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**Reno-Sparks Convention & Visitors Authority
Board of Directors Meeting Minutes
June 27, 2019**

The Regular Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 9:00 a.m., June 27, 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 9:02 a.m.

Pledge of Allegiance led by Lee Dillard

Board Members Present:

Lee Dillard
Nat Carasali
Councilman Ed Lawson
Commissioner Bob Lucey
Ann Silver
Mark Sterbens
Bill Wood

Board Members Absent:

Rick Murdock
Mayor Hillary Schieve

RSCVA Executive Staff Present:

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

RSCVA Executive Staff Absent:

Jennifer Cunningham, Executive Vice President

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

None

C. APPROVAL OF THE AGENDA

MOTION: Member Nat Carasali made a motion to approve the June 27, 2019 agenda with the amendments. Seconded by member Mark Sterbens. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF MAY 23, 2019 REGULAR BOARD MEETING

MOTION: Member Nat Carasali made a motion to approve the Minutes of May 23, 2019, Regular Meeting. Seconded by Member Lee Dillard. **Motion carried unanimously.**

E. PRESENTATIONS

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

Ben Kennedy, Legal Counsel for the RSCVA, drew the boards attention to the letter contained in the board materials from the Nevada Resort Association (NRA). The NRA submitted two names for consideration for the seat vacated by Rick Murdock. The nominees are as follows:

Shannon Keel, General Manager, Grand Sierra Resort

Andrew Diss, Director of Governmental Affairs, Meruelo Group

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

Chairman Lucey made a motion to nominate Shannon Keel for the NRA seat on the RSCVA Board of Directors. This position will be filled until the end of the term in June 2021.

MOTION: Chairman Lucey made a motion to approve Shannon Keel, General Manager, Grand Sierra Resort to the RSCVA Board of Directors. Seconded by Member Ed Lawson. **Motion carried unanimously.**

E2. RSCVA Board Appointment of Reno + Sparks Chamber of Commerce Board of Director's seat pursuant to NRS 244A.601(1)(d)(2)

Ben Kennedy, Legal Counsel for the RSCVA, also discussed the nomination from the Reno + Sparks Chamber of Commerce to reappoint Ann Silver to the RSCVA Board of Directors. Ms. Silver was elected to the RSCVA Board in March to fill the Chamber seat vacated by Vick Wowo. Mr. Kennedy opened the floor for discussion and reminded the board that this item would be voted on by elected officials only.

MOTION: Chairman Lucey made a motion to reappoint Ann Silver, CEO, Reno+Sparks Chamber of Commerce to the RSCVA Board of Directors. Seconded by Member Ed Lawson. **Motion carried unanimously.**

E3. Legislative Update

Jesse Wadhams, of Fennemore Craig, provided an update on the Legislative Session and issues of interest to the RSCVA. He touched on the budget line item awarded to the Reno Rodeo for \$1M for planning and possible remodel. Mr. Wadhams also discussed SB287 and SB388, two Public Records bills, as well as an Open Meeting Law, AB70.

E4. RSCVA Staff Update

Phil DeLone, President & CEO, stated that for the fiscal year through May the Average Daily Rate (ADR) is up 11.1% over the same period last year. ADR for the eleven months through May stands at \$115.45 for Washoe County. The highest it has ever been. He added that occupancy had declined slightly, to 67.4% countywide as a result of increasing rate. Mr. DeLone stated that through the efforts of the Reno Tahoe Airport Authority and public/private cooperatives like RASC, the Regional Air Service Corporation, air passenger counts are 4.5% higher than last year - at 3,547,033 passengers for the ten months, through April. He went on to say that the RSCVA continues to gain traction in our three key markets of the Los Angeles basin, San Francisco Bay Area and Seattle. Currently, we are reviewing visitation and air service data and analytics in preparation to launch a fourth new market in the spring of 2020. Mr. DeLone discussed convention sales and tourism sales numbers and announced that the transaction with Washoe County on the transfer of Wildcreek Golf Course had closed escrow this past Tuesday, June 25th.

Michael Larragueta, Vice President of Sales, stated that for April Gross produced room nights equaled 35,079 on a goal of 21,946 and convention room nights represented 21,880 and Sports 7,781 of the 35,079. For May Gross produced room nights equaled 55,137 on a goal of 33,797. He added that through June 24th Gross produced room nights for the fiscal year equals 281,628 and we anticipate an additional 7,000 room nights turning definite by the close of business tomorrow for a forecasted total of 288,000 definite room nights against the annual goal of 280,000. Mr. Larragueta added that at the previous board meeting, staff was requested to provide a recommendation regarding the

Interbike cancellation. Staff recommends that we absorb the entire two-year cancellation of (-44,454) room nights this Fiscal Year. He went on to say that the number of site inspections that were held this year totaled 72 versus 56 the prior year. Mr. Larraguetta added that of the 281,628 room nights 104,472 or 37% was represented by new business that has never held a meeting in Reno-Tahoe. Lastly, he said that there continues to be a “buzz” about the Esports segment. Our Director of Sports Development, Shelli Fine, is currently attending a conference on Esports in Atlantic City. At the July board meeting, Shelli will give an update on what we have learned about the segment, opportunities, and some of the challenges.

Art Jimenez, Executive Director of Tourism Sales, discussed the tourism sector room nights at 55,037, or a decrease of 10,052 from last April. This is 80% of the goal of 68,994 room nights. He added that the YTD room nights, which is 46,185 below last year, or 87.4% of the YTD target of 711,532 room nights and 72% to our annual goal of 863,468 room nights. Mr. Jimenez reported that the tourism team continues to work with Expedia, MailPound as well as a new distribution channel, Red Awning Partner Events. He touched on several tradeshow and FAM's, including IPW and IAGTO.

Esther Isaac, Director of Marketing, drew the board attention to some of the highlights from the Miss USA report. She stated that the total number of paid room nights was less than the agreed amount of 2,000. For 1,500-1,999 paid room nights produced, Miss USA Organization (MUO) would be paid 95% of the Sponsorship fee, providing that the other concessions were met. This amounts to a reduction in the fee of \$17,500 for a total sponsorship of **\$332,500**.

She went on to say that some of the highlights included:

- Total Room Nights Produced: **4,538**
 - Paid Room Nights: 1,806 (contract required 2,000)
 - Comp Room Nights: 2,732
- Social Media Impressions: **211 Million** (contract required a minimum of 70M)
- Destination exposure specific to Washoe County – **3:09 minutes** (contract required 3:00 minutes). Note: this does not include “*Up Close and Personal*” Videos of Top 15 which included background photographs of Reno Tahoe during contestant interviews. An estimate is that it would add an additional: 45.
- Fox TV Coverage – there was a 25% growth in total viewers over the prior year.

Ms. Isaac announced that the RSCVA is working with BVK to evolve the creative leisure campaign. The results will be shown at the Directors of Marketing on Wednesday, July 10, 2019, here in the RSCVA boardroom from 3:00-5:00 pm.

F. EXECUTIVE/LEGISLATIVE COMMITTEE RECOMMENDATION REGARDING CEO GOALS AND PROCESS FOR AWARDING BONUS FOR THE FISCAL YEAR 2019-2020

F1. CEO Goals and Objectives for FY 2019/2020

Phil DeLone, President & CEO, presented the Executive/Legislative Committee recommendations for the President/CEO Goals and Objectives for FY 2018-2019. He touched on all four Strategic Priorities.

MOTION: Member Lee Dillard made a motion to approve the Executive/Legislative Committees recommendations. Seconded by Vice-chair Ed Lawson. **Motion carried unanimously.**

G. FINANCE DIVISION

G1. Public Hearing: Review, discussion and possible action regarding the recommendation to the Reno-Sparks Convention and Visitors Authority Board of Directors to adopt proposed amendments to the Authority's Transient Lodging Tax Rules and Regulations

Chairman Lucey opened the public hearing and turned the floor over to Robert Chisel, Director of Finance, regarding updates and proposed changes to the Transient Lodging Tax Rules and Regulations as well as additional clean-up and other minor clarifications.

Chairman Lucey asked for public comments. Seeing none, he closed the public hearing

and asked for a motion.

MOTION: Member Nat Carasali made a motion to approve to adopt proposed amendments to the Authority's Transient Lodging Tax Rules and Regulations. Seconded by member Lee Dillard. **Motion carried unanimously.**

G2. Public Hearing Regarding the Approval of Resolution Adopting the Budget Augmentation for the Reno-Sparks Convention and Visitors Authority for the Fiscal Year 2018-19

Chairman Lucey opened the public hearing and asked Robert Chisel, Director of Finance, to review Resolution 587. Robert Chisel, Director of Finance, discussed Resolution 587, adopting a budget augmentation for the Reno-Sparks Convention and Visitors Authority for Fiscal Year 2018-19. He proposed budget augmentation will apply an additional: \$4,070,00 for use in the General Fund; \$170,000 for use in the Debt Service Fund; and \$50,000 for use in the Internal Service Fund.

Chairman Lucey asked for public comments. Seeing none, he closed the public hearing and asked for a motion.

MOTION: Vice-chair Ed Lawson made a motion to approve the budget augmentation for the Reno-Sparks Convention and Visitors Authority for Fiscal Year 2018-19. Seconded by member Ann Silver. **Motion carried unanimously.**

G3. RSCVA Travel Policy and Procedures

Phil DeLone, President & CEO, reviewed the revised Travel Policy & Procedures for the Reno-Sparks Convention and Visitors Authority. He requested that the board approve the proposed revisions to the Travel Policy and Procedures.

MOTION: Member Nat Carasali made a motion to approve the proposed revisions to the Travel Policy and Procedures. Seconded by member Ann Silver. **Motion carried unanimously.**

G4. Relocation of RSCVA Offices

Phil DeLone, President & CEO, discussed the possible relocation of the RSCVA offices from their current location at 4001 S. Virginia Street to a "to be constructed" office building located on that certain real property identified as APN 024-150-26, under the same terms and conditions as the RSCVA's existing lease.

MOTION: Member Ed Lawson made a motion to approve the relocation into the new building provided by the RSCVA current landlord. Seconded by member Ann Silver. **Motion carried unanimously.**

G5. Legislative Services

Chairman Lucey stated that Jesse Wadhams is moving from the law firm of Fennemaore Craig to the law firm of Black & LeBello and would like to retain the RSCVA as a client. He added that Mr. Wadhams has represented the RSCVA since 2018 and has been an asset to the organization. Mr. Lucey requested approval to transfer Legislative and Governmental Affairs representation from the law firm of Fennimore Craig to the law firm of Black & LoBello, with such new representation to be on the same terms and conditions as the current engagement with Fennimore Craig.

MOTION: Chairman Lucey made a motion to maintain representation with Mr. Wadhams and his move to the law firm of Black & LeBello. Seconded by Vice-chair Ed Lawson. **Motion carried unanimously.**

H. AIR SERVICE

H1. Houston Air Service

Phil DeLone, President & CEO, recommended the approval of \$100,000 to Regional Air Service Corporation (RASC) to be used to promote Reno Tahoe in the Houston market in support of new Houston air service through United Airlines.

MOTION: Member Nat Carasali made a motion to approve the \$100,000 payment to the Regional Air Service Corporation to be used to promote additional air service from Houston through United Airlines. Seconded by Vice-chair member Mark Sterbens. **Motion carried unanimously.**

I. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

Vice-chair, Ed Lawson, stated that the RSCVA move to a new building is the right thing, but wanted further discussions on moving the authority to the convention center property.

J. COMMENTS FROM THE FLOOR BY THE PUBLIC

No public comments were presented.

K. ADJOURNMENT

Meeting adjourned at 10:05 a.m.