

**Reno-Sparks Convention & Visitors Authority
Regular Meeting of the Board of Directors
Meeting Minutes
September 24, 2020**

The Special Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 9:00 am, September 24, 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:

Andy Chapman
Daniel Farahi
Shannon Keel
Don Kornstein
Mayor Ed Lawson
Commissioner Bob Lucey
Mayor Hillary Schieve
Ann Silver
Mark Sterbens

Board Members Absent:

RSCVA Executive Staff Present:

Jennifer Cunningham, Interim CEO/President
Robert Chisel, Vice President of Finance and Operations
Michael Larragueta, Vice President of Sales
Art Jimenez, Executive Director of Tourism Sales
Christina Erny, Director of Marketing
Ben McDonald, Director of Communications
Julie Williams, Human Resources Manager
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 has been included with the minutes of the meeting.

C. APPROVAL OF THE AGENDA OF SEPTEMBER 24, 2020 REGULAR MEETING OF THE BOARD OF DIRECTORS

MOTION: Member Bob Lucey made a motion to adjust the September 24, 2020 agenda meeting to move Items I1, G3, F2 and H1 to immediately follow Item D. It was seconded by Mayor Ed Lawson. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF AUGUST 27, 2020 REGULAR MEETING OF THE BOARD OF DIRECTORS

MOTION: Member Bob Lucey made a motion to approve the August 27, 2020, meeting minutes. It was seconded by member Shannon Keel. **Motion carried unanimously.**

E. PRESENTATIONS

E1. Team Reno-Tahoe

Robert Chisel, Vice President of Finance and Facilities, introduced Chris Brisco, IT Manager, at the RSCVA. Mr. Chisel stated that Chris works tirelessly to keep the RSCVA connected, particularly as we navigated the COVID-19 pandemic.

Chris Briscoe stated that he has been with the RSCVA for three years and oversees everything IT, including the network, servers, PCs, etc. In his time at the RSCVA, he has replaced 90% of the servers, installed a disaster recovery site at Switch data to provide quick recovery in the event of a disaster, and tightened controls for added security. Chris said that COVID-19 drastically changed the way we work. Still, he was able to adjust the authority's system and provided the staff with the ability to work remotely during this challenging time.

E2. Reno-Sparks Convention and Visitors Authority Staff Update

Jennifer Cunningham, Interim President/CEO, stated in the interest of time that Items G1, FY 2020/2021 Group Sales Room Night Goals, and G2, Group Cancellations due to COVID-19 be moved ahead to Item E2, Staff Updates.

Jennifer Cunningham drew the Board's attention to the updated scorecard located in the board packet. She said that overall occupancy for July was approximately 62% and added that this is encouraging news as the RSCVA forecasted occupancy at 35%. She noted that taxable revenue and ADR came in much more substantial than expected. Ms. Cunningham reminded the Board that the RSCVA office move was fast approaching, saying the authority realized that there would be excess office space due to the dramatic staff reduction. As such, the RSCVA is pleased to announce that the Chamber of Commerce will be moving into the building.

Robert Chisel, Vice President of Finance and Facilities, provided a summary of financials ending June 20, 2020. He said that financials are in the process of being audited, but he does not expect any change in the numbers. Mr. Chisel noted that overall revenue was down 22% for FY 2019/20; however, revenue for June was above projections from Scenario F. He went on to say that expenditures were down a total of 11%, although expenses were up in two areas. He stated that facility expenses were up 7.5% or \$900,000 for a total annual loss of \$6.6M. Mr. Chisel added that Capital improvement projects were up 42%. He briefly covered the interim financials provided in the board packet.

Michael Larrueta, Vice President of Sales, stated that the sales team saw 18 leads, representing 53,886 room nights for July. He added that 4,362 rooms were contracted, and cancellations totaled -12,127 for a net number of -7,765 in August. Mr. Larrueta said that the team sourced 12 leads representing 10,520 room nights. He went on to say that the team is seeing an increase in the number of requests for in-person and virtual site inspections, and twelve sites, representing just over 12,300 room nights, are scheduled in the next 30 days. Mr. Larrueta said that he, Jennifer Cunningham, and Michael Day flew to Las Vegas to participate in a tour provided by sales and convention services executives at the Venetian, Sand Exposition Hall, and Wynn Las Vegas. All three venues set tradeshow floors, ballrooms, and individual meeting rooms to demonstrate appropriate social distancing in a safe and controlled environment while increasing the capacity beyond 50 people per room. The plans were sent to Clark County Commissioner Kirkpatrick and Governor's office for review.

Art Jimenez, Executive Director of Tourism, presented a tourism update. He referred to the scorecard in the board packet and said that OTA and Travel Agent production represented just over 96% of tourism sales bookings in July. Consequently, we are focusing our efforts on these travel partners concentrating on the drive and key air markets. These efforts include a joint marketing campaign with Expedia & American Airlines, Priceline, and SABRE GDS. Mr. Jimenez closed by telling the Board that this summer Reno Tahoe was ranked as one of the top 5 Quickie Getaway U.S. Cities by Hotwire for the 2nd year in a row.

Ben McDonald, Director of Communications, brought the Board up to date on current proactive and reactive media outreach to promote safe travel to the region. He said that the RSCVA is working with local travel partners to promote the Paint Nevada Pink campaign to bring awareness to Breast Cancer Awareness month. He finished by saying that the Governor's COVID Taskforce has reached out to the RSCVA to join with them in promoting the COVID Trace app. More information on that to come.

Christina Erny, Director of Marketing, began by recognizing the marketing team's efforts to promote the region amidst the global pandemic. She said that Reno Tahoe had become one of the top seven most searched locations in the world. Ms. Erny added that two of the top travel influencers commented that followers are consuming Reno Tahoe content in numbers well above other destinations on their websites. She said that the Reno Tahoe website is seeing double-digit growth month over month, and the team is working tirelessly to get the right message out to consumers. Ms. Erny added that Southwest Airlines continues to reach out to promote the region as a safe destination. She closed by bringing the Board up to date on advertising initiatives.

Andy Chapman recognized Jennifer Cunningham and the entire marketing team for working with Tahoe to promote safe travel and helped slow down the typical summer traffic to the area during the pandemic.

E3. Legal Counsel Update.

Ben Kennedy, Legal Counsel, will deliver updates on any pending legal matters.

F. FINANCE DIVISION

F1. Review, discussion, and possible approval of the Fiscal Year 2019-2020 Room Tax Department Performance

Ann Silver asked the Board for a block vote to approve Items F1, the Fiscal Year 2019-2020 Room Tax Department Performance, and Item F2.

MOTION: Member Bob Lucey made a motion for a block vote for Item F1 to approve the Fiscal Year 2019-2020 Room Tax Department Performance and Item F2 to approve the contract to purchase and install touchless lavatory faucets for the RSCC. It was seconded by member Don Kornstein. **Motion carried unanimously.**

F2. Discussion and possible approval to purchase and install touchless lavatory faucets for the Reno-Sparks Convention Center from Michael's Plumbing Heating & Air, Inc in the amount of \$56,812

RSCVA staff recommended a block vote for the purchase of fixtures from Michael's Plumbing Heating & Air, Inc, as the lowest cost, for a price of \$54,107, with a contingency of 5% equal to \$2,705, for a total contract amount not to exceed \$56,812.

Block Vote motion carried unanimously.

G. SALES AND MARKETING DIVISION

G1. FY 2020/2021 Group Sales Room Night Goals

Michael Larragueta, Vice President of Sales, presented the proposed FY 2020/2021 Group Room Night Goal. He began by saying that the FY 2019/2020, the group room night goal was 290,000. Mr. Larragueta proposed a group room night goal of 241,139 contracted room nights for the FY 2020/2021. He said that this room night goal is a 20% decrease from the prior year, and there are several contributing factors to this recommended decrease.

- Reduced staff from 27 to 16. Of the 16 staff members, ten are in a 100% sales roll and make up the 241,000-room night goal
- No regional or national tradeshow for the first four months of the FY
- In-person site inspections have started to pick up, but they are still not at a level necessary to achieve numbers from previous years
- Reduction in Sales budget of approximately 70%
- No in-market familiarization trips

Mr. Larragueta stated that the RSCVA does not anticipate production will increase in the second half of the FY (January through June of 2021) without a COVID-19 vaccine. Mr. Larragueta opened the floor for questions.

Mayor Ed Lawson suggested the Board table Items G1 and G2 until the new CEO begins.

Mark Sterbens stated that he believes that this is a fair adjustment based on the current environment; however, he requested that the motion have a caveat that the new CEO can make changes to the 2020/2021 Group Sales Room Night Goals once Mr. Harris starts with the authority.

MOTION: Member Mark Sterbens made a motion to approve Item G1 with the caveat that the new CEO can make changes to the 2020/2021 Group Sales Room Night Goals as Mr. Harris sees fit. It was seconded by Mayor Ed Lawson. **Motion carried unanimously.**

G2. Group Cancellations due to COVID-19

Michael Larragueta, Vice President of Sales, presented Group Sales cancellations due to the COVID-19 pandemic. He requested that group cancellations in FY 2020/2021 directly related to COVID-19 not to be subtracted from the group room night numbers. Mr. Larragueta mentioned July and August produced 17,546 and 4,362, respectively but also had -7,027 and -12,127 in cancellations directly related to COVID - 19. He added that the sales leaders for all the major hotels confirmed that they are also in line with not penalizing individual staff or the team for group cancellations directly related to COVID-19. Mr. Larragueta noted that should a group be contracted, then canceled and rebooked all in the same FY, the team would only get credit for a single booking. He added that the Convention Sales team has one annual team goal versus individual goals for FY 2020/2021 to push the team to continue to strive to hit the annual room night goal. Mr. Larragueta closed by saying that the annual room night goal is tied to their annual bonus plans; however, all bonus plans are subjective, and the CEO has complete discretion on all incentive payouts.

MOTION: Member Don Kornstein made a motion to approve Item G2 with the caveat that the new CEO meets with the Finance Department within the first sixty days of employment to discuss changes to the Group Cancellations due to COVID-19. It was seconded by member Mark Sterbens. **Motion carried unanimously.**

G3. Financial Support for New Air Service – Alaska Airlines/Reno-Palm Springs Service

Vice-Chair Ann Silver asked for board approval for risk mitigation funding for Alaska Airlines in the amount of up to \$100,000. She stated that the funds would be used to mitigate any revenue shortfalls in the Alaska Airlines operations between Reno/Palm Springs during the period of December 2020 through April 2021.

MOTION: Member Andy Chapman made a motion to approve the financial support for the new air service with Alaska Airlines. It was seconded by member Daniel Farahi. **Motion carried unanimously.**

H. HUMAN RESOURCES

H1. Employee Benefits

Robert Chisel, Vice president of Finance and Operations, asked the Board to approve the RSCVA Employee and Retiree Benefits Plan for the calendar year 2021 on the terms presented, to include retiree benefits and an optional retiree buyout provision.

MOTION: Mayor Ed Lawson made a motion to approve the renewal of the RSCVA Employee and Retiree Benefits Plan. It was seconded by member Mark Sterbens. **Motion carried unanimously.**

I. BOARD MATTERS

I1. Approval of President/CEO Employment Agreement

Ben Kennedy, Legal Counsel, reviewed the Employment Agreement for Mr. Charles Harris. He stated that the contract, included in the board materials, is the standard CEO employment contract, including business terms proposed by SearchWide Global. Mr. Kennedy added that the terms had not been negotiated; however, they are included for board review. Those terms are as follows:

- \$290,000 base salary
- A potential bonus of up to 35% of the salary
- Bonus eligible for the balance of the current fiscal year based on short term goals with long term goals to be developed and implemented starting the fiscal year 2021/22
- Automobile allowance of \$750 per month
- Moving expenses and temporary housing not to exceed \$29,000
- Four weeks paid vacation
- Twelve-month severance
- Three-year contract term

Mr. Kennedy opened the meeting for discussion.

Shannon Keel stated that the 10% moving allowance was rather high.

Vice-Chair Ann Silver recommended setting moving expenses at a cap at 10%.

Motion: Member Bob Lucey made a motion to approve the contract as presented and asked that Don Kornstein, as a member of the Finance Committee, be authorized to work with RSCAV Legal to present Mr. Harris with the proposed contract and negotiate any final revisions consistent with the approved business terms. It was seconded by member Ed Lawson. **Motion carried unanimously.**

Daniel Farahi asked if Mr. Harris is aware of the RSCVA staff pay cuts.

Vice-Chair Ann Silver asked if Mr. Lucey would amend his motion to include that Mr. Harris meets with the Finance Committee within 60 days of his start date to review the authority's financial state and discuss the reinstatement of staff salaries and bring his recommendation back to the full Board for approval.

AMENDED Motion: Member Bob Lucey amended his motion to include that Mr. Harris meets with the Finance Committee within 60 days of his start date to review the authority's financial state and discuss staff salaries' reinstatement and bring his recommendation back to the full Board for approval. The AMENDED Motion was seconded by member Ed Lawson. **Motion carried unanimously.**

Commissioner Bob Lucey left the Board Meeting Zoom call at 8:23 am.

Member Shannon Keel left the Board Meeting Zoom call at 9:47 am.

J. BOARD MEMBERS COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

None

K. COMMENTS FROM THE FLOOR BY THE PUBLIC

Mr. Jeff Church submitted a public comment that has been included with the minutes of the meeting.

L. ADJOURNMENT

Meeting adjourned at 9:59 am.