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**Reno-Sparks Convention & Visitors Authority
Special Meeting of the Board of Directors
Meeting Minutes
May 28, 2020**

The Special Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 9:00 am, May 28, 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, Interim CEO/President
Michael Larragueta, Vice President of Sales
Robert Chisel, Vice President of Finance and Operations
Art Jimenez, Executive Director of Tourism Sales
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 MAY 28, 2020 REGULAR MEETING OF THE BOARD OF DIRECTORS

MOTION: Member Shannon Keel made a motion to approve the May 28, 2020 agenda. It was seconded by Vice-Chair Ed Lawson. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF APRIL 30, 2020 REGULAR MEETING OF THE BOARD OF DIRECTORS

MOTION: Vice-Chair Ed Lawson made a motion to approve April 30, 2020, meeting minutes. It was seconded by member Andy Chapman. **Motion carried unanimously.**

E. UPDATE FROM INTERIM CEO

E1. Update from Interim CEO

Jennifer Cunningham, Interim CEO/President, said with Governor Sisolak's announcement that the State of Nevada would resume gaming operations one week from today, RSCVA staff is preparing its message to welcome travelers back to Reno Tahoe. She said that video updates featuring Mike Larragueta, Vice President of Sales and Art Jimenez, executive Director of Tourism Sales have already been recorded and will soon be distributed to meetings and conventions, and tour and travel databases. Ms. Cunningham said that visitor travel research has indicated that many people are still planning on taking a vacation, but more will do so as a road trip in their cars. According to the research, people are expanding their perception of a viable drive market to a radius of 700 miles. She added that VisitRenoTahoe.com had been updated with easily accessible health and safety information on the destination. Ms. Cunningham said that for the first time in many years, the RSCVA is nearing completion of a 30-second TV ad, slated to run in the northern California drive market during the last two weeks of June. She said that BVK had been a fantastic partner, and they put together a spot for us for free. She added that the final version would be scrubbed of all property names from the video. Ms. Cunningham said that the RSCVA is working with Matador Network (who is the leading global media company for travel with millions of followers), and Southwest Airlines on a partnership with five other destinations on a co-branded COVID recovery promotional campaign. All six destinations are either "mountain" or "beach" destinations – places with built-in social distancing and amazing access to nature. She said that Matador and Southwest would distribute the content through their network. And the best part - they are doing it for free as a thank you for work we've done with them in the past and as an outreach to help some of their travel partners.

No action taken.

F. BOARD MATTERS

F1. Review, Searchwide Search Firm Update

Ben Kennedy stated that the contract between Searchwide Global and the RSCVA was finalized and signed last week. Mr. Kennedy asked Andy Chapman to give the Board an update on the status.

Andy Chapman introduced Mike Gamble and Bill Hanbury of Searchwide Global to tell the Board a little about themselves, the organization, and the search process.

Mike Gamble, President & CEO of Searchwide Global, gave an overview of the timeline for the CEO search.

Bill Hanbury, an Executive Consultant with Searchwide Global, discussed the process of the CEO Search.

Member Shannon Keel asked if there was a stipulation in the contract should the RSCVA board decide to stop the search or go into another direction. She also asked if there would be a reduction in fees if a board member, or another local person, brought a candidate to the table.

Mr. Gamble answered by saying that Searchwide has perhaps had something like that happen twice in the twenty-one years they have been doing business. He added while concessions were made at this point, the RSCVA is contractually obligated to pay the \$62,500 at a minimum.

Chairman Lucey stated that he and Mr. Chapman worked closely with Mr. Gamble and Mr. Hanbury to finalize the agreement between Searchwide and the RSCVA. He said that Mr. Chapman would keep the Board informed of the progress as the liaison between Searchwide Global and the RSCVA Board.

No action taken.

F2. Review, discussion, and possible action regarding revisions to RSCVA Harassment and Non-Discrimination Policies

Molly Rezac, Legal Counsel, drew the Board's attention to the memo and revised harassment and non-discrimination policies presented in the board packet. She said that staff was asked to review and revise how complaints against the CEO are handled. Mrs. Rezac reminded the Board that the CEO is the only individual that reports directory to the Board of Directors and that any complaint attention to any manager or supervisors, Directors of HR, those complaints are then brought to the Chairman or Vice-Chairman.

Chairman Lucey asked Mrs. Rezac to change the words Chairman and Vice-Chairman with Chair and Vice-Chair.

Mayor Schieve raised concerns about the reporting order and asked that any complaint against the CEO be brought before the entire Board.

Ann Silver asked for language that states any complaint is immediately reported to the Board.

Chairman Lucey asked Mrs. Rezac to revise the policies verbiage and bring them back to the Board for approval.

No action taken.

G. FINANCIAL DIVISION

G1. Public Hearing: Review and Adoption of the RSCVA 2020/2021 Fiscal Year Budget (Resolution 588)

Robert Chisel, Vice President of Finance, presented the RSCVA 2020/21 Fiscal Year Budget. He stated that the budget is in line with the Strategic Plan goals. He covered the Budget Overview and General Fund Budget, which include departmental budgets, facilities, and the surcharge account. Mr. Chisel also reviewed the Debt Service, Insurance, and Capital funds. He then turned the budget presentation over to Michael Day to discuss the budget for the RSCVA facilities.

Shannon Keel raised concerns about the cuts to the marketing budget.

Jennifer Cunningham stated that she and Robert Chisel are working closely to restore the marketing budget as soon as revenues improve.

Ann Silver suggested that if the RSCVA exceeds revenues that the Board returns the pay differentials by yearend.

Chairman Lucey asked the members of the Finance Committee to compile a prioritized list of variable costs.

Chairman Lucey opened the meeting for Public Comment. Seeing no public comment, chairman Lucey brought the item back to the Board for a motion.

MOTION: Vicechair Lawson made a motion to approve Item F1 Public Hearing: Review and Adoption of the RSCVA 2019/20 Fiscal Year Budget (Resolution 588) as presented. It was seconded by member Mark Sterbens. **Motion carried unanimously.**

G2. Review and possible approval of the RSCVA Fiscal Year 2020/21 Property, General Liability, Automobile, Umbrella, Workers' Compensation, Public Officials' Liability, Crime and Internet Liability, and associated Insurance Coverage

Robert Chisel requested board approval for the following insurance policies: Property, General Liability, Automobile, Umbrella, Workers' Compensation, Public Officials' Liability, Crime and Internet Liability, and associated insurance coverage. He said that the new insurance program recommended premiums are estimated to be \$355,893, an increase of \$43,885.

MOTION: Chairman Lucey made a motion to approve the RSCVA Fiscal Year 2020/21 Property, General Liability, Automobile, Umbrella, Workers' Compensation, Public Officials' Liability, Crime and Internet Liability, and associated Insurance Coverage. It was seconded by member Don Kornstein.
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 10:30 am.

PUBLIC COMMENT

boardclerk@renotahoeusa.com / RSCVA:

OML: Don't want to beat this too much See Below addendum. RSCVA may be out of compliance with NRS 241, OML and both Governor Directives 006 and 018.

Why is the RSCVA listed at public meetings under City of Reno not independently or other. RSCVA services the whole county. <https://notice.nv.gov/>.

BID: I strongly object to RSCVA using my taxpayer money for the Reno Downtown Business Improvement District (BID)/ Downtown Maintenance Organization (DMO), Downtown Reno Partnership (DRP). I'm told it was \$100,000 last year and \$50,000 this year. Stop! Please consult your attorney. BIDs may not be subsidized by taxpayers! See case law including below. The DRP is NOT a charitable 501c3, it is a 501c6 (Advocacy) and I wish to optout. Do not use Tax dollars for a n advocacy group. Again, please consult legal advice. (Case Law and AG Opinion listed under Addendum)

As Jefferson famously put it, "to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhor[s] is sinful and tyrannical." Pacific Gas & Electric (PG&E) v. Public Util. Comm. (1986)

I'm happy to meet and discuss legal issues but especially in view of RSCVA lay-offs, do not spend taxpayer money on the BID/DMO/DRP. You may be opening yourself to legal liability. Additionally the DRP does not meet the IRS and Nevada requirements for a Non-Profit 501c6. (Can Explain)

RDA1: I am extremely concerned that Reno Development Agency (RDA1) is "bankrupt" with under \$1 million in revenue and \$4 million in 2020 expenses, Ask Mr. Chisel, we were promised no taxpayer bail-out. Now more than ever we can't afford to a bail out the Reno Development Agency (1).

Reno and WCSD Fiscal Crisis: Like a deer in headlights Reno and WCSD schools are failing to make effective lay offs and take action in view of the Fiscal Tsunami. The (FAB) Finance Board unanimously passed a motion calling for 15% cuts now and a "sense of urgency" only to be ignored by Council. WCSD followed blindly taking little action. I predict by 2021, Reno, along with Nye County, North Las Vegas, CCSD (Schools) all State Take Over. 50-50: WCSD. Esmeralda. And many many small districts and authorities.

Please express your concern

WCSD: I'm running for WCSD Trustee District A South Reno, Incline. I don't mind saying in all WCSD races, no incumbents. Insanity over and over. (No to Nicolet, Kelley & Taylor please).

Jeff Church
www.RenoTaxRevolt.com
800 554 9519

ADDENDUM:

CASE LAW on BID:

City of Reno vs. Folsom, 464 P.2nd 454 (1970), Knox v. City of Orland, 4 Cal.4th 132 (1992), Evans v. City of San Jose, 3 Cal.App.4th 728 (1992). JANUS v. AMERICAN FEDERATION OF

STATE, COUNTY, AND MUNICIPAL EMPLOYEES, COUNCIL 31, ET AL. No. 16-1466. Argued February 26, 2018—Decided June 27, 2018 .
Nevada Attorney General's OML Opinions 2014-1, "Mesquite." And "Eureka: OMLO 2001-17/AG File No. 00-030 and "EDAWN" OMLO 99-05 (January 12, 1999).

OML:

Technology exists to allow active public comment and participation and RSCVA should so allow. You maybe non complaint. See also Directive 006 Section 7. For example the budget affects us and Section 7 requires we be heard.

(Bold/underline added, so why is public meeting listed under City of Reno?)

<https://www.visitrenotahoe.com/about-rscva/>
About RSCVA

The Reno-Sparks Convention and Visitors Authority, RSCVA, was established in 1959 as the Washoe County Fair and Recreation Board. The RSCVA acts as a marketing organization **for the county** to promote convention and tourism business.

<https://www.rscva.com/about-rscva/the-board/>

The RSCVA is governed by a nine-member board of directors representing a variety of business and community groups in Washoe County. The groups represented include: gaming, general business, and air service. The cities of Reno and Sparks and Incline Village are also represented as well as the Washoe County Commission.

Unfortunately, the A.G. has been in hiding rather than issuing guidance on OML. Other OML agencies are meeting via Zoom with active public comment. Further did you see Sect 7 of Directive 006? Active input must be allowed on matters that affect the speaker such as the budget. Further the directive was modified by Directive 018.

Michael A. T. Pagni, Esq.
mpagni@mcdonaldcarano.com

Reply to: Reno
File No.: 30248-1

May 27, 2020

Via email ccarlsen@renotahoeusa.com
Board of Directors
Reno Sparks Convention and Visitors Authority
c/o Board clerk

Re: P3 Proposal: Agenda Item H1

Dear Board Members:

Our firm represents Eldorado Resorts, Silver Legacy and Circus Circus Reno (the ROW properties). This letter is written to express the ROW's opposition to P3 Partners proposal to alter the operations, management, marketing, promotion, booking and use of the Reno Events Center and National Bowling Stadium.

As you know, the ROW has a substantial vested interest in the REC and NBS, not only as the largest operator of resort properties in downtown Reno but from its pivotal role in the development, construction, legislative authorization and financing of these facilities. The NBS was constructed as part of a downtown Reno renovation effort in 1995 (which included construction of the Silver Legacy) for the purpose of capturing bowling tourism dollars based on commitments from the United States Bowling Congress to host tournament events in Reno. The REC was constructed as a result of the ROW's recommendations as a member of the Truckee Meadows Tourism Facility and Steering Committee for the purpose of attracting mid-week conventions and meetings to the downtown area, hosting concerts and special events, and increasing mid-week occupancy. As a result of its financial commitments under a special assessment district, dedicated room surcharges, and three (3) special room taxes, the ROW pays the majority of tax revenue supporting the bonds issued to construct these facilities as well as ongoing operations, maintenance and capital improvements. The ROW has also been a strong partner with the RSCVA and City of Reno in financing and facilitating priority booking of these facilities.

We were surprised to learn from your agenda that P3 Partners is proposing to terminate the contract with ASM Global, take over management control and subcontract facility operations to Jam On It, and fundamentally alter the purposes, priorities and operations of these convention/entertainment facilities. While we strongly support efforts to restore convention and tourism activities, the proposal appears to go beyond simply booking more events and raises a number of concerns.

mcdonaldcarano.com

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First, the RSCVA is already under contract with ASM Global for these services through at least 2022. Short of breaching that contract or negotiating some early payout to ASM Global there are significant contractual impediments and financial and reputational costs to the RSCVA in even considering the proposal. There are also significant questions regarding impacts on RSCC operations, as it is unclear whether ASM Global would be willing or able to operate the RSCC (or at what additional cost) if the contract were terminated.

Second, as your contract with the City requires and as the RSCVA recognized when it hired ASM Global through a public RFP solicitation, these facilities must be operated by qualified, experienced facility operators, and must be managed and operated to “meet the needs of conventions, trade shows, consumer shows, meetings, entertainment, and community events.” *See RSCVA RFP # 2018-01* It is unclear what, if any, qualifications or experience P3 Partners or Jam On It have in managing and operating convention, entertainment and bowling venues, let alone expertise in industry wide promotion, marketing and booking¹. The RSCVA further recognized in its RFP solicitation that in addition to managing the day to day operations “in a cost effective, high quality and efficient manner”, any operator of these facilities must “maximize the generation of room night occupancy”, “ensure that conventions, exhibitions, trade shows, and other meetings are attracted and retained”, “maximize the economic impact to the community, region and state via the accommodation of non-local conventions, trade shows, conferences and meetings and overall utilization of the facility”, “penetrate new markets” and “promote the Authority to enhance usage” by attracting “conventions, trade shows and events” while responding to the ever-changing needs of users and the convention market. *See RSCVA RFP # 2018-01* To meet these objectives, the RSCVA required prospective operators to submit comprehensive background information, financial statements, disclosures of principles, qualifications, client lists, demonstrated operations and management experience, and a sales and marketing plan for the facilities. Prospective operators were further required to submit to a rigorous interview and competitive public selection process. P3’s proposal does not address the broad elements required by the RSCVA, does not include any of the comprehensive information necessary to evaluate any proposal, and does propose any public selection process. Additionally, the proposal is singularly focused on an isolated niche industry rather than the broad, diverse objectives recognized by the RSCVA as critical to the success of these facilities and maximizing room night occupancy. While we are not suggesting a change, if the RSCVA were to consider any change in management and operations of these facilities as a public agency the RSCVA should only do so through the same competitive, public RFP process followed when the current operator was selected. Only through a public RFP

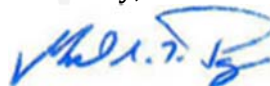
¹ P3 Partners mentions utilizing Spectra/Comcast as a “team member” at some undetermined time in the future. While the qualifications of Spectra/Comcast are clear, it is unknown what role they would play, when they would become involved, at what cost, on what terms, and for what purpose (i.e., to prioritize the amateur sports promotion for AAU/JamOnIt and P3 or maximize room night occupancy through bowling, convention, exhibition, concerts, trade shows, athletic tournaments, etc). Notably, P3 Partners does not propose that the RSCVA directly contract with Spectra/Comcast for management and operations services, providing additional uncertainty as to who is in control and as to the scope and long-term viability of securing Spectra/Comcast’s independent expertise.

process can the RSCVA ensure it retains the most qualified, experienced and financially viable operator best suited to fulfill the requirements of the RSCVA and local tourism industry.

Third, we are very concerned with the timing of the proposal. The largest convention in the City returns in September with the arrival of the USBC bowling tournament. Discussions for extending the USBC contract and adding more convention dates in the future are underway, and will be highly dependent on the success of this year's event. Conducting this event in the COVID-19 environment will present significant challenges, and will demand an experienced operator to navigate these new challenges. More than ever before, we need to ensure that the bowlers' experience is exceptional and that the facilities are managed and operated seamlessly by persons with experience and expertise in managing this specific convention. We are very concerned with the logistics, appearance and unintended consequences of upending management and operations of these facilities within a month or so of kicking off the first major post-pandemic convention in the region².

The RSCVA and the tourism industry as a whole are facing significant financial challenges as a result of the pandemic. Now does not seem the time to narrow options or experiment with a new business model focused on a single industry which is itself facing its own unique challenges. We welcome efforts by any vendor, including Jam On It and AAU, to bring athletic tournaments or other innovative special events to our region, and encourage them to continue to work through the RSCVA and ASM Global to book events. But if we are to restore our tourism economy and maximize room occupancy, more than ever before we need the qualifications and expertise of an operator with broad experience, industry-wide contacts and skill to market, promote, book and successfully manage all types of conventions, trade shows, concerts, and events for the betterment of the region as a whole.

Sincerely,



Michael A. T. Pagni

C: Client
Jennifer Cunningham
Ben Kennedy, Esq.

²The proposal also lacks specificity on key details related to financing, booking priority, operational and management control, public financial support (including proposed use of the dedicated \$2 surcharge), and cost and expense management, raising a number of additional questions.