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**Reno-Sparks Convention & Visitors Authority
Special Meeting of the Board of Directors
Meeting Minutes
April 30, 2020**

The Special Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 10:00 am, April 30, 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).

C. APPROVAL OF THE AGENDA OF APRIL 30, 2020 SPECIAL MEETING OF THE BOARD OF DIRECTORS

MOTION: Member Mark Sterbens made a motion to approve the April 3, 2020 agenda. It was seconded by Vice-Chair Ed Lawson. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF APRIL 3, 2020 SPECIAL MEETING OF THE BOARD OF DIRECTORS

MOTION: Member Don Kornstein made a motion to approve April 3, 2020, meeting minutes. It was seconded by member Ann Silver. **Motion carried unanimously.**

E. BOARD MATTERS

E1. Report of Finance Committee regarding action taken regarding the Contingency Operations Plan, Cost-Cutting Measures, Staff Reductions, and Budget Revisions for the fiscal Year 2020-2021 for the Reno-Sparks Convention and Visitors Authority.

Robert Chisel stated that the authority began cost-savings measures in March that resulted in an immediate reduction to the budget of \$7.8M. He added that the finance committee recommended that executive staff look at additional personnel cost savings to extend operating cash. Mr. Chisel presented the results, which include a reduction of full-time equivalent staff by 50% (45% staff furlough-currently 55 positions, furloughing 25), five vacant positions (20 positions are currently filled) and a 10-15% pay cuts to the remaining employees. He added that a voluntary retirement incentive would be offered to employees that have been with RSCVA 15 years or longer. Mr. Chisel said that the furloughed employees would retain medical benefits during this time.

Ed Lawson said that this was a hard decision. He thanked executive staff for working with the finance committee to make sure the organization is solvent.

Mayor Hillary Schieve asked what departments were affected by the furloughs and asked staff how they came up with the numbers.

Jennifer Cunningham answered by saying that each department went down approximately 50%. She added that the executive team met with board member Ann Silver to look at the entire organization and went through name by name. Ms. Cunningham said that it was a challenging exercise and thanked Ms. Silver for asking the hard questions.

Mayor Schieve voiced her concern about losing sales staff. She added that it is the time to go after the groups that can't get back into Las Vegas due to date conflicts.

Shannon Keel stated that she agreed with Mayor Schieve, saying that the sales depart might be the first people to bring back.

Andy Chapman said that as a member of the committee, there was extensive discussion about the sales structure and the need to able to respond and get back in the marketplace. He said that the finance committee is working closely with staff to keep an eye on business levels.

Bob Lucey thanked the members of the committee and the executive team for identifying the needs of the organization. He went on to say that this is an update from the finance committee and reminded everyone that the committee was given full authority to make decisions without the need for full board support.

Ann Silver asked if the 10% reduction in pay for remaining staff was necessary on top of the furloughs.

Bob Lucey said that he understands that there will be additional work for the remaining employees; however, the potential recovery period could take up to 18 months. He added that there are some bond issues at the county that could free up some dollars for the organization.

Ann Silver recommended that the board forgo the \$80 stipend for the duration of the furloughs.

Ben Kennedy stated that the Finance Committee does not have the authority to disallow the board stipend; however, board members are free to waive it. RSCVA staff would need that directive in writing (email).

Ed Lawson said that it is important that we all share in the pain of this crisis.

No action taken.

E2. Review, discussion and possible approval of payment in the amount of up to \$100,000 to the City of Reno for funding to the Downtown Business Improvement District.

Cindy Carano, Board Chair of Downtown Reno Partnership, presented a short video from Executive Director Alex Stettinski. Ms. Carano stated that the city of Reno established the BID in 2018. She said that RSCVA, along with other local companies, including The Row and RTC, had pledged various amounts. The purpose of the BID is to work with businesses, property owners, residents, city and county government to make the core of the city cleaner, safer and friendlier with the ultimate goal of creating more reasons for people to visit the downtown area. Ms. Carano introduced additional members of the BID board, including Par Tolles, Police Chief Jason Soto, and Deputy Chief Mac Venzon, and opened the floor for comments and questions.

Mayor Schieve said that downtown needs to have the support of the BID. She stated that public safety is critical and it will be hard to get people to come downtown if they do not feel safe. This money goes directly to the downtown police.

Chief Jason Soto added that crime in the downtown area is flat and even down since the start of the BID. He stated that it is essential to have the presence of the ambassadors downtown during the COVID-19 crisis.

Don Kornstein asked if there is a specific need that the \$100K pledge represents.

Robert Chisel stated that the \$100K provides for the gap funding that directly supports the downtown police department. He added that the board approved a one-year commitment to the BID and requested future funding to be presented to the board annually. He said that the RSCVA contributed \$100,000 for the BID's Fiscal Year 2018-19 funding and that this request is for the Fiscal Year 2019-20.

Deputy Chief Venzon added that the funds go directly to the city of Reno to the RPD gap funding that supports fourteen officers in the downtown core.

Don Kornstein said that he feels that it is crucial coming out of the pandemic that visitors feel it is safe to be downtown.

Shannon Keel suggested that we provide half of the \$100K now and look at delivering the remaining money at a later date.

Don Kornstein agreed with Ms. Keel and offered to make a motion to approve an immediate \$50K, half of the 2019/20 pledge with the second payment of \$50K to be paid at the discretion of the RSCVA Finance and Facilities Committee.

Bob Lucey disclosed that he sits on the executive committee of the Downtown Improvement District; however, that does not affect his vote on this agenda item.

Ann Silver asked if the BID had presented any cost savings data that the organization has adopted regarding the COVID-19 crisis. She added that the RSCVA had furloughed staff, and remaining employees have to take a 10-15% pay cut. Ms. Silver asked for an update on the cost-cutting measures that the BID has taken.

MOTION: Member Don Kornstein made a motion to make a payment to the BID in the amount of \$50,000 with the second payment of \$50,000 to be paid at the discretion of the RSCVA Finance and Facilities Committee. Mayor Hillary Schieve seconded the motion. **Motion carried unanimously.**

E3. Selection of Search Firm and procedure for hiring President/CEO

Chairman Lucey stated that there were eight applicants for the RFQ #2020-09 issued on April 7, 2020, to select a search firm to conduct a national search for the RSCVA President/CEO. He asked Andy Chapman to provide an update.

Andy Chapman stated that out of the eight applicants, Searchwide and Korn Ferry have the most direct experience with the CVB's.

Shannon Keel agreed with Mr. Chapman that Searchwide and Korn Ferry were the two companies with CVB expertise.

Don Kornstein said that the board needs to make it clear to whichever company is selected that the upfront money is limited, and the bulk of the payment would come upon success.

Mayor Schieve asked the cost associated with both Korn & Ferry and Searchwide.

Bob Lucey said that Searchwide Global has a fee of \$75,000 divided up in segments, and Korn Ferry's fee is \$100,000. He added that both companies have an upfront fee of \$25,000, with the remainder to be paid when a candidate is placed.

Mayor Schieve asked for board discussion. She said that she had been a part of several CEO searches recently, and the reason the city went with Chief Soto as the Interim City Manager and Kristen McNeill at the WCSO was that they have relationships here in Reno. Mayor Schieve went on to say that Jennifer Cunningham was put in the interim position last time and did an excellent job. She said that the RSCVA's numbers were never higher, and she knows the landscape. Mayor Schieve proposed that the board consider putting Jennifer in that CEO position for a year. She went on to say that the board might be looking for something completely different in a year. She thanked the board members involved in this search process but asked if this is the time to spend the money on a search.

Chairman Lucey said that he agrees with Mayor Schieve and asked for board discussion.

Don Kornstein said that he respects the mayor's opinion and understands the focus on the budget; however, we will benefit by going through this process. I think that it is a good use of money to find out the quality candidate that we might be able to find. It might turn out that we don't find anyone that is suitable for the board, but we might learn something in that process. We are in a dynamic environment now bringing in an experienced person that has had success in another setting that might be a change agent for the way things have always been done at the RSCVA.

Bob Lucey reminded the board that Jennifer Cunningham has applied for the position of President/CEO. He asked Ms. Cunningham to step out for the board discussion on this item to avoid any awkward conversation.

Don Kornstein reminded the board that the founder of Searchwide Global and one of the lead partners had run convention authorities. They are very experienced in this area and will come into this project with an initial investigation into how the organization is run. We are getting a consulting project inside of a search project. He said that he is in favor of selecting a search firm today and getting started.

Shannon Keel said that she understands where the mayor is coming from, given the financial situation at the RSCVA and the uncertainty of the landscape, however, we need someone strong to come in and clean up the mess and the drama that was left behind by the previous CEO. She said that this position revolves around sales and getting this organization back on track.

Ben Kennedy suggested that the board identify the process to be utilized by the search firm for presenting qualified candidates to the Board of Directors for consideration. He mentioned that in the past, the board has asked that more than one candidate be brought forward.

Chairman Lucey said that Ms. Cunningham did great during her last stint as CEO. He said that there were massive transitions, but the focus was on marketing. And while Ms. Cunningham was instrumental in rebranding the RSCVA, the focus has changed based upon the landscape, and sales is going to be the new directive. He added that Jennifer and her team did a phenomenal job at building that brand and the strategic plan around that, but now the focus is on sales. He said that we need to reenergize the community and the region, and that is going to take someone that creates a culture. Someone that will focus energy around the sales team and really create an organization around filling room nights.

Mark Sterbens said that Searchwide Global looks like the best option to find a qualified candidate for the position of CEO.

Shannon Keel asked for a pay range for the CEO position.

Molly Rezac said that the board had not indicated the salary range for the new CEO; however, the previous CEO base salary was approximately \$225K-\$250K.

Shannon Keel said that \$75,000K is 30% of a \$250K salary and said that she feels that is an appropriate amount for a CEO search. She added that she had heard good things about Korn Ferry, but a \$100K fee seems high.

Chairman Lucey discussed the process of the 2016 CEO search and the challenge that Nevada's Open Meeting Law presents where vetting candidates.

Shannon Keel suggested that Searchwide bring two or more candidates forward.

Don Kornstein said that he felt the board should leave the process to Searchwide to run the search as they see fit.

MOTION: Don Kornstein made a motion to approve the selection of Searchwide Global to conduct a national search for the RSCVA President/CEO at a flat fee of \$75K with a negotiated payment plan, to give Searchwide Global the discretion run the search as the firm sees fit and to authorize the Chairman to finalize and execute a final contract on terms as approved by the board. Seconded by member Andy Chapman. **Motion carried unanimously.**

E4. Review, discussion, and possible action regarding existing RSCVA Complaint Policies and Procedures.

Chairman Lucey asked Mayor Schieve to introduce this agenda item.

Mayor Schieve asked if there is a structure for complaints to be brought forward by board members. She wondered if there procedure in place for someone with a complaint about the leadership at the authority. Mayor Schieve added, based on possibility liability, should these issues be presented to the entire board.

Ben Kennedy stated that there is no board policy in place to handle complaints about senior staff, adding that there are standard employee complaint policies (for example, Harassment and Nondiscrimination). Mr. Kennedy said that he could work with Molly Rezac to put a policy together, using the City of Reno's policy as a template, and bring to the board for consideration.

MOTION: Chairman Lucey made a motion to bring a policy for consideration regarding board complaints. Seconded by Mayor Hillary Schieve. **Motion carried unanimously.**

H. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

None.

I. COMMENTS FROM THE FLOOR BY THE PUBLIC

None.

K. ADJOURNMENT

Meeting adjourned at 12:25 pm.