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**Reno-Sparks Convention & Visitors Authority
Special Meeting of the Board of Directors
Meeting Minutes
June 25, 2020**

The Special Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 9:00 am, June 25, 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 JUNE 25, 2020 REGULAR MEETING OF THE BOARD OF DIRECTORS

MOTION: Member Mark Sterbens made a motion to approve the June 25, 2020 agenda. It was seconded by member Shannon keel. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF MAY 28, 2020 REGULAR MEETING OF THE BOARD OF DIRECTORS

Member Andy Chapman pointed out that Mr. Bill Hanbury's last name was misspelled in under item F1, paragraphs two and four. The changes were duly noted and corrected.

MOTION: Member Don Kornstein made a motion to approve May 28, 2020, meeting minutes. It was seconded by member Mark Sterbens. **Motion carried unanimously.**

E. UPDATE FROM INTERIM CEO

E1. Reno-Sparks Convention and Visitors Authority Staff Update

Jennifer Cunningham, Interim CEO/President, began by addressing current events around Black Lives Matter that have impacted our community and our nation. She said that week Steve Hill made some poignant comments at LVCVA Board meeting and stated the RSCVA's alignment with the LVCVA. Ms. Cunningham added that it is important to reaffirm that a CORE Reno Tahoe value is one of welcoming and embracing groups and individuals from all backgrounds, religions, ethnicities, genders, orientation, as well as social and political philosophies. Ms. Cunningham said that travel has a way of helping to break down barriers and as leaders in this industry and we feel it's important to keep the conversation going. She reminded the Board that the RSCVA has been sensitive and deliberate with respect to diversity and inclusion in our marketing materials, photography, videos and website. Ms. Cunningham said that she participated in virtual meetings with Senators Jackie Rosen, Catherine Cortez-Masto, Representative Dina Titus, US Travel, the LVCVA and Travel Nevada. The group discussed Advocacy Priorities that included Extending Paycheck Protection Program eligibility once and for all to quasi-governmental Destination Marketing Organizations like the RSCVA. She added that the group talked about legislation that would provide Protection from frivolous COVID-related lawsuits for businesses that follow proper health and safety guidelines. And, very important to the RSCVA is the legislation to provide \$10 billion in Economic Development Administration grants for DMOs – if passed, this money could be used for marketing Reno Tahoe. Ms. Cunningham said that in addition to these priorities, the group discussed the need to keep a close watch on air service once the restrictions put on the airlines by the CARES ACT stimulus expires on October 1st. While there will still be grant money available, restrictions such as a minimum level of air service required by the Department of Transportation will be lifted. Especially in Reno, the RESVA is very concerned about losing flights at that time. Ms. Cunningham said that the U.S. Department of Transportation issued a show-cause order proposing parameters for initially implementing the authority granted to the Secretary of Transportation by Sections 4005 and 4114 of the Coronavirus Aid, Recovery, and Economic Security Act (the CARES Act). The order proposes that air carriers receiving financial assistance under the CARES Act maintain minimum air services on a nationwide basis, with some exceptions. The proposed order would cover air carriers offering scheduled passenger service and all-cargo carriers, though, at this time, the Department proposes to not require service obligations of all-cargo carriers. The proposed order would not cover charter operations or air taxi operators. The proposal seeks to ensure that covered air carriers maintain a defined schedule of flights to communities they served before March 1. The Department proposes an initial term for the service obligations through September 30, 2020, which may be extended by the Department. Ms. Cunningham briefly discussed air service. She said that as of today, Reno is still trending 75% below last year (8 airlines serving ten destinations). Ms. Cunningham added that last year averaged 6,500-7,500 for the same period. She shared the July schedule increases:

American Airlines

- PHX from one to two daily
- DFW from two to three daily
- ORD is returning

Delta

- SLC from two to three daily

United

- LAX is returning

Alaska

- SEA from two to four daily
- PDX is returning

Southwest

- DEN from one to two daily
- PHX from one to two daily

Michael Larragueta, Vice President of Sales, provided an update including current numbers for the Convention Sales. Mr. Larragueta discussed the production, cancellations, net room nights, and pace

versus the prior year. He said that before the shut down in March, the team was on pace to reach and exceed the annual goal of 290,000 group room nights. Unfortunately, due to COVID-19, Year-To-Date cancellations are 141,357 room nights for a net production number of 43,735. The two months with the most cancellations were April and June at 25,937 and 58,704, respectively. He said that room nights for groups that have postponed their dates but have not secured dates for the future continue to decline down to 737. However, groups that have delayed their programs and contracted future dates total 42,870 room nights, with more than 50% contracted in 2021 or beyond. Mr. Larragueta added that definite groups that remain on the books for 2020 totals 50,593. The room nights are fairly spread out by month for the remainder of the calendar year, with a slight increase in July and October. The number of active leads and room nights from March 17th through June 24th was 61, representing 136,134 room nights. Total outstanding active leads total 312 for 565,352. Mr. Larragueta shared that the Convention and Tourism Sales teams, with assistance from the Marketing department, have developed and implemented multiple activities to educate, update, and inform clients. He added that convention sales territories had been revised, with four of the six Regional Directors inheriting additional states to ensure adequate coverage. He went on to say with in-person site inspections on pause right now we decided to partner with Concept 3D, the leader in the virtual site inspection space. This software provides interactive 3D maps that pinpoint hotels, facilities, and Reno "landmarks." He also shared the latest videos that provide updates on the current status of our hotels, facilities, and safety/sanitation procedures. He added that the videos were posted on personal LinkedIn accounts last week and have generated over 15,000 views. Mr. Larragueta shared that the team just completed its first virtual event hosted by Reno's own Mr. David Wise. This concept was a way to engage clients from both the meetings and leisure segments virtually. David participated in a Q & A moderated by Regional Director of Convention Sales for the Southeast, Mr. Shaun Tracy. The events provided an opportunity to update clients on reopening and Reno's continued development, sense of community, and overall unified team efforts. He said that the next virtual event titled "Strength in Leadership" is scheduled for July 16th and our host is Madam Mayor Hillary Schieve. Mr. Larragueta stated that the RSCVA, in conjunction with eight hotel partners, launched a group bounce back program on June 18th. This "Plan with Confidence" campaign features no attrition plus additional concessions offered by individual properties. He stated that Decker Royal and our marketing team have identified several media channels to market and distribute the campaign. Mr. Larragueta said that the RSCVA received written notification from the state that there is a limit of 50 people per group, per room in each facility as long as it is not attendees from the same group. This allows the facilities to host more than one group at a time, but each individual group cannot exceed 50 people. He added that RSCVA would continue to honor the 50% discounted rental pricing in any facility for the remainder of the calendar year should hotel partners not be able to accommodate a group's meeting needs in their individual properties. Mr. Larragueta said that July looks to be a promising month in terms of group bookings.

Art Jimenez provided the Board with an update on Tourism Sales. He said that the team is in the process of cleaning up the tourism database, which consisted of adding or modifying over 4,000 accounts and redistributing duties among the remaining tourism team. Mr. Jimenez said that the team continues to source our third-party data partner sites for top-selling GDS agents to our area. He reminded the Board that pre-COVID-19, annual OTA bookings accounted for over 700,000 room nights to Washoe County, and GDS bookings represented an average of nearly 170,000 annual room nights over the last three years with Average Daily Rates (ADR) as high as \$158. Mr. Jimenez said the team is concentrating on drive markets & Southern California while continuing to leverage partnership marketing funds with Expedia & Priceline. He said that tourism would relaunch a paused 30-day Expedia campaign and continue to court our travel agent extended sales force via Sabre and Mail Pound.

Christina Erny, Director of Marketing, provided the Board with an update on the RSCVA marketing efforts. She stated that the RSCVA is currently focused on digital outreach in drive markets, including the San Francisco Bay Area, adding that a digital and cable TV commercial spot is running in the San Francisco Bay Area. She said that the organization is leaning on its long-standing relationship with Influencers who have provided content at no charge. Ms. Erny said that the RSCVA webpage is running up-to-date health and safety information for the region. She went on to say that the organization is sending personalized emails to the drive and fly markets that centers on safety.

Ben McDonald, Director of Communications, stated that the marketing team is currently focused on sales support. He said this includes communications with meeting & conventions, sports & travel trade, keeping event planners and producers informed of the status of our destination, further

supporting the efforts of our sales managers, which may vary by region. He added that Reno Tahoe continues to be featured through a variety of media outlets such as Bestcities.org - America's Best Small City, O - The Oprah Magazine, Condé Nast, Travel+Leisure, Washington Post and Forbes.

Robert Chisel, Vice President of Finance and Operations, covered the Interim Financials for April 2020, found in the board packet. He stated that the revenue for April was 364K, 90K more than the 270K projection. He also covered the RSCVA priorities as revenue increases. These priorities are as follows: **Marketing** – Spend on digital advertising in the California drive market

Air Service – Support for airlift opportunities

Sales – Booking incentives for events

Staffing – Returning select positions from furlough to active duty

Capital – Restart capital projects canceled in March 2020

No action taken.

E2. ASM Update

Michael Day, General Manager, ASM Global Reno-Sparks, delivered an update on the status of the RSCVA Facilities to include upcoming events and protocols for addressing the Covid-19. He discussed ASM's Venue Shield, a proprietary program for venue reopening, ensuring that facilities are clean and certified at the highest standards for the safety and health of our co-workers, clients, and guests.

No action taken.

E3. Legal Counsel Update.

Ben Kennedy, Legal Counsel, stated that he added this item at the request of a board member to have as a standing item on the RSCVA agenda. Mr. Kennedy said that he would not always have a legal update; however, it will remain on the agenda should anything come up.

No action taken.

F. BOARD MATTERS

F1. Review, Searchwide Search Firm Update

Mike Gamble, President & CEO of Searchwide Global, gave an update on the RSCVA CEO search. He stated that he and Mr. Hanbury conducted interviews with approximately forty (40) community stakeholders, including members of the RSCVA Board of Directors and staff members. SearchWide then created a draft detailed position description for the RSCVA President/CEO for in the board materials. He stressed the importance of developing and executing an effective COVID-19 recovery plan while developing a longer-term strategic, tactical, and a human resources plan to accommodate a restructured operating model necessitated by the new normal.

Bill Hanbury, Executive Consultant with Searchwide Global, stated that several stakeholders stressed the importance of air service to the region. He said that the candidate needs to have an understanding of the value that air service brings to the destination.

Mike Gamble discussed the oversight of the facilities. He said that it is unique for a Destination Marketing Organization (DMO) to manage and/or oversee the convention facilities. He said that the candidate should have knowledge of facility operations, including capital improvement, refocus of marketing/sales approaches, and technological innovations to improve the utilization of the center and other event venues.

Mr. Gamble also discussed the importance of assessing the operations of the organization. He said that this would include finances, sales, marketing, and overall staff deployment, plus human resources, technology, and research. He added that the incoming CEO needs to meet one on one with all team members to develop a relationship, hear their thoughts and ideas, and better understand the culture.

Mr. Hanbury discussed the importance of the last priority, which is community involvement. He said that this person needs to develop strong and meaningful partnerships to build trust, confidence, and credibility within the community.

Chair Lucey asked Mr. Gamble to lead the discussion on salary parameters.

Mr. Gamble said that Searchwide looked at the salary history, including base salary, bonus, car allowance, and severance. He asked the Board if it would be interested in bringing a candidate forward should the salary request be higher than the previous CEO's salary package. He asked for board feedback on the salary parameters.

Mark Sterbens said that he would support bringing candidates forward if the request was higher than the previous CEO's.

Vice-Chair Ed Lawson said that it is more about the candidate than the salary and agreed that Searchwide should bring any qualified candidates forward.

Andy Chapman said that a 40% bonus structure seems higher than usual.

Mike Gamble said that most organizations with a \$20-\$50M budget, without oversight facilities, base range 280-380K, 95% of CEO's that run organizations similar in size and less in scope are making at least \$280.

Bill Hanbury added that the methodology behind the bonus structure is Key Performance Indicators (KPI). He said that a 30% bonus is standard, and it would be tied to measurable criteria.

Don Kornstein asked about the term of the contract.

Mike Gamble answered by stating that Searchwide is recommending a three-year agreement, with a twelve-month severance package. He added that there are very few candidates that would agree to a six-month severance. He then asked for discussion from the Board.

Don Kornstein suggested the Board give Searchwide as much latitude as possible to get the best candidates.

Member Ann Silver left the Board Meeting at 10:29 am

MOTION: Member Mark Sterbens made a motion to approve the SearchWide Global draft position description for the RSCVA President/CEO as presented. It was seconded by member Don Kornstein. **Motion carried unanimously.**

MOTION: Mark Sterbens made a motion to give Searchwide Global a flexible salary threshold, with a starting point comparable to the previous CEO's salary package. It was seconded by member Don Kornstein. **Motion carried unanimously.**

Member Mark Sterbens left the Board Meeting at 10:32: am

F2. Appointment of Board Member Pursuant to NRS 244A.601(1)(d)(1) Representing Air Service Establishments

Chair Lucey thanked Nata Carasali for his time and commitment to the RSCVA and the Airport Authority. He went on to say that Mr. Carasali has served us diligently and put in countless hours for the community.

Jennifer Cunningham thanked Mr. Carasali for his continued support to the RSCVA and the region.

Mayor Schieve thanked Mr. Carasali for being a grand champion for the region.

Nat Carasali thanked Mayor Schieve, Chair Lucey, and Ms. Cunningham for their kind words. He said, "arrivederci," or until we meet again.

Ben Kennedy stated that Item F2 is the appointment of Board Member pursuant to NRS 244A.601(1)(d)(1) representing the Air Service Establishments. He said that he would open the item for Board discussion; however, only the elected public official members would vote to appoint the

representative from the Reno-Tahoe Airport Authority (RTAA). He added that this appointment would be a two-year term, effective as of July 1, 2020. Mr. Kennedy stated that the RTAA had nominated Jenifer Rose and Daniel Farahi.

Chair Lucey said that Mr. Farahi and Ms. Rose are excellent community leaders who are both dedicated to the betterment of the region.

MOTION: Chair Bob Lucey made a motion to appoint Daniel Farahi to the RSCVA Board of Directors pursuant to NRS 244A.601(1)(d)(1). It was seconded by Vice Chair Ed Lawson. **Motion carried unanimously.**

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 revised harassment and non-discrimination policies presented in the board packet. She reminded the Board that the staff was asked to update the authority's policies as there was some concern about the proper procedures for complaints against the CEO. Ms. Rezac asked for the Board's approval on the revised policies as presented.

MOTION: Member Don Kornstein made a motion to adopt changes to the RSCVA Harassment and Non-Discrimination Policies as presented. It was seconded by member Andy Chapman. **Motion carried unanimously.**

G. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

None

H. COMMENTS FROM THE FLOOR BY THE PUBLIC

None

I. ADJOURNMENT

Meeting adjourned at 10:45 am.