



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

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**Reno-Sparks Convention & Visitors Authority
Board of Directors Meeting Minutes
February 27th, 2020**

The Regular Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 9:00 am, February 27th, 2020, 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 9:10 am. He stated for the record that the board of directors was meeting with legal counsel before this meeting for the sake of attorney/client privilege reasons.

John McGinnes, Executive Director of Sales at Atlantis Casino Resort & Spa, led the Pledge of Allegiance.

Board Members Present:

Nat Carasali
Andy Chapman (via telephone)
Shannon Keel
Don Kornstein
Councilman Ed Lawson
Commissioner Bob Lucey
Mayor Hillary Schieve
Ann Silver
Mark Sterbens

Board Members Absent:

RSCVA Executive Staff Present:

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

RSCVA Executive Staff Absent:

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

Jeff Church briefly discussed the issue of homelessness in the region. He asked for the RSCVA Board support on the Built for Zero program and homeless camping in the region.

C. APPROVAL OF THE AGENDA OF FEBRUARY 27TH, 2020 REGULAR BOARD MEETING

MOTION: Mayor Hillary Schieve made a motion to approve the February 27th, 2020 agenda. Seconded by member Shannon Keel. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF JANUARY 23RD, 2020 REGULAR BOARD MEETING

MOTION: Member Ann Silver made a motion to approve January 23rd, 2019, meeting minutes. Seconded by Mayor Hillary Schieve. **Motion carried unanimously.**

E. BOARD MATTERS

E1. Employment Matters Regarding Philip DeLone

Molly Rezac, Legal Counsel, stated that on February 13th, 2020, Philip DeLone, President and CEO of the Reno Sparks Convention & Visitors Bureau (RSCVA), submitted his resignation citing a severe medical condition. Pursuant to Mr. DeLone's Employment Agreement, paragraph 3.2.1.2, Mr. DeLone is required to provide six (6) months notice upon resignation. The RSCVA Board of Directors will discuss and may take action to do any of or a combination of any of the following: (i) accept or reject Mr. DeLone's resignation; (ii) reduce the notice period as set forth in Mr. DeLone's Employment Agreement; (iii) determine the duties required to be performed, if any, during the notice period; (iv) terminate Mr. DeLone's employment (either with or without cause); and/or (v) agree to the terms of a settlement or severance agreement to be offered to Mr. DeLone.

Chairman Bob Lucey made a recommendation to the Board that Mr. DeLone receives three months of medical leave and two months severance. He opened the floor for further discussion from the board members.

Mayor Hillary Schieve stated that she would support three months of FLMA for medical reasons; however, she added that she would not support a two-month severance package.

MOTION: Vice-Chairman Ed Lawson made a motion to accept Mr. Phil DeLone's resignation, citing medical reasons, reduce the notice period in his contract from six-months to three-months and pay through Mr. DeLone's sick and vacation accrual, pursuant to the RSCVA policies. He added that Mr. DeLone would receive a severance payment equal to two-months salary with Cobra benefits to continue through the severance period all in exchange for a full release of claims. The chair would be authorized to work with legal counsel to finalize and execute an agreement with Mr. DeLone's consent to these terms. Seconded by member Don Kornstein. **Motion carried 8 to 1, with a nay voted from Mayor Hillary Schieve.**

E2. Authorization to Act on Behalf of RSCVA

Ben Kennedy, Legal Counsel, stated that the Board of Directors is asked to authorize Bob Lucey, in his capacity as the Chairman of the Board of Directors, and Ed Lawson, in capacity as Vice-Chair of the Board of Directors, to jointly act in the capacity of the interim President/CEO as necessary to provide direction to executive staff, provide any necessary approvals and execute such documents as are within the authority of the President/CEO.

Don Kornstein stated that, in his experience, it is not particularly effective having a company run by members of the board. There are day-to-day operational issues and additional decisions that need to be dealt with at a level that board members should not be involved. He added that he could support the idea of Chairman Lucey and Vice-Chairman Lawson as interim for no more than thirty days and asked if there was an internal candidate that could run things while the board looks for a CEO. Mr. Kornstein said that the board should hire an outside company to evaluate the organization to see what is needed.

Mr. Lawson stated that he does not have the ability to do act as interim CEO for a long duration. He recommends that the board moves quickly and efficiently to find a process in which to place a permanent CEO. This organization, like any other business, requires the everyday attention of a CEO. He said that there are plenty of qualified people in the area that have already reached out to express interest in the position for a short period of time.

MOTION: Member Don Kornstein made a motion to authorize Bob Lucey and Ed Lawson to jointly act in the capacity of interim President/CEO for a time period of thirty days, at which time the board can choose to extend the assignment on a month to month basis. Seconded by Mayor Hillary Schieve. **Motion carried unanimously.**

E3. Procedure for Hiring President/CEO

Chairman Bob Lucey opened this item up to the board for discussion.

Don Kornstein stated that he would recommend the RSCVA use a search firm to look at candidates if the board is unable to find qualified candidates in the first thirty day period.

Ann Silver stated that she would like to see the board look internally and within the community for candidates before hiring a national search firm.

Mayor Hillary Schieve requested that the board look at what is working with the organization and what needs to change. She emphasized that she is not a favor of utilizing a national search firm as Reno is unique and it requires someone that knows this community.

Shannon Keel stated that she is inclined to disagree. She said that she feels the organization would benefit from using a national search firm. Ms. Keel added that she was in favor of looking internally and locally first, however, she feels there needs to be a time frame set forth should the board not agree on a suitable candidate(s). Ms. Keel asked who is accepting and vetting the resumes. She also asked if there will be an outside company performing background checks on each applicant.

Chairman Lucey stated that legal counsel for the RSCVA would vet all resumes.

Molly Rezac stated that the RSCVA performs a general background search on all individuals hired by the company. However, legal counsel would recommend that the RSCVA hire an outside company to conduct background checks for the position of CEO to ensure that all have the appropriate consents.

Chairman Lucey reminded the board that the process of hiring a CEO for the RSCVA is not the same as other organizations. He added that the RSCVA is represented by both the public officials and the private sector, as so, this process must adhere to Nevada Open Meeting Laws and as do all of our meetings. This process interview process would have to occur in front of the board and in an open meeting. There can be no private interviews or subcommittees of the board. Any candidates would have to be vetted and be willing to be vetted in a public format, and this makes the process different from other agencies. This makes it challenging for individuals that would be willing to put themselves in place for consideration and not receive the job, especially of this caliber.

Mayor Schieve states that there are a lot of different ways that the board can reach out nationally that are not as costly. There are a lot of great ways to advertise the CEO position.

Mark Sterbens agreed that the process needs to happen swiftly, whether that be looking internally/locally or hiring a search firm. He stated that his priority would be hiring an outside firm to conduct thorough background checks on each person considered. He finished by reminding the board that positive things are happening in Reno and at the RSCVA. He encouraged staff to continue the great work.

Ben Kennedy briefly discussed the process the board of directors went through in selecting Mr. DeLone in 2016.

MOTION: Vice Chairman Ed Lawson made a motion that the board spends the next 30 days looking for candidates to fill the position of CEO permanently, if no such names are presented and/or qualified by the March 26th Board of Directors meeting, the RSCVA will hire an interim CEO and conduct a national search. Seconded by Bob Lucey. **Motion carried unanimously.**

F. PRESENTATIONS

E1. RSCVA Staff Update

Ms. Cunningham drew the board's attention to the scorecard, saying that website sessions for December are all up, which is one indicator of advertising effectiveness. She stated that the RSCVA is working with Alaska Airlines to do co-op advertising after the airline announced added air service to Seattle. She said that Alaska is upgrading three of four flights to mainline aircraft, which is an increase of 247 daily seats, or an annual increase of over 88,000 additional seats. Ms. Cunningham stated that overall occupancy for December was down by 1.5%, ending the month at 61% occupancy. However, the Average Daily Rate (ADR) was up by almost the same amount, creating a slight decrease in Taxable Revenue of 1.1%. She said that the Year To Date (YTD) numbers are slightly down for the first six months of the fiscal year, ADR is up, and Taxable Revenues is slightly up. Ms. Cunningham announced that JSX recently announced that they are bringing back service to Reno on May 8th, flying their 30-seat jets to both Burbank and Las Vegas. She stated, per board direction, the RSCVA is working on how to revamp the special events funding program, beginning with a Marketing Committee meeting in April. Lastly, Ms. Cunningham reminded the board that the RSCVA is hosting the TEDx UNR event on Saturday at the Convention Center, adding that last year there were over 1,500 attendees.

Michael Larragueta, Vice President of Sales, provided the board with a detailed recap of the sales numbers for December 2019. He stated that gross produced room nights equaled 22,898 to a goal of 19,127. For January, gross produced room nights equaled 19,723 to a goal of 18,522. Mr. Larragueta said that the Convention Sales team participated in several activities in the past two months, including PCMA and the NCAA Bids. He briefly discussed the Definite Meeting Report located in the board packet. In conclusion, Mr. Larragueta introduced Marcus Johnson to present the RSCVA's 2020 Convention Sales video.

Marcus Johnson, Business Development Director, stated that the sales department, specifically business development, is keenly focused on new convention business. He said that the RSCVA began creating Convention Sales videos in 2014 as a way to go above and beyond and show our potential customers what the region has to offer.

Mayor Hillary Schieve left the meeting at 10:00 am

Chairman Bob Lucey left the meeting at 10:01 am.

Art Jimenez, Executive Director of Tourism Sales, stated that Decembers tourism channel room nights experienced a 2.5% overall decline from December 2018 at 61,952 vs. 63,583. He said that the second quarter tourism room nights were 168,365 vs. 175,441, for a decrease of 7,076 or 96% to a goal of 174,967. Mr. Jimenez covered some key highlights for the upcoming months.

Esther Isaac reported that the marketing team is in the process of evaluating the Special Events Funding program. She added that members of the marketing team met with Las Vegas Events, the special events funding arm of the Las Vegas Convention & Visitors Bureau, to review their "best practices." Ms. Isaac said that the marketing team is excited to reconvening the Marketing Committee, with Mayor Schieve as Chair of the Committee, to take a closer look at the direction of the special events program. Ms. Isaac announced that several publications, including Wine Enthusiast, Smart Meetings, along with coverage in Forbes, Wayfaring Views, and Group Tour magazine featured Reno Tahoe.

G. FINANCE DIVISION

G1. Review, discussion and possible approval to award a bid award and contract for Request for Proposal 2020-08 Independent Audit Services

Robert Chisel, Chief Financial Officer, asked the board to review and approve a bid award and contract to Eide Bailey to serve as the independent auditor of the Reno-Sparks Convention and Visitors Authority for an initial contract period of 3 years with the provision of two (2) subsequent one-year renewals at a cost not to exceed \$61,000 for the first year.

MOTION: Member Shannon Keel made a motion to approve the bid award to Eide Bailey. Seconded by member Nat Carasali. **Motion carried unanimously.**

H. MARKETING DIVISION

H1. Review, discussion and possible approval to award a bid award of RFQ #2020-06 for Media Buying Services

Esther Isaac, Director of Marketing, asked the board to review and approve the bid award and contract to Birdsall, Voss & Associates, Inc. (BVK), to develop, implement, manage, and measure a strategic media plan for the Reno-Sparks Convention and Visitors Authority for a total amount not to exceed \$313,600.

Chairman Lucey returned to the meeting at 10:16 am.

MOTION: Member Chairman Bob Lucey made a motion to approve the bid award to BVK. Seconded by member Don Kornstein. **Motion carried unanimously.**

I. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

Chairman Lucey requested that "authorization of the Chairman and Vice-Chair of the Board of Directors, jointly acting in the capacity of the interim President/CEO," be added to the board agenda as a standing item as needed.

J. COMMENTS FROM THE FLOOR BY THE PUBLIC

No public comments were presented.

K. ADJOURNMENT

Meeting adjourned at 11:11 am.