims, suits, and damages (including remediation costs) incurred by those parties as a result of the presence or use of Hazardous Substances at the Property by Owner and its occupants. The provisions of this section will survive the termination or expiration of this Agreement.

(d) **Remediation of Hazardous Substances.** If there are Hazardous Substances at the Property and ATC determines that the Hazardous Substances must be remediated to install the Wireless Network, ATC will request that Owner remediate the Hazardous Substances within ninety (90) days at Owner’s expense. If Owner does not remediate the Hazardous Substances within ninety (90) days, it may have additional time provided that it diligently pursues the remedy to completion and any additional time will be added to the Due Diligence Period or term of this Agreement as applicable. If Owner declines and/or fails to remediate the Hazardous Substances in a timely manner, ATC may terminate this Agreement upon thirty (30) days’ written notice.

20. NOTICES AND PAYMENTS. Except for phone and email notices pursuant to Sections 5 and 11, all notices must be in writing and personally delivered, mailed via U.S. certified mail return receipt requested, or transmitted by courier for next business day delivery to the receiving Party’s Notice Address

defined in Exhibit C. Payments will be sent to Owner's Payment Address (as defined in Exhibit C). Either Party may change any address described in this section upon thirty (30) days' written notice. Notices will be deemed to have been given upon either receipt or rejection.

21. MISCELLANEOUS.

(a) **Agreement Runs with Land; No Revocation.** Notwithstanding the characterization of any rights granted herein as a lease, license, or easement, this Agreement (i) runs with the land, (ii) is binding upon and inures to the benefit of the Parties and their respective successors and assigns, and (iii) may not be terminated or revoked unless specifically permitted by this Agreement.

(b) **Memorandum of Agreement.** Neither Party may record this Agreement. Upon the request of either Party, the other Party will execute a memorandum of this Agreement in a form reasonably acceptable to the Parties within fifteen (15) days of receipt of the request.

(c) **SNDA.** This Agreement is subordinate to any existing mortgages, deeds of trust, or other recorded financing instruments ("**Encumbrances**"). This Agreement will be subordinate to any future Encumbrances upon the recordation of a subordination, non-disturbance, and attornment agreement ("**SNDA**") in a form reasonably satisfactory to Owner, ATC, and the lender. The SNDA will state in substance that (i) this Agreement is subordinate to the lender's interest, (ii) ATC's interest in this Agreement will not be disturbed as long as there is no ATC Default; and (iii) ATC will attorn to lender as "landlord" upon foreclosure of the Property.

(d) **Confidentiality.** Owner will not disclose to any third party the financial terms under this Agreement, if applicable, and will treat such information as confidential, except that Owner may disclose such information to prospective buyers, prospective or existing lenders, Owner's affiliates and attorneys, or as may be required by law or as may be necessary for the enforcement of Owner's rights under the Agreement.

(e) **Components as Personalty.** Any component of ATC including the Wireless Network remains the personal property of ATC and any component of a Customer remains the personal property of the Customer even though it may be attached to the Property and is removable consistent with the provisions of this Agreement.

(f) **Calendar and Business Days.** Except as specifically provided in this Agreement, references to "day" or "days" will mean "calendar" days, provided that if the last day for performance falls on a Saturday, Sunday, or holiday for which banking institutions in the state in which the Property is located are generally closed, then the day of performance will be the next business day.

(g) **Brokers.** Each Party is responsible for paying its own broker's fees in connection with this Agreement, and neither Party will be responsible for any broker's fees incurred by the other Party.

(h) **Force Majeure.** The period of time during which any Party is delayed in performing any obligation under this Agreement due to any event or phenomenon outside of the reasonable control of that Party including but not limited to fire, catastrophe, strikes, labor trouble, civil commotion, terrorism, war, or governmental prohibitions or regulations will be added to that Party's time for performance, and the Party will not be deemed in default as a result of the delay.

(i) **Estoppel Certificates.** Within fifteen (15) days of a request, a Party will deliver an estoppel certificate certifying such facts pertaining to the term, financial obligations, and performance of this Agreement as the requesting Party reasonably requests.

(j) Entire Agreement; Amendment. This Agreement embodies the entire agreement between the Parties and it may only be amended by a writing signed by both Parties. There are no representations or understandings existing prior to the Effective Date between Owner and ATC that are not stated in this Agreement.

(k) Severability. If any of the provisions of this Agreement are held unenforceable, the remainder of this Agreement will be enforceable to the fullest extent permitted by Applicable Law.

(l) Non-Waiver. A Party's failure to exercise its rights after a breach of this Agreement or to insist on the strict performance of any term of this Agreement will not be a waiver of its rights.

(m) Relationship of Parties. The relationship between Owner and ATC is solely that of landlord and tenant, and nothing will be construed to constitute the Parties as employer and employee, partners, joint venturers, co-owners, or otherwise as participants in a joint or common undertaking. Neither Party may act on behalf of or legally bind the other.

(n) Interpretation. References in this Agreement to sections, paragraphs or clauses will refer to those sections, paragraphs or clauses set forth in this Agreement unless the context expressly requires otherwise. Headings of sections or paragraphs are for convenience only and will not be considered in construing the meaning of sections or paragraphs.

(o) Consent. Whenever the consent of a Party is required by this Agreement, consent may not be unreasonably withheld, delayed, or conditioned unless it is specifically stated that consent is in the Party's sole discretion, in which case the Party has sole and absolute discretion to grant or deny consent notwithstanding any covenant of good faith and fair dealing. It will not be reasonable for any Party to request additional payments, fees, or other consideration from the other Party in exchange for consent.

(p) Attorneys' Fees. If either Party institutes any legal proceedings against the other for a Default and prevails in the action, the non-prevailing Party will pay the costs and expenses of the prevailing Party in enforcing its rights, including reasonable attorneys' fees.

(q) Governing Law. This Agreement will be governed by and construed in accordance with the laws of the state in which the Property is located, without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any other jurisdiction. The Parties hereto irrevocably submit to the exclusive jurisdiction of the courts of the state in which the Property is located (or to the federal courts of United States located in the state in which the Property is located, for any matters within their jurisdiction) for all matters arising out of or in connection with this Agreement.

(r) Survival. Any provisions of this Agreement that in order to have its intended effect must survive the expiration or termination of this Agreement will be deemed to survive.

(s) Electronically Reproduced Counterparts. The Parties agree that (i) a digital or electronic signature on this Agreement and/or (ii) a fully executed scanned or electronically reproduced copy or image of this Agreement shall be deemed an original and may be introduced or submitted in any action or proceeding as competent evidence of the execution, terms and existence hereof notwithstanding the failure or inability to produce or tender an original, manually executed counterpart of this Agreement and without the requirement that the unavailability of such original, manually executed counterpart of this Agreement first be proven.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

ATC:

ATC Indoor DAS LLC

By: _____

Name: Janae Walker

Title: VP -- Legal

Date: _____

OWNER:

Reno Sparks Convention Center

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
HEAD END SPACE DRAWING

[Attach Head End Space drawing here upon approval by both Parties. If the Parties have not agreed on the location of the Head End Space as of the Effective Date, the Parties will work in good faith to identify a Head End Space that:

- is generally located in a portion of the Property that will minimize ATC's costs and expenses in installing and maintaining the Wireless Network (for indoor locations, the ground floor is preferred);
- is of sufficient space for the placement of the head end components of both ATC and multiple Customers (including future Customers), but in no circumstance less than 650 square feet;
- has electrical service nearby of at least 400 amps at 277/480 volts three phase;
- has a floor loading capacity of at least 150 pounds per square foot;
- has reasonable access to the vertical and horizontal risers, raceways, conduits, and telecommunications pathways; and
- does not contain any Hazardous Substances.

Upon the Parties' agreement on the location of the Head End Space, ATC will include the location on its Plans and submit for Owner's approval pursuant to Section 6(a). Upon Owner's approval of the Plans, the approved Head End Space drawing will be attached to this Agreement.]

EXHIBIT C
NOTICES AND CONTACT INFORMATION

	OWNER	ATC
Notice Address:	with a copy to:	ATC Indoor DAS LLC 10 Presidential Way Woburn, MA 01801 Attn: Landlord Relations with a copy to: American Tower Corporation 116 Huntington Avenue, 11 th Floor Boston, MA 02116 Attn: Legal Department
Payment Address:		ATC Indoor DAS LLC PO Box 751760 Charlotte, NC 28275-1760
Access Contact:	[name] Tel: Email:	n/a
Information Technology (“IT”) Contact:	[name] Tel: Email:	Network Operations Center Tel: (888) 773-4122 gnoctickets@americantower.com
Plan Approval Designee	[name] Tel: Email:	n/a



To: RSCVA Board of Directors

From: Robert Chisel, Director of Finance

CC: Phil DeLone, President/CEO
Bob Lucey, Board Chair

Date: September 26, 2019

Subject: Discussion and potential approval of the Reno-Sparks Convention and Visitors Authority's Investment Policy

Executive Summary

Staff is presenting the updated Investment Policy for the approval of the Board of the Reno-Sparks Convention & Visitors Authority. The current Investment Policy was adopted by the Board in January 2018. Since the adoption, the legislature has made adjustments to the allowable investments for local governments. This policy has been updated to reflect the changes and clarify the allowable investments. Attached is the revised policy.

Background

The Investment Policy provides guidance for the investment of the Authority's cash. The attached Investment Policy is presented for review and adoption. The policy is in accordance with recommendations of the Government Finance Officers Association and in compliance with Nevada Revised Statutes, as of 2019. The policy was reviewed by the Authority's external auditor and investment advisor.

NRS 355.175(1) authorizes the governing body of any local government or agency to direct its treasurer or other appropriate officer to invest its money or any part thereof in any investment permitted under NRS 355.170.

Fiscal Impact

None at this time.

Recommendation

Staff recommends adoption of the Investment Policy as presented.



**Reno
Tahoe**™

**Reno-Sparks
Convention &
Visitors Authority**

Investment Policy

Version: September 26, 2019

Prepared by: Reno-Sparks Convention & Visitors Authority
Finance Department (775) 827-7626



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Reno-Sparks Convention & Visitors Authority Investment Policy

September 26, 2019

1. Policy

It is the policy of the Reno-Sparks Convention & Visitors Authority (Authority) to invest funds in a manner, which will provide a market rate of return while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

The purpose of this Investment Policy is to establish the investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements and custodial procedures necessary for the prudent management and investment of the funds of the Authority.

2. Scope

This investment policy applies to all financial assets of the Authority, these funds are accounted for in the following funds:

A. Funds

- i. General Fund
- ii. Insurance Internal Service Fund
- iii. Capital Projects Fund
- iv. Debt Service Fund
- v. Any new fund created by the State Legislature and/or the Board.

B. Deferred Compensation. The Authority offers its employees a deferred compensation plan created in accordance with IRS Code Section 457. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the Authority, subject only to the claims of the Authority's general creditors. The Authority does not administer the plans nor has no liability for losses under the plan but does have the duty of due care.

C. Defined Benefit Pension Plan. The Authority of Reno is a public employer participating in the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer program. The method of determining



the total pension obligations is governed under GASB Statement No. 5 Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers. The plan does not make separate rate measurements of assets and pension benefit obligations for individual employers. The Authority does not administer the Defined Benefit Pension Plan.

3. Standards of Care

The standard of care, per NRS 355.145, to be used in the investment program will be the following "prudent person" standard, as hereafter quoted, and will be applied while conducting all investment transactions:

"The Authority Investment Officer shall exercise the judgment and care, under the circumstances then prevailing, which a person of prudence, discretion and intelligence exercised in the management of his/her own affairs, not in regard to speculation, but in regard to the investment of his/her money, considering the probable income as well as the probable safety of his/her capital."

Authorized investment officers and staff who act in accordance with this policy and written procedures in the management of Authority money, and who exercise the proper due diligence will have no personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported and preventative action is taken to control adverse developments.

4. Objectives

The primary objectives shall be safety, liquidity, and return on investment:

D. Safety:

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

The Authority will minimize credit risk, which is the risk of loss of all or part of the investment due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in Section VII of this Investment Policy
- Pre-qualifying and conducting ongoing due diligence of the financial institutions, broker/dealers, intermediaries, and advisers with which

the Authority will do business in accordance with Section V

- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk

The Authority will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that security maturities match cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting individual security maturity as well as the average maturity of the portfolio in accordance with this policy.

E. Liquidity:

The Authority's investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

F. Return on investment:

The rate of return on the Authority's investment portfolio is of secondary importance compared to the safety and liquidity objectives described in 4.A and 4.B. Investments are limited to low-risk securities in anticipation of earning a rate of return relative to the risk being assumed. The Authority's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Authority's investment risk constraints and cash flow characteristics of the portfolio. Interest rates will be mitigated by:



Structuring the Authority's portfolio so that securities mature to meet the Authority's cash requirements, thereby avoiding the need to sell securities on the open market prior to their maturity.

Investing primarily in shorter-term securities, unless it is anticipated that long-term securities can be held to maturity without jeopardizing liquidity requirements.

5. Delegation of Authority

Authority to manage the investment program is granted to the Director of Finance, hereinafter referred to as Investment Officer. Responsibility for the operation of the investment program is hereby delegated to the Investment Officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. At a minimum, procedures should include references to the following: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

6. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Investment Officer will disclose any material financial interest in financial institutions that conduct business within this jurisdiction. The Investment Officer shall further disclose any large personal financial/investment positions that could be related to the performance of the Authority portfolio. Employees and officers shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

7. Authorized Financial Dealers, Institutions, and Advisors

The Investment Officer will maintain a list of financial institutions authorized to provide investment related services to the Authority. The types of institutions may include custodian banks, financial depositories, and broker/dealers. For authorized financial institutions providing depository and/or selling investments directly to the Authority, the Investment Officer or designated representative shall review the financial condition and registrations of the authorized institutions, including a review of financial condition,



initially and at least annually. For banks and depositories, the institution must be a member of FDIC and licensed to do business in the State of Nevada. No public deposit shall be made except in a qualified public depository as established by state laws.

Should the Authority chose to work directly with broker/dealers, the Investment Officer or designated representative shall require documents relative to eligibility including but not limited to audited financial statements, proof of registration in the State of Nevada, proof of FINRA (Financial Industry Regulatory Authority), and a written acknowledgement that the registered representative covering the Authority has received and read the Authority's Investment Policy. Eligible firms may include either primary dealers or regional dealers that qualify under Securities & Exchange (SEC) Rule 15 C 3-1 (Uniform Net Capital Rule).

As an alternative, or in addition to working directly with broker/dealers, the Authority may contract with an external investment advisor to assist with the management of its investment portfolio in a manner that is consistent with the Authority's objectives and this policy. Advisors must be registered with the SEC under the Investment Advisers Act of 1940, licensed to do business in the State of Nevada and must act in a non-discretionary capacity, requiring approval prior to all transactions. The investment advisor will be held to the "prudent investor" standard in regard to all recommendations.

The advisor may be authorized through the contracted agreement to open accounts on behalf of the Authority with broker/dealers on their internally approved broker dealer list. The Authority will receive documentation directly from the brokers for account verification and regulatory requirements.

8. Authorized and Prohibited Investments

All temporarily idle or surplus funds of the Authority shall be invested in accordance with the principles of sound treasury management and in accordance with the provisions of Nevada Revised Statutes (NRS) Chapters 355.170, 355.171, and this Investment Policy. The investments authorized in the Authority's Investment Policy are more restrictive than the universe of investment options allowable in NRS, keeping in line with the Authority's program objectives and risk parameters.

C. The following are authorized investments:

- i. Bonds, bills, notes and debentures of the United States Treasury.
- ii. Government Sponsored Entities (GSE's) which include obligations of the Federal National Mortgage Association (FNMA), The Federal Home Loan Mortgage Corporation (FHLMC), the Federal Home Loan Bank (FHLB), the Federal Farm Credit Bank (FFCB), The Tennessee Valley Authority (TVA)

and other such agencies as identified in NRS 355.170 and NRS 355.171

- iii. Notes and bonds issued by corporations organized and operating in the United States that at the time of purchase have a remaining term to maturity of no more than 5 years. At the time of purchase, corporate notes must have a minimum rating of AA- by S&P, or Aa3 by Moody's, or AA- by Fitch. Such investments must not exceed 25% in aggregate or 5% per issuer of the Authority's total funds. All purchases of corporate bonds shall be effected on the Authority's behalf by an Investment Advisor who is registered with the Securities and Exchange Commission and approved by the Nevada State Board of Finance. Furthermore, if the rating is reduced to below A- or its equivalent by all of the eligible rating agencies (S&P, Moody's, and Fitch) the investment advisor must, as soon as possible, report the reduction in the rating directly to the Board in writing.
- iv. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations.
- v. Non-negotiable certificates of deposit issued by insured commercial banks, credit unions, savings and loan associations or savings banks. Non-negotiable certificates of deposits in excess of the FDIC insured amount must be collateralized in the same manner as required by state statutes for uninsured deposits (NRS 356.133).
- vi. Bank and time deposits in qualified financial institutions and collateralized according to state statutes (NRS 356.133).
- vii. Money Market Mutual Funds which:
 - 1. Are registered with the Securities and Exchange Commission;
 - 2. Are rated the equivalent of "AAA" by S&P, Moodys or Fitch;
 - 3. Invests only in securities issued by the Federal Government or Agencies of the Federal Government; Master notes, bank notes or other short-term commercial paper rated A1, P1 or its equivalent, or better, issued by a corporation organized and operating in the US or by a depository institution licensed by the United States or any state and operating in the US; or in Repurchase Agreements fully collateralized by any of the securities named above.
- viii. State Investment Pool.



- ix. Securities which have been expressly authorized as investments for local governments or agencies by provision of Nevada Revised Statutes.

B. **NON** authorized investments:

- i. NRS 355.140.4 states that "no money of this state may be invested pursuant to a reverse-repurchase agreement..."
- ii. Interim warrants from any source.
- iii. Its own securities of any kind.

9. Diversification

The Authority will diversify its investment by security type and institution. The constraints will provide for a disciplined guide in making investment decisions.

Diversification Table – Total Funds

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P	Ratings Moody's	Ratings Fitch
US Treasury Obligations	100%	None	N/A	N/A	N/A
US Agency Obligations - Primary FHLB, FNMA, FHLMC, FFCB	100%	50%	N/A	N/A	N/A
US Agency Obligations - Secondary TVA, FICO, PEFCO	50%	25%	AA-	Aa3	AA-
Corporate Notes	25%	5%	AA-	Aa3	AA-
Negotiable Certificates of Deposit	20%	10%	N/A	N/A	N/A
Non-Negotiable Certificates of Deposit	20%	10%	N/A	N/A	N/A
Collateralized Bank Deposits	100%	25%	N/A	N/A	N/A
Money Market Funds	100%	None	AAAm	Aaa-mf	AAAmmf
State LGIP	Max permitted by State Treasurer	None	N/A	N/A	N/A

Issuer constraints apply to the combined issues of any single counterparty
Issues required to be rated must meet minimum rating by Moody's, S&P OR Fitch

10. Maturities

To the extent possible, the Authority will attempt to match its investments with anticipated cash flow requirements. For surplus funds, investment maturities will not exceed limitations as listed below:

- A. U.S. Treasury and Agency securities cannot exceed 10-year maturity from date of purchase.
- B. Corporate notes cannot exceed a 5-year maturity from the date of purchase.
- C. Negotiable certificates of deposit, non-negotiable certificates of deposits and collateralized bank deposits cannot exceed 3-years from the date of purchase.

11. Collateralization, Safekeeping and Custody

- A. All security transactions entered into by the Authority shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by third party custodians designated by the Director of Finance.
- B. All certificates and time deposits over FDIC insured limit, currently \$250,000, shall be collateralized in the manner prescribed by the NRS for depositories accepting municipal investment funds. None of the total portfolio shall be invested in any uninsured-uncollateralized issuances of any single institution.

12. Internal Controls

The Director of Finance shall establish a process of independent review by an external auditor on a periodic basis. This review will provide internal control by assuring that policies and procedures are being complied with. Such review may also result in recommendations to change operating procedures to improve internal control.

13. Performance Measurement and Reporting Requirements

A. Reporting Requirements

The Director of Finance shall generate quarterly reports, at a minimum, for management purposes. The reports which will include but not necessarily be limited to; portfolio activity, instruments held by type, investment allocations by maturity, estimated market valuations, as well as any narrative necessary for adequate clarification.

B. Performance Evaluation

The performance of the Authority's portfolio will be primarily measured against a market based index such as the ICE BAML 0-3 Treasury or similar. Market based indices effectively measure the portfolio return profile as it takes market volatility into consideration. Yield performance measures such as the State of Nevada Investment Pool and/or a money market mutual fund may also be used to evaluate the Authority's book return versus comparable alternatives. When comparing the performance of the Authority's portfolio, all fees and expenses involved with managing the portfolio shall be included in the computation.

C. Monitoring and Adjusting the Portfolio

The Investment Officer will routinely monitor the contents of the portfolio comparing the holdings to the markets, relative values of competing instruments, changes in credit quality, and benchmarks. If there are advantageous transactions, the portfolio may be adjusted accordingly.

The policies set forth in this document will be adhered to continually and monitored on a quarterly basis. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular issuer or investment type. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter with future reinvestments.

14. Segregation and Investment of Bond Proceeds

Segregation and Investment of Bond Proceeds Securities and Exchange Commission (SEC) Rule 15B of the Dodd-Frank Act ("Act") implemented on July 1, 2014, regulates the investment of bond proceeds which are defined as follows. Authorized investment options are defined in NRS 350.658:

- A. The term "proceeds of municipal securities" means monies derived by a municipal entity from the primary offering of municipal securities, investment income derived from the investment or reinvestment of such monies, and any monies of a municipal entity or obligated person held in funds under legal documents for the municipal securities that are reasonably expected to be used as security or a source of payment for the payment of the debt service on the municipal securities, including reserves, sinking funds, and pledged funds created for such purpose, and the investment income derived from the investment or reinvestment of monies in such funds.



- B. The term “municipal escrow investments” means proceeds of municipal securities and any other funds of a municipal entity that are deposited in an escrow account to pay the principal of, premium, if any, and interest on one or more issues of municipal securities.

The Authority shall segregate all bond proceed investment funds into accounts that are clearly marked as bond proceeds. These funds shall be invested without advice from broker/dealers who choose the “Advice Exclusion” of the Act, or with advice from a Registered Municipal Advisor or a Registered Investment Advisor. If an Advisor is utilized to help manage bond proceeds, the Advisor must meet the following criteria:

- A. Registered with the Securities and Exchange Commission and licensed by the State of Nevada with assets under management in excess of \$500 million.
- B. All investment advisor firm representatives conducting investment transactions on behalf of Authority must be registered representatives with the Financial Industry Regulatory Authority;
- C. All investment advisor firm representatives conducting investment transactions on behalf of the Authority must be licensed by the State of Nevada;
- D. Contract terms will include that the investment advisor comply with the Authority’s Investment Policy.

15. Investment Policy Adoption

The Investment Policy shall be adopted by the President/CEO.



Glossary

Accrued Interest: The interest accumulated on a security since the issue date or since the last coupon payment. The buyer of the security pays the market price plus accrued interest.

Agency Securities: See "Federal Agency Securities."

Bankers' Acceptance (BA's): A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a month market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

Basis Point: A basis point is a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form. In most cases, it refers to changes in interest rates and bond yields.

Benchmark: A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance and duration of the actual portfolio's investments.

Bond: An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and it is usually secured by specific assets. Most bonds have a maturity of greater than one year and in general, pay interest semiannually.

Broker/Dealer: A person or firm transacting securities business with customers. A "broker" acts as an agent between buyers and sellers, and receives a commission for these services. A "dealer" buys and sells financial assets from its own portfolio. A dealer takes risk by owning an inventory of securities, whereas a broker merely matches up buyers and sellers.

Call: An option to buy a specific asset at a certain price within a certain period of time.

Callable: A bond or preferred stock that may be redeemed by the issuer before maturity for a call price specified at the time of issuance.

Call Date: The date before maturity on which a bond may be redeemed at the option of the issuer.

Certificate of Deposit (CD): Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity).



Collateral: Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Short-term, unsecured, negotiable promissory notes issued by a company or financial institution. Issued at a discount and matures at par or face value. Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more NRSROs.

Core Fund: Core funds are defined as operating fund balance which exceeds the City's daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

Corporate Note: A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

Coupon Rate: The annual rate of interest that the issuer of a bond promises to pay to the holder of the bond.

Current Maturity: The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

Current Yield: The coupon payments on a security as a percentage of the security's market price. In many instances the price should be gross of accrued interest, particularly on instruments where no coupon is left to be paid until maturity.

CUSIP: A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

Delivery Versus Payment (DVP): Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

Depository Trust Company (DTC): A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs and BAs clear through DTC.



Discount Notes: Short term debt obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Discount Notes typically have very large primary (new issue) and secondary markets.

Federal Agency Security: A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Federal Agency: Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets.

Federal Farm Credit Bank (FFCB): A Government Sponsored Enterprise (GSE) system that is a network of cooperatively owned lending institutions that provide credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and agricultural industry. Also issues notes under its "designated note" program.

Federal Home Loan Bank System (FHLB): A Government Sponsored Enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its "global note" and "TAP" programs.

Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"): One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its "reference note" program.

Federal National Mortgage Association (FNMA or "Fannie Mae"): One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to



the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its "benchmark note" program.

Federal Reserve Bank: One of the 12 distinct banks of the Federal Reserve System.

Federal Reserve System (the Fed): The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven member Board of Governors known as the "Federal Reserve Board" and headed by its Chairman.

General Obligation Bonds (GOs): Bonds secured by the pledge of the municipal issuer's full faith and credit, which usually includes unlimited taxing power.

Government Bonds: Securities issued by the federal government; they are obligations of the U.S. Treasury. Also known as "governments."

Government Sponsored Enterprise (GSE): Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Some consider GSEs to be stealth recipients of corporate welfare. Examples of GSEs include: FHLB, FHLMC, FNMA and FFCB.

Interest: Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

Interest Rate: The interest payable each year on borrowed funds, expressed as a percentage of the principal.

Investment Advisor: A company that provides professional advice managing portfolios, investment recommendations and/or research in exchange for a management fee.

Investment Portfolio: A collection of securities held by a bank, individual, institution, or government agency for investment purposes.



Investment Securities: Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

Liquidity: The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

Liquidity Component: A percentage of the total portfolio that is dedicated to providing liquidity needs for the City.

Mark to Market: Adjustment of an account or portfolio to reflect actual market price rather than book price, purchase price or some other valuation.

Municipals: Securities, usually bonds, issued by a state or its agencies. The interest on "munis" is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency's taxation powers.

NRSRO: A "Nationally Recognized Statistical Rating Organization." A designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating such as Moody's, S&P, Fitch and Duff & Phelps.

Par Value: The value of a security expressed as a specific dollar amount marked on the face of the security, or the amount of money due at maturity. Par value should not be confused with market value.

Rate of Return: Amount of income received from an investment, expressed as a percentage of the amount invested.

Total Return: Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

Treasury Bill (T-Bill): An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

Treasury Bonds and Notes: Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.



Yield: The annual rate of return on an investment, expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield to Maturity: The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.



To: RSCVA Board of Directors

From: Robert Chisel, Director of Finance

CC: Phil DeLone, President/CEO
Bob Lucey, Board Chair

Date: September 26, 2019

Subject: Discussion and potential approval of the advance purchase for carpeting and HVAC for the National Bowling Stadium for an amount not to exceed \$143,873 and reimbursement of cost from the City of Reno

Executive Summary

The National Bowling Stadium is undergoing a renovation of the fourth floor. This renovation is being conducted by the City of Reno, the owner of the National Bowling Stadium. Funding for the project comes from the Capital Projects Surcharge. This funding is currently not sufficient to fund the purchase of carpeting for the "Pro Shop" area and the "South Atrium" area of the fourth floor for a cost to not exceed \$63,548, and HVAC for the "South Atrium" area for a cost to not exceed \$80,025 (engineers estimate \$72,750 plus 10% contingency of \$7,275). The City of Reno has requested that the Authority purchase the carpet in advance of the funding becoming available to the City of Reno. When the funding is available, estimated to be in February 2020, the City of Reno will reimburse the Authority. The projects need to be completed in time for the United States Bowling Congress Open Championships, beginning in March 2020.

Background

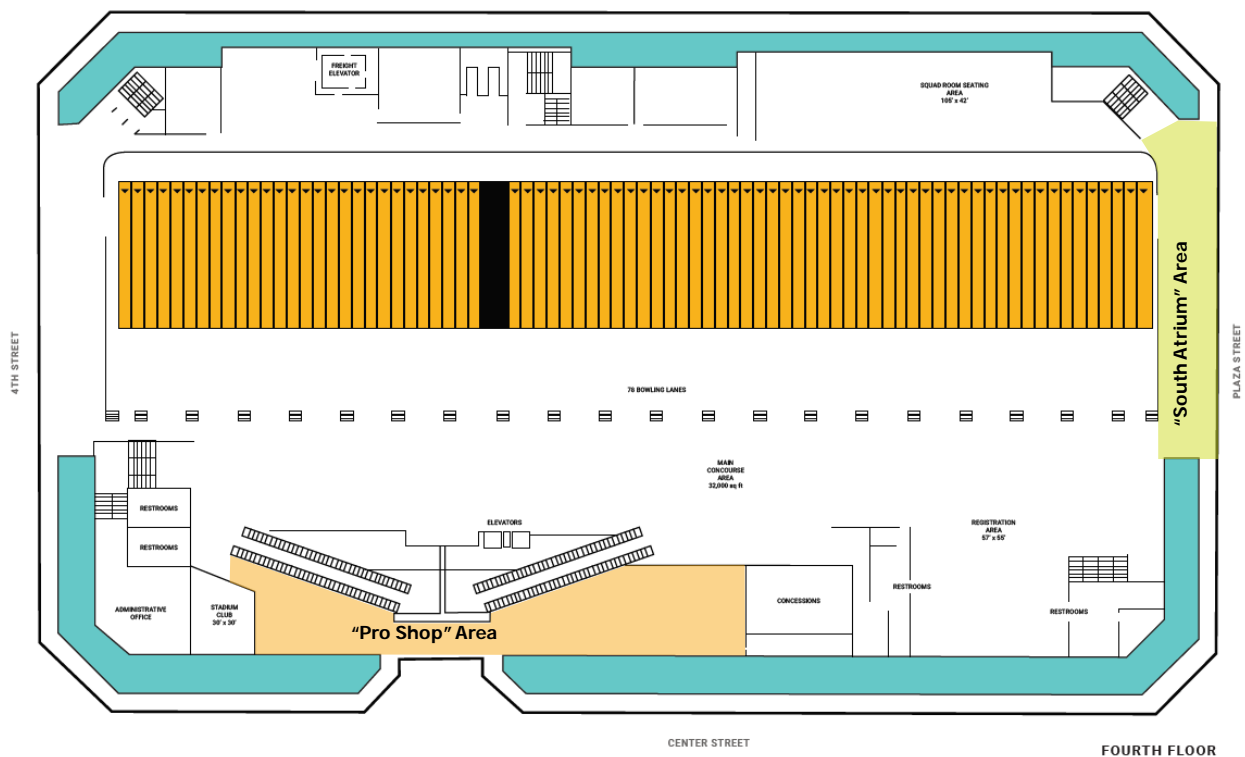
The agreement between the United States Bowling Congress (USBC), the Authority, and the City of Reno has renovation milestones for upgrading the National Bowling Stadium, which is owned by the City of Reno and managed by the Authority. One of the milestones involves the remodel of the fourth floor of the National Bowling Stadium. The fourth floor is the location of the 78 competition bowling lanes, squad room, food and beverage concessions and general open area. The fourth floor remodel involves the removal of the stadium seats, expansion of the bowling lane area, new food and beverage concession, and new bathrooms.

The City of Reno is funding the remodel with proceeds from the Capital Projects Surcharge. The Capital Projects Surcharge (NRS 268.798) is a \$2 per room night on each



hotel room with an unlimited gaming license in downtown Reno and proceeds from the surcharge is to be used solely to pay for improving and maintaining publicly owned facilities that are located within the downtown district or are located within 1 mile of the district's boundaries.

The original project is on budget and time (expected completion December 2019), however several additional projects have been noted that need to be completed to coincide with the fourth floor remodel. These additional projects, replacement of the carpet in the "Pro Shop" area and the "South Atrium" area of the fourth floor, and HVAC for the "South Atrium" area (see diagram below).



As funding for this project is coming from the Capital Projects Surcharge, the funding is currently not available to the City of Reno in time for the USBC Open Championships, beginning in March 2020. The City of Reno Capital Projects Surcharge Committee has requested that the Authority assist by advance purchasing carpet for the "Pro Shop" area and carpet and HVAC for the "South Atrium" area. The City of Reno will reimburse the Authority for the cost of the carpet and HVAC.

The additional carpet to be purchased for the "Pro Shop" area and the "South Atrium" area amounts to of the fourth floor, and HVAC for the "South Atrium" area amounts to 1947.69 square yards from Shaw Industries and is being purchased by the Authority for



reimbursement by the City of Reno. The City of Reno purchased carpet for the project in accordance with NRS 338.195 and the Authority. Attached, please find the proposal for the carpet. The cost for the carpet is to not exceed \$63,548.

The HVAC purchase, will be to resolve the issue with overheating in the "South Atrium" of the National Bowling Stadium. Currently, this area experiences temperatures in excess of 90 degrees Fahrenheit on a consistent basis despite multiple attempts to resolve the issue. This project will consist of furnishing and installing variable refrigerant flow (VRF) system, four ceiling suspended fan coil units, refrigerant line sets, VRF system headers, anchors, hardware, electrical wiring and conduit, service disconnects, and condensate system to supply heating, ventilation and air conditioning for the "South Atrium" area on the 4th floor of the National Bowling Stadium. The project is to not exceed \$80,025, the engineers estimate is \$72,750 plus 10% contingency of \$7,275.

Fiscal Impact

The Authority has funding available in its Capital Fund to advance purchase the carpet and HVAC with reimbursement anticipated in this fiscal year. The total cost to be used for advanced purchases is \$143,873 , with the carpet cost to not exceed \$63,548, and HVAC not exceed \$80,025 (engineers estimate \$72,750 plus 10% contingency of \$7,275).

Recommendation

Staff recommends approval of the advance purchase for carpeting and HVAC for the National Bowling Stadium for an amount not to exceed \$143,873 and seek future reimbursement of cost from the City of Reno.

A Berkshire Hathaway Company

Proposal Submitted To City of Reno		Attention Kerrie Koski		Phone (775) 276-8365	Fax () -	Date 06/25/19	
Proposal Name National Bowling Stadium - Phase 2				Job Name National Bowling Stadium - City of Reno		Job # 107325	
Street 1 East First Street, 9th Floor				Job Street 1 East First Street 8th FL		Proposal ID 120388	
City, State and Zip Reno, NV 89505		Architect Sourcewell	Date of Plans	Add #	Job City, State and Zip RENO, NV 89505	Customer Job # 43094	Customer PO None

We hereby submit specifications and estimates for:

Item Description	Color	Qty	UOM	Unit Price	Extended Price
Canvas Print - Ecoworx - Style VT55286SAM Strike: Z093R 574 Cartons	TBS/To Be Selected	1,391.13	SY	\$31.75	\$44,168.40
Overage 5% - Canvas Print - Ecoworx - Style VT55286SAM Strike: Z093R 29 Cartons	TBS/To Be Selected	69.56	SY	\$31.75	\$2,208.53
Shaw - Layer Broadloom/5A183	83515/Zinc	487.00	SY	\$15.70	\$7,645.90
Freight		1.00	Each	\$4,950.21	\$4,950.21
Sales Tax					\$4,874.12
Base Bid Total:					\$63,847.16

Proposal Inclusions and Exclusions:

1. Sourcewell / NJPA Contract# 121715
2. Local Contact: Shanna Anderson (775) 470-1401
3. Material title and risk of loss passes to the purchaser at the time of material delivery to the job site.
4. SII License Numbers: AL 50787, AK 40319, AZ ROC300955/ROC300956, CA 1007317, ID RCE-39577/022829-AA-4, MT 216017, NV 0080544/0080545/0080546/0080547, NC 75663, NM 385848, ND 53106, NY 58-2240471C, OR 205839, RI 38919, TN 69109, UT 9531877-5501, VA 2705157974, WA SHAWIII853DO, WV WV054222
5. Please fax your Purchase Order to Shaw Integrated Solutions at fax # 706-428-3293 to initiate the order process. A purchase order is required before materials can be shipped.
6. A 2% fee will be assessed on the total bid amount at time of payment if utilizing a credit card.
7. Remit to Address: SHAW INTEGRATED SOLUTIONS, MAIL DROP 999, PO BOX 630862, CINCINNATI, OHIO 45263-0862

Joe Frank Harris PKWY Mail Drop 11-01
Cartersville, GA 30120
Proposal ID: 120388



Phone: () -
Fax: () -

A Berkshire Hathaway Company

We PROPOSE to perform the work complete in accordance with the specifications and as described above for the SUM of:

Signature: Melanie Taylor

Melanie Taylor

\$63,847.16

Email: melanie.taylor@shawinc.com

Conditions of Proposal:

1. This proposal may be withdrawn if not accepted within 30 days of its issuance. Shaw will consider reasonable requests to engage in negotiations for revisions to this Proposal, including signing a subcontract that incorporates the terms of this Proposal.
2. This proposal is subject to credit review and approval. Payment terms are net 30 days. A convenience fee of 2% will be added if paying via credit card. Past due invoices are subject to service charges of 1.5% per month (18% per annum). In the case of any default, Customer shall pay Shaw's reasonable attorney fees and costs, including those on any appeal, even if no suit or action is filed.
3. All work shall be performed in a workmanlike manner according to industry standards. Areas to receive flooring shall be free and clear of debris. Any changes to the work shall be performed only after execution of a written change order.
4. Prior to commencement of Shaw's work: (a) Customer shall test all concrete sub floors receiving flooring for vapor emission levels and alkalinity per manufacturers' recommendations utilizing ASTM F2170 and/or F1869 and provide written results to Shaw, including a list of any sealers applied to the concrete sub floor; (b) If Customer does not provide such reports at least 10 days prior to commencement of Shaw's work, then Customer shall provide Shaw with access to all concrete sub floors for appropriate testing and Customer shall be responsible for the costs of such testing; and (c) Any concrete sub floors not meeting manufacturers' requirements for installation will require correction or the execution of a separate waiver agreement.
5. All work is contingent upon strikes, accidents or delays beyond Shaw's control. Customer shall carry insurance for all hazards, including fire. Shaw's workers are fully covered by Worker's Compensation and Liability Insurance.
6. Customer represents and warrants that: (a) the project site contains no hazardous or other dangerous substances, either exposed or concealed; or (b) Customer has given written notice to Shaw of all such substances and their location(s). To the fullest extent permitted by law, Customer shall indemnify, defend and hold Shaw harmless from any damage, claim, loss, expense and attorney fees related to Shaw's liability, if any, including any federal or state statute related to hazardous or other dangerous substances.

**ACCEPTANCE OF PROPOSAL: The above prices, specifications, and conditions are satisfactory and are hereby ACCEPTED.
You are authorized to do the work as specified.**

Customer: City of Reno

Signed: _____

Date: _____

To: RSCVA Board of Directors

From: Nat Carasali, Chairman of Executive & Legislative Committee & Erica & Howard Olsen, OnStrategy

Date: September 26, 2019

Subject: Fiscal Year 2019/2020 CEO Goals: PROPOSED REVISION

The following modifications are recommended by the Executive & Legislative Committee for goals related to the Impact of Marketing & Tourism Sales. After presentation by OnStrategy, it was determined that the goals set for Strategic Priority for Visitation/Destination Awareness did not allow the CEO and his team to adequately adjust locations of marketing spend to account for market changes, airlift changes, and Board directions. This was because the description of the Strategic Priority set forth three (3) specific markets, and set forth specific goals for those three (3) markets. At the time when the Strategic Plan was developed, these markets were the target areas; however, many factors have changed, including airlift to and from those markets. As a result, it has been determined and approved by the Board that marketing spend should change as a result of these factors so that the RSCVA receives the best return upon its investment of marketing. Because the Goal set forth only specific markets, the Committee felt that this would not provide the CEO or his team the correct incentive on developing the best marketing spend in the right markets. In addition, after a presentation from OnStrategy, the Committee noted that the proposed CEO Goals only allow achievement of the goal when there is overall market growth. When the overall market has a downturn, in order to achieve the CEO Goal for this Strategic Priority as currently written, the CEO and his team would have to beat the overall market downturn **plus** achieve the percentage growth set forth in the goal. By way of example only, if the overall market decreased by 3%, in order to achieve the goal for Seattle of growing Seattle room nights from the previous year by 2%, the CEO and his team would need to grow Seattle room nights by 5% in order to account for the overall market downturn **and** grow the Seattle room nights enough to achieve this goal. Given a market downturn, a growth of 5% can not be logically expected of any team. OnStrategy explained that these original proposals were made in a time of only market growth, and thus did not account for a market downturn.

The new proposal, which would require the CEO and his team to, overall, achieve results better than the market regardless of whether the market overall went up or went down, and would more fairly represent the CEO and his Team's work. He and his Team would be required to "beat the market." In addition, it allows the CEO and his Team to better plan the marketing spend to adjust to overall market conditions. **Therefore, the purpose of the changes is to allow for:**

Item #1: Allowing for flexibility to adjust markets where the Marketing Department is targeting media spend.

Item #2: Adjusting the goal from a year-over-year growth to growth against the overall Washoe County hotel room night market.

Item #3: Proposed revised goal language

Item #1: Target Market Changes

Current Markets	Possible New Markets
Bay Area Seattle Los Angeles Basin	Bay Area Seattle – Exploring pausing Los Angeles Basin San Diego – Exploring Las Vegas – Exploring Drive Markets - Exploring

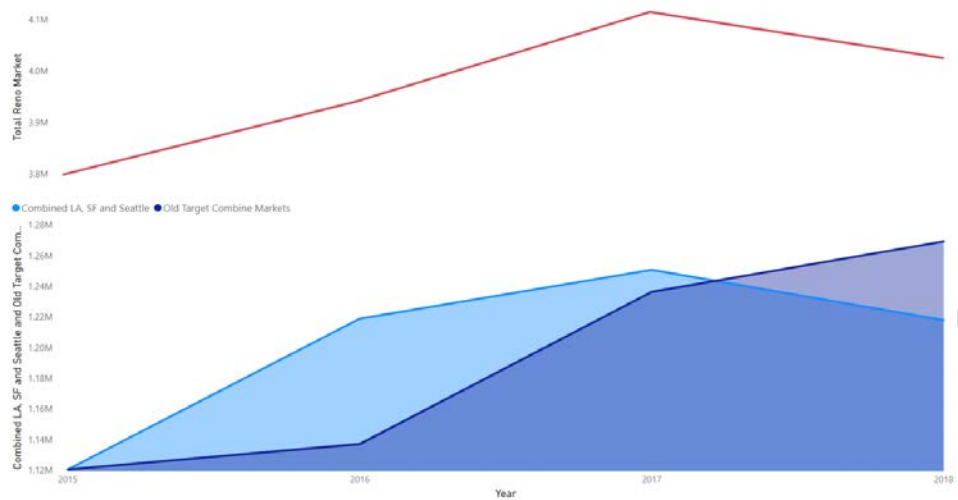
NOTE: New market entry is subject Board approval. Items listed here are just for illustration purposes.

Item #2: Adjusting the Target – Beat the Market

Current Approach

Goal is set based on a 2% increase over the previous year.

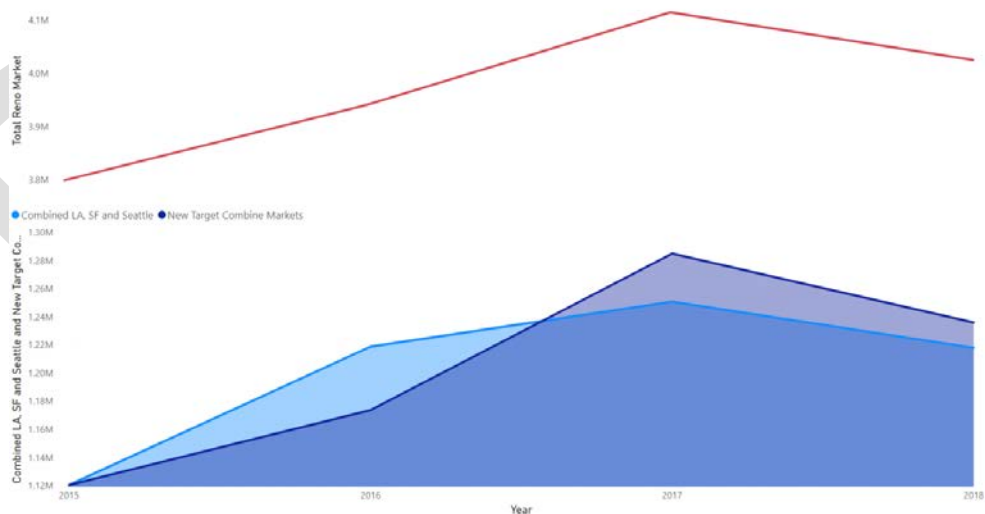
LA, SF and Seattle using old target scheme



Proposed Approach

Goal is set based on “beating the market” in the target markets identified.

LA, SF and Seattle using old target scheme



Market is defined as the total hotel market in Washoe County, as reported by the Visitor Origination Analysis and aligned with the RSCVA reported room tax collections.

Item #3: Proposed Goal Language

Visitation & Destination Awareness Goals Proposed

Marketing Goal Recommendations

Current Language	Proposed Language
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 1-4% from target markets (Bay Area, LA and Seattle), – as measured by calendar year.	Grow destination awareness from <u>target markets - beating the market by 1%</u> growth/decline as measured by the calendar year.

Tourism Sales Goal

Current Language	Proposed Language
Increase in 2% over FY18/19 due to bowlers.	Grow <u>leisure/tourism visitors greater than the total hotel market growth</u> - beating the market growth/decline by 1%.