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**Reno-Sparks Convention & Visitors Authority
Special Meeting of the Board of Directors
Meeting Minutes
April 3, 2020**

The Special Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 10:00 am, April 3, 2020, **via teleconference/videoconference only pursuant to NRS 241.023.** The meeting was properly noticed and posted in compliance with the Nevada Open Meeting Law.

A. OPENING CEREMONIES

Call to Order

Board Members Present:

Nat Carasali
Andy Chapman
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, Chief Financial Officer
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

Pursuant to Section 2 of Directive 006, the public may provide public comment by emailing comments to boardclerk@renotahoeusa.com or by leaving a voicemail (limited to three minutes) at (775) 827-7602 (note this, not a live call-in line).

Mr. Jeff Church submitted a public comment that was be transcribed and given to the board and included with the minutes of the meeting.

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

MOTION: Member Andy Chapman made a motion to approve the April 3, 2020 agenda. It was seconded by member Don Kornstein. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF FEBRUARY 27, 2020 REGULAR BOARD MEETING

MOTION: Member Ed Lawson made a motion to approve February 27, 2019, meeting minutes. It was seconded by member Mark Sterbens. **Motion carried unanimously.**

E. BOARD MATTERS

E1. Appointment of Interim President/CEO

Ben Kennedy, Legal Counsel, opened this item by asking the board to discuss and possibly take action to appoint Jennifer Cunningham as the interim President/CEO of the RSCVA. Alternatively, the Board of Directors could continue the authority of Chairman Bob Lucey and Vice Chairman Ed Lawson, to continue to act in the capacity of the President/CEO. He added that if Ms. Cunningham was appointed that the board would need to define the authority in the position as well as any potential change in salary.

Chairman Bob Lucey stated that at this time, the board would take into consideration the appointment of Ms. Jennifer Cunningham as the interim President/CEO of the RSCVA until the placement of a permanent CEO unless there is another direction from the board.

Ann Silver said that it was stated at the February board of directors meeting that several local individuals had expressed interest in the position. She asked if anyone has applied for the CEO position or interim position.

Chairman Lucey stated that no one has applied for the interim position of CEO. He added that there were discussions with individuals, and legal counsel had that information. He said that it is his understanding that there has been no outside interest.

Ann Silver added that the board was asked to forward names or ask people if they were interested in the position and to forward those names to Legal counsel.

Molly Rezac stated that at this time, we do not have any names of applicants that have given permission for their name to be publically announced.

Jennifer Cunningham stated that she has extended her interest in the position of President/CEO of the RSCVA and has provided legal counsel with her resume.

Andy Chapman said that he looks to support the recommendation to bring Jennifer Cunningham on as interim CEO. He said that he would do that as a motion if appropriate.

Nat Carasli stated that he seconds the motion made by Mr. Andy Chapman.

Chairman Lucey pointed out that, per legal counsel, the board is responsible for defining the role of interim CEO. He explained that Ms. Cunningham was appointed as interim during the last CEO search in 2016 and received a pay increase as a result. He added that Ms. Cunningham was responsible for all of the day-to-day duties required of a CEO; however, any major issues were brought to the chairman for further discussion and then brought to the full board.

Don Kornstein suggested that Ms. Cunningham be given the authority to bring any financial or facilities related issues to the subcommittee so that they might help to expedite those issues. He also expressed apprehension with a pay increase during a time when the board is looking at pay cuts as a result of the global Coronavirus pandemic.

Molly Rezac stated that in the past, the RSCVA Board of Directors had authorized a pay increase to an internal individual that has stepped into the role of interim CEO, which has been 15-20% range. At this time, Ms. Cunningham is not the highest-paid employee at the RSCVA; however, she is being asked to step into the role of CEO and should be compensated as such. Based on past practices, a 20% increase would be reasonable. However, given the current COVID-19 pandemic crisis, any approved increase would be subject to a reduction in wages found in agenda Item F1. For example, if the board were to approve a wage increase for Ms. Cunningham as interim CEO, that increase would be subject to any wage reduction as proposed in the contingency plan.

Ben Kennedy said that the board could move the pay increase discussion to Item F1. He addressed Mr. Kornstein's suggestion by saying that currently, the finance committee is still advisory to the board. Anything that went to the committee would then need to be brought before the board for final approval. Also, if we are giving Ms. Cunningham direction to bring issues to the finance committee as a whole, that would require following Nevada's Open Meeting Law by noticing and holding a finance committee meeting. He stated that this would defeat the purpose of identifying one individual (board chair) to discuss issues and determine whether it is within her authority or if it needs to be escalated to the board level.

MOTION: Member Andy Chapman made a motion to appoint Jennifer Cunningham as interim President/CEO of the RSCVA. Her duties will be as such, keeping and maintaining day-to-day operations that the CEO would oversee, escalating outside duties to the board chairman. Any increase in pay will be addressed in agenda Item F1. Member Nat Carasali seconded the motion. **Motion carried unanimously.**

E2. Selection of Search Firm and Procedure for Hiring President/CEO

Chairman Lucey said that in his discussions with several board members regarding the selection process of a permanent President/CEO for the RSCVA, the board feels it is prudent to hire an outside firm to conduct the search. He added that the legal representatives did not receive any applications outside of Ms. Cunningham's. Chairman Lucey asked Don Kornstein to discuss a potential search firm.

Don Kornstein stated that he reached out to the people that run the meeting and convention business at Caesars Entertainment and first asked if there might be a candidate that could fill the role and secondly asked about a search firm. Mr. Kornstein directed the board to the information on Searchwide Global found in the meeting packet. He said that Searchwide Global is the primary firm that deals with the tourism industry. He discussed the terms of the agreement including \$25,000 due upon signing the contract, \$25,000 due within 30-days of signing the contract, and a professional fee for conducting the Chief Executive Officer search that is 30% of the annual base salary of the placed candidate, with a minimum search fee of \$75,000. Mr. Kornstein also brought forth the concerns from Searchwide with regards to the last CEO search. He said the process is that of vetting candidates, narrowing down those candidates, and bringing the one most qualified candidate to the board. He said that in the past, some people and obstacles made that process difficult for the firm and said that they were reluctant to even move forward with this process, given their experience with the RSCVA CEO search. Mr. Kornstein asked the members of the board to weigh in on the discussion.

Chairman Bob Lucey thanked Mr. Kornstein for taking on the process of looking for a search firm. He stated that Searchwide was a name brought forward to him as well. He also said that he believes that given the current global conditions, that the RSCVA is going to have the tough year. He added that this is a unique situation we find ourselves in, and the organization needs some extreme leadership to carry us through the current situation. He also said that Bill Hanbury, Executive Consultant with Searchwide, has extensive experience as the former CEO of the Washington DCCVB, post-September 11th. He went on to say that Mr. Hanbury would provide additional organizational structure to the new CEO. Chairman Lucey asked for a discussion on the proposal.

Shannon Keel asked if the \$25,000 retainer is in addition to the commission. She wondered if the additional \$25,000 was due to the organizational structure consultation.

Don Kornstien said it is his understanding that the \$25,000 is earnest money to get started. He said that they want to know that the RSCVA is committed to the process. He added that he believes that it will be credited against the commission, and the second \$25,000 is for additional expenses such as travel. He went on to say that the board could ask them to stretch that payment out, which would also be a credited amount.

Ms. Keel said that a 30% commission seems a little high. She could support it if the \$25K were credited back to the organization. She added that in her experience with search firms, she has never seen additional expenses for travel; however, she understands if that money were used for extra support for organizational structuring.

Nat Carasali asked why the board is not putting forward a national RFQ. He said he would not support this item moving forward without going through that process.

Ann Silver stated that she does not have any objection to Searchwide; however, she asked if the authority need to go through the process of selecting a search firm.

Chairman Lucey said that the board did go through the process of putting forth an RFQ and selecting a search firm during the last CEO search and noted that it added a considerable amount of time to the already lengthy process. He stated that it was a decision made on his behalf to reach out to a single firm; however, he asked staff to add this item to the agenda for discussion. Mr. Lucey went on to say that there are not many industry-specific search firms, and other firms were not even willing to submit proposals. He said that he felt it was prudent to bring forth this proposal without an RFQ at this time. Mr. Lucey asked Ben Kennedy to provide the board with the legalities of bringing forth a search firm without an RFQ.

Ben Kennedy stated that under the Purchasing Act, a search firm would be considered a "professional service," which is exempt from competitive bidding requirements. So while the board is free to publish an RFQ, when dealing with professional services, you are not required to go through that process. He said if the board decided that they wanted to move forward with Searchwide today, they would be entitled to do so.

Andy Chapman suggested that given the current situation and that all activity is on hold and will be for an uncertain time, would it make sense to extend this conversation for an additional thirty days. He said that without the travel activity, perhaps it would be better to push the process out, given the implementation of Jennifer Cunningham as interim.

Bob Lucey called on Vice-Chairman Lawson to provide the board with information on how the search went last time.

Ed Lawson said that he is leaning toward putting out an RFQ for the position. However, he asked the board if they are willing to wait to get the process started, adding that it would mean going without a permanent CEO until possibly January of 2021.

Nat Carasali said that he is comfortable with the additional time.

Mark Sterbens said that he agrees with Mr. Carasali that it is essential to follow the precedent set in previous searches; however, can there be a shorter turn around time.

Don Kornstein said that he hears that there are past practices, but the RSCVA has never faced a crisis like the one our country is currently facing. He said that he feels Searchwide would withdraw their proposal if told they need to wait thirty to sixty days. He said that our organization has a very, very mixed reputation in the industry.

Shannon Keel recommended that the RSCVA put forth an official RFQ and vote at the next board meeting. She said that she feels it is essential to go through the formal process, explaining to Searchwide that they are the front runner; however, public perception is important, and there is a process that the organization must follow. She added that it is also essential to specify whether these firms are strictly providing candidates for the CEO position or is the RSCVA looking for additional organizational assistance.

MOTION: Member Don Kornstein made a motion to move forward in contract with SearchWide Global to provide executive search services for the President/CEO position. Mayor Hillary Schieve seconded the motion. **Motion failed with a 4 Aye to 5 Nay vote.**

Don Kornsetin asked for clarification as to who will head up the RFQ process.

Ben Kennedy said that during the last CEO search, RSCVA staff handled putting together the RFQ's and distributing that information to a committee to review the responses and make recommendations to the board.

Jennifer Cunningham confirmed that staff put together the RFQ's and presented them to a CEO

Search Committee made up of board members during the 2016 process.

Andy Chapman volunteered to work with staff to compile the RFQ's to bring before the board.

Ed Lawson offered to assist in the process of compiling the RFQ's for the board meeting.

Shannon Keel also offered to assist in the process of compiling the RFQ's to bring to the board.

Ben Kennedy cautioned the board that having three board members assist staff in the RFQ process creates a committee and is subject to Open Meeting Laws. He suggested that one board member assist staff should there be any questions in preparing the RFQ's for distribution to the full board.

Bob Lucey recommended that Mr. Chapman remain the single board member to assist RSCVA staff. He stated that he would push back the April 23rd Board Meeting to April 30th to give the RFQ process the full thirty days.

MOTION: Member Shannon Keel made a motion to open the RFQ process to select a search firm, for a period no longer than thirty days, to be voted on at the next board of directors meeting on April 30, 2020. He added that board member, Andy Chapman, would be the board liaison for this process. Member Nat Carasali seconded the motion. **Motion carried with a 6 Aye to 3 Nay vote.**

E3. Delegation of Finance and Facilities Committee

Bob Lucey turned this agenda item over to Ben Kennedy for further explanation and discussion.

Ben Kennedy stated that the RSCVA Finance and Facilities Committee is an advisory committee to the board without the authority to make final decisions or otherwise bind the RSCVA. He said that this means any action that the committee takes is subject to rectification and approval of the full board before it becomes effective. He said that this would allow the RSCVA to be more proactive and not have to go through the process of holding a committee meeting and then a board meeting to ratify the actions of the committee. This item has been placed on the agenda by the Finance Committee to give them the authority to act on behalf of the organization during the Covid-19 crisis. Mr. Kennedy stated that the committee is still subject to Nevada's Open Meeting Laws that include a three-day notice before holding a meeting. He added that this would just allow the Finance Committee to bind the organization versus its current role as advisory to the full board.

Bob Lucey stated that Ed Lawson, Mark Sterbens, Andy Chapman, and Don Kornstein comprise the F&F Committee.

Don Kornstein stated that any assistance the committee can provide staff as we go through this crisis is a benefit. He added that he supports the decision to grant the Finance and Facilities Committee authority to assist the organization in making decisions in a more timely manner.

Ed Lawson suggested that the Finance Committee set a standing meeting, whether that is weekly or biweekly.

Nat Carasali said that he is puzzled by this agenda item. He said that the board identified an interim CEO while the search for a permanent CEO is taking place, and the organization has Robert Chisel as CFO with decades of experience. He said that the system in place is more than adequate and that it is the role of the board and subcommittees to be advisory only. He said that it is the staff's responsibility to run the organization and not that of the board to insert itself in the daily operations.

Jennifer Cunningham added that staff also recommends the RSCVA conduct standing bimonthly Finance and Facilities Committee meetings as the organization navigates the current economic situation.

Ben Kennedy asked for clarification from the board chair.

Bob Lucey stated that the motion only remains in effect until a new CEO is seated, and the current pandemic is over, whichever comes first. He added that the RSCVA Budget process is underway, and

that should come before the full board.

MOTION: Don Kornstein made a motion to delegate authority to the RSCVA Finance and Facilities Committee to make final and binding finance and budget-related decisions on such terms and conditions as previously discussed by the board. This motion will remain in effect only until a permanent CEO is seated or until the current pandemic crisis ends (whichever comes first). Once a permanent CEO is seated or the pandemic crisis ends, the Finance and Facilities Committee will return to an advisory capacity. It was seconded by member Mark Sterbens. **Motion carried 8 to 1, with a nay voted from member Nat Carasali.**

F. FINANCE DIVISION

F1. Presentation, discussion, and possible action regarding the RSCVA Contingency Operations Plan, Cost-Cutting Measures, and Possible Budget Revisions for fiscal Year 2020-2021 for the Reno-Sparks Convention and Visitors Authority.

Jennifer Cunningham informed the board that the executive staff has been meeting daily to discuss business operations. The staff is managing through the crisis by proposing bi-monthly Finance Committee meetings, weekly RSCVA update meetings with staff, board members, and stakeholders that include key metrics and highlights related to groups/bookings, etc.

Michael Larragueta, Vice President of Sales, brought the board up to date on group sales goals versus net production. He stated that the 172,915 room nights reflect all cancellations YTD, 133,991 reflects 44,474 room nights for Interbike cancellations, and group lead activity decreased significantly for February and March. He discussed the group canceled room nights, group postponed room nights, and remaining group definite room nights.

Robert Chisel, Chief Financial Officer, continued with the Contingency Plan. He reviewed the approved financial policies is the RSCVA Strategic Plan, and covered budgeted revenue and expenditures presented in the presentation.

Jennifer Cunningham discussed the RSCVA Operational Objectives that include scaled back operations and driving future business. Ms. Cunningham asked Robert Chisel to cover the action plan that the executive staff has already started putting into play.

Robert Chisel stated that the RSCVA has already reduced expenses by \$7.8M or 51% of the operating budget beginning on March 15, 2020. These reductions included a hiring freeze, elimination of travel & entertainment, elimination of all advertising, and a reduction or deferring of all annual operating contracts.

Shannon Keel stated that she would defer to the recommendations of the Finance and Facilities committee.

Anne Silver asked for clarification of furloughs as opposed to layoffs.

Molly Rezac answered by saying that a furlough is a temporary layoff of an employee. They are not getting work, so they are not getting paid; however, the employee would retain benefits as the benefits companies are waiving contractual stipulations that employees work a certain number of hours.

Ann Silver stated that the RSCVA payroll equates to only 13% of the total budget. She asked if it makes more sense to make a payroll reduction across the board of 5-10% rather than a graduated amount.

Andy Chapman stated that the conversation at the finance committee meeting went from one end of the spectrum to another. He said that the executive staff listened to the comments from the committee and took a hard look at cuts, and what it would take to be ready to drive the business once this crisis is over. He said that the committee did not vet this presentation. He went on to say that the cuts proposed are more aggressive than he would have liked to have seen and asked if there was a more middle ground.

Robert Chisel discussed the two cash flow scenarios in the board presentation.

Shannon Keel asked for clarification on the number of full-time positions at the RSCVA. She stated that she would recommend that staff conduct a detailed analysis of every job, look at what is considered essential, and who has a full workload at this time.

Ann Silver recommended the board add human resources or personnel component to this committee to join together both the financial needs and any objectives for reducing expenses.

Ben Kennedy said that the committees were restructured late last year. The RSCVA has a Finance and Facilities Committee and an Executive and Legislative Committee. He added that the RSCVA could hold joint committee meetings to address both financial and personnel issues. He said that in the essence of time, it would make more sense to have the finance committee work with the human resources department at the RSCVA.

Don Kornstein stated that with a CEO in place, Ms. Cunningham could look at the staffing and come back to the Finance Committee with her recommendations.

Jennifer Cunningham said that she believes that the most efficient approach would be to call on board member Ann Silver with her vast human resources background to get another perspective.

Ed Lawson said that there are two motions on this item. One is for the adjustment of Ms. Cunningham's pay as Interim CEO, and the second is to approve the plan presented by staff.

Molly Rezac stated that a 20% increase in Ms. Cunningham's pay as Intrum CEO takes her from approximately \$180K to \$220K. The proposal also says that Ms. Cunningham would be subject to any cuts approved by the board in this item.

MOTION: Nat Carasali made a motion to approve the increase in salary for Jennifer Cunningham as the Interim CEO of the RSCVA. It was seconded by member Ann Silver. **Motion carried unanimously.**

Ann Silver stated that she objects to the reduction in pay structured as is in the contingency plan, but added that she yields to the majority.

MOTION: Don Kornstein made a motion to approve the contingency plan, cost-cutting measures, and budget revisions that staff has presented today. It was seconded by member Mark Sterbens. **Motion carried unanimously.**

F2. Review, discussion and possible approval of payment in the amount of \$100,000 to the City of Reno for funding to the Downtown Business Improvement District.

Robert Chisel, Chief Financial Officer, stated that the RSCVA had received a request for payment to the City of Reno for the Downtown Business Improvement District (BID) in the amount of \$100,000. He said that the City of Reno requested annual funding of \$100,000 to assist in funding the BID at the February 22, 2018, Board of Directors meeting. The Board approved a one-year commitment to the BID and asked for future funding to be presented annually. Staff is seeking direction from the board as to whether to make the payment at this time.

Don Kornstein asked if the RSCVA has any additional commitments in the community.

Mr. Chisel stated that the RSCVA belongs to several organizations, including the Chamber of Commerce, EDAWN, and the BID. Currently, we do not have any of the other expenditures on the table. He said that the authority intends to evaluate each one based on their merit and look at the funding available.

Don Kornstein suggested that we tell the City of Reno that the RSCVA is going through budget revisions, and there is no decision at this time.

Shannon Keel agreed with Mr. Kornstein, saying that the board needs more information on this item. She said that there is no recommendation from staff whether to make the payment, and a \$100K payment right now needs to come with extreme scrutiny.

Mayor Hillary Schieve suggested that the RSCVA invite the BID to make a presentation at the next board of directors meeting to see how they are modifying their business model.

MOTION: Mayor Hillary Schieve made a motion to table the BID payment until the board receives a report from BID Executive Director, Alex Stettinski. It was seconded by member Andy Chapman.

Motion carried unanimously.

G. HUMAN RESAOURCES DIVISION

G1. New, Temporary Human Resources Policies to Comply with Families First Coronavirus Response Act

Sheri Nill stated that staff is recommending the adoption of new, temporary policies related to Emergency Paid Sick Leave and the Expanded-FMLA as outlined in the newly enacted Families First Coronavirus Response Act. The policies would be retroactive to April 1, 2020, so that they would be in effect on April 1, 2020, and will expire on December 31, 2020.

MOTION: Member Shannon Keel made a motion to approve the Families First Coronavirus Response Act. It was seconded by member Andy Chapman. **Motion carried unanimously.**

H. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

Mayor Hillary Schieve asked to see the RSCVA complaint policy and procedures on the next board agenda.

I. COMMENTS FROM THE FLOOR BY THE PUBLIC

Mr. Jeff Church submitted a public comment that was be transcribed and given to the board and included with the minutes of the meeting.

K. ADJOURNMENT

Meeting adjourned at 12:57 pm.