

**Reno-Sparks Convention & Visitors Authority  
Special Meeting of the Board of Directors  
Meeting Minutes  
January 28, 2021**

The Regular Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 9:00 am, January 28, 2021, **via teleconference/videoconference only pursuant to NRS 241.023.** The meeting was properly noticed and posted in compliance with the Nevada Open Meeting Law.

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**A. OPENING CEREMONIES**

**Call to Order**

**Roll call**

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**Board Members Present:**

Councilwoman Charlene Bybee  
Andy Chapman  
Daniel Farahi  
Shannon Keel  
Commissioner Bob Lucey  
Rick Murdock  
Mayor Hillary Schieve  
Ann Silver  
Mark Sterbens

**Board Members Absent:**

**RSCVA Executive Staff Present:**

Charles Harris, President & CEO  
Jennifer Cunningham, Executive Vice 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](mailto: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 JANUARY 28, 2021 MEETING OF THE BOARD OF DIRECTORS**

**MOTION:** Member Mark Sterbens made a motion to approve the agenda. It was seconded by Ann Silver.  
**Motion carried unanimously.**

**D. APPROVAL OF MINUTES OF DECEMBER 3 2020 REGULAR MEETING OF THE BOARD OF DIRECTORS**

Member Charlene Bybee presented a correction to the board meeting minutes. Under board members present, Mayor Ed Lawson should read Councilwoman Bybee.

**MOTION:** Councilwoman Charlene Bybee made a motion to approve the December 3, 2020, meeting minutes. It was seconded by member Andy Chapman. **Motion carried unanimously.**

**E. PRESENTATIONS**

**E1. RSCVA Board Appointment of Nevada Resort Association Board of Director's seat pursuant to NRS 244A.601(1)(d)(4)**

Ben Kennedy, Legal Counsel, reminded the Board that this item is up for discussion; however, the three elected officials will vote on the vacant seat. He added that this is a two-year seat vacated in December 2020 and would be effective immediately.

**MOTION:** Member Bob Lucey made a motion to appoint Mr. Rick Murdock as one of the NRA representatives to the Board of the RSCVA. It was seconded by member Charlene Bybee. **Motion carried unanimously.**

**E2. Legislative Preview**

Jesse Wadhams of Black & Wadhams provided a preview of the upcoming Legislative Session and issues of interest to the RSCVA. He covered critical significance items to the RSCVA, including Bill AB29, AB39, AB69, SB11, and SB73 (Bill Report found in Board materials).

**E3. US Travel Update**

Roger Dow, President & CEO, US Travel, gave the Board of Directors an update on the country's current state of travel. He discussed the mission and vision of US Travel and recent legislative wins and American travelers statistics.

**E4. Reno-Tahoe Airport Authority Update**

Daren Griffin, A.A.E., President/CEO, Reno Tahoe Airport Authority, gave the Board of Directors an update on the airport's state. He covered Reno's annual passenger data, Reno Air Service Corporation (RASC), and Target Markets.

**E5. Legal Counsel Update**

Ben Kennedy, RSCVA Legal Counsel, had no legal updates for the Board.

**E6. Reno-Sparks Convention and Visitors Authority CEO Update**

Charles Harris, President/CEO, delivered an RSCVA update. He thanked both Roger Dow and Daren Griffin for presenting to the Board this morning. Mr. Harris discussed the US Forecast: COVID-19 Recovery Scenario, Industry Trends, and Travel & Leisure Activities. He talked about the local and national stakeholders that he has been able to connect with, as well as staff and community outreach.

**E7. Charles Harris, President/CEO Goals & Objectives**

Charles Harris, President/CEO, presented his proposed goals and objectives for the Fiscal Year 2020/2021. He touched on each of the six key priorities identified for the RSCVA, including the COVID-19 Recovery Plan, Reimagining the Organization, Improved Air Service, RSCVA Managed Facilities, Economic Impact & Growth as a Brand, and Engaging Stakeholders.

Mayor Schieve shared her concerns with the goals as presented. She asked that more defined goals and objectives be brought back to the Board.

Ann Silver asked if the CEO expected to receive a bonus based on the first six months in his position.

Mr. Harris stated that would depend upon where the authority is financially. He said that would be at the discretion of the Board and apply to the entire staff.

Ben Kennedy reminded the Board that per Mr. Harris' contract, he was required to bring his goals and objectives to the Board today. He said that Mr. Harris would come back to the Board at the end of the fiscal year to present his achievements. Mr. Kennedy stated that the Board would then decide to awards up to a 35% bonus based on those achievements.

**MOTION:** Councilwoman Bybee made a motion to approve the proposed RSCVA CEO Goals and Objectives for the Fiscal Year 2020/2021 with the stipulation to bring back more defined goals at the next RSCVA Board Meeting. It was seconded by member Mark Sterbens. **Motion carried unanimously.**

## **F. SALES DIVISION**

### **F1. Sales Division Update**

Michael Larragueta, Vice President of Sales, delivered an update on convention sales production, cancellations, and net numbers for November, December, and Year to Date. He stated that gross-produced room nights for November totaled 21,052 on a goal of 14,475, and the total cancellations in November were 20,202 for a net of 850 room nights. He added that gross produced room nights for December totaled 6,527 on a goal of 13,285, and the total cancellations in December were 7,392 for a net of negative <865> room nights. He said that gross produced room nights Year to Date (July through December) totaled 64,452 on a goal of 121,091, and the total cancellations Year to Date are <56,120> for a net of 8,332. Of the 64,452 room nights booked Year to Date 19% or 12,130 were booked definite for 2020, 37% or 23,872 in 2021 and 21% or 13,610 in 2024. Mr. Larragueta went on to say that new business totaled 29,064 room nights or 45% of all room nights contracted and 76% against the goal of 38,191. He added that from July through December 2020, 106 groups representing 163,852 room nights canceled due to COVID – 19; however, 90% or 95 of these 106 groups have either resigned contracts in discussion with hotels to resign for a future date. He said that the team reached a few of our groups, asking them why they chose to rebook their programs in Reno, and here are a few samples of what clients had to say. "NTA was extremely disappointed that we could not hold our 2020 Travel Exchange in Reno Tahoe, as planned. But, there was never a question in our mind about rescheduling for our next open year – 2022. Reno is a great city, and I look forward to sharing it with our attendees. However, your best asset is your people, and they made the process of rebooking painless. The only bright side to moving dates is that I can continue to work with them for just a bit longer." from Dawn Pettus, Vice President of Events for the National Tour Association. "Reno has been one of our top destinations due to the value, attractions and most importantly, the relationships and sense of partnership between us as event planners and the "Reno family" represented by facility and RSVA reps." from Elizabeth Armstrong, the President of the Association and Society Management International. Mr. Larragueta finished his sales update by saying that team recently contracted sixteen groups of 1,000 or more room nights. Highlights include the 2022 Cookie Con Art Convention representing 2,055 room nights with an economic impact of over \$2 million, 2021 USA Climbing with 5,135 room nights and an economic impact of over \$5.1 million, and Shriners International Imperial Session's citywide booking for July of 2024 representing 11,000 contracted room nights and an economic impact of \$10.8 million.

Mr. Larragueta gave the Board an update on the tourism segment with production numbers versus the same time last year for November and year to date. He said November tourism sales consumed room nights totaled 31,031 versus 51,962 for November of 2019, and year to date consumed room nights (July through December) totaled 202,447 versus 330,116 for the same time last year. Online Travel Agencies (OTA) and Travel Agent segments represented 96% of all Tourism produced room nights Year to Date in 2020 and 90% in 2019. Mr. Larragueta said that this data means year-over-year production for a significant OTA partner from July through December of 2020 versus 2019. Reno Tahoe is down <-32%> year over year; however, when you look at our comp set, we performed much better than seven of the eight metropolitan and recreational cities represented on this slide, specifically Las Vegas and San Francisco who are down <-59%> and <-87%> year over year. Expedia, the RSCVA, and five properties recently completed a co-operative marketing campaign that ran from July through November 5<sup>th</sup> of 2020. He said that the RSCVA and participating properties' total investment was \$93,000, matching funds from Expedia of \$112,000 resulted in a total campaign value of \$205,000. He stated that this campaign generated over 42,000 room nights and \$4.6 million in room revenue for future travel. Mr. Larragueta went on to say that year to date, the tourism team has completed multiple co-operative Partnership Marketing campaigns with key partners.

The RSCVA and hotel partners' total investment is \$115,700, and travel partners have contributed \$153,100 for a total investment of over \$268,000. These campaigns generated over 80,000 room nights and \$7.4 million in room revenue. The primary booking window continues to be 0–21 days; however, travelers are searching for dates up to 90 days out. Looking forward to the rest of 2021, the Tourism team anticipates resuming multiple sales missions in crucial air and visitation markets.

**F2. FY 2020/2021 Group Sales Room Night Goals**

Michael Larragueta, Vice President of Sales, presented the Fiscal Year 2020/2021 Group Sales Room Night Goals for review and possible modification/approval by the Board of Directors. He stated that in the fiscal year 2019/2020, the group room night goal was 290,000, and for the fiscal year 2020/2021, staff is proposing a group room night goal of 176,500 contracted room nights or 61% of the prior Fiscal Year room night goal for the Boards review and approval. Mr. Larragueta said that several factors contributed to this recommended room night goal. First, the department's annual budget for this fiscal year is 46% to the prior year, and FTE (full-time employees) is 65% from the previous year. Also, the inability to meet with clients in person at tradeshow, sponsor events, conduct site inspections, and host familiarization trips. He said that history has proven that when we successfully get a prospective client to Reno Tahoe to experience our product, hospitality, and the simplicity of contracting business, we win more than we lose. Mr. Larragueta added that the second part of this agenda item is to request the Board's review and approval for group cancellations in the fiscal year 2020/2021 directly related to COVID – 19 not to be applied against the gross room nights booked in this fiscal year. He said through the first six months of the fiscal year, 64,452 group room nights have been contracted for future dates pacing at 53% to goal. He finished by saying when you factor in COVID-related cancellations of <56,120> for this same period, the net produced room nights is 8,332 or pacing at 6.9% to goal.

**G. MARKETING DIVISION**

**G1. Marketing Division Update**

Jennifer Cunningham, Executive Vice President, said that the marketing team would present an update at the March Board meeting in the essence of time.

Charles Harris said that the marketing team would put out a short, written statement on the RSCVA marketing efforts.

**H. FINANCE DIVISION**

**H1. Review, discussion, and possible approval of payment in the amount of up to \$150,000 to the City of Reno for funding to the Downtown Business Improvement District**

Robert Chisel stated that the Board of Directors is being asked to review, discuss, and approve payment to the City of Reno in an amount of up to \$150,000 to provide funding for the Downtown Business Improvement District. He specified that \$50K would fulfill the remainder of the RSCVA's commitment for the fiscal June 30, 21, plus the \$100K for this year. He stated that this would complete the \$300K commitment made to the BID in 2018.

Ann Silver asked if the money would go to additional ambassadors and police or maintain the BID budget.

Robert Chisel answered by saying that the money would maintain the budget and offset the operating cost. He stated that the funds would help fill the gap for the downtown police funding.

Shannon Keel asked if it has to be the complete \$150K.

Mayor Schieve stated that the \$50K was from last year, and \$100K is this year. She added that she is comfortable supporting the \$150K amount stated in Mr. Chisel's staff report.

Councilwoman Charlene Bybee asked for clarification that this was a three-year agreement, \$100K first year, with the possibility of \$100 each year for three years.

Mr. Chisel said that, due to the pandemic and budget cuts, the RSCVA paid \$50K, and the \$150K proposed today would fulfill the commitment.

**MOTION:** Chair Hillary Schieve made a motion to approve payment to the City of Reno in the amount of up to \$150,000 to provide funding for the Downtown Business Improvement District. It was seconded by member Rick Murdock. **Motion carried unanimously.**

## **I. BOARD MATTERS**

### **11. Merit Bonus for Interim President/CEO**

Mayor Hillary Schieve addressed the activities and accomplishments of Jennifer Cunningham during the time she recently served as the RSCVA Interim President/CEO as presented in the staff report included in the board materials. Mayor Schieve stated that it was her understanding that the agenda item would read 15-35%, not \$15,000. She asked for a board discussion on this item to compensate Ms. Cunningham for her service as CEO.

Ben Kennedy gave the Board some clarification as to the agenda item. He said that this is the second time Ms. Cunningham served as CEO and that the first time Jennifer served, the Board awarded her a \$60K bonus. He said that there were two components to the \$60K bonus. First, she was awarded \$45K to pay equivalent to the individual who had served as Interim CEO before her. Second, the Board awarded her a \$15K bonus based on merit and recognition of the job she had done as interim. He went on to say that there is not the same wage disparity this time, so the way this has been generalized is to give the Board the ability to award the same bonus she received based on merit. He added that the Board is authorized today to grant up to \$15K. If the Board wishes to increase that amount, it would have to come back as a future agenda item.

Ann Silver stated that the Board authorized an increase to take on the position of CEO. She asked if the bonus is on top of the salary increase.

Ben Kennedy stated that Ms. Cunningham was given a salary increase to assume the role of CEO and then subject to the mandatory reduction of 15%. He said that this bonus would be on top of that increase.

Ann Silver asked if this is a discretionary bonus for having served as CEO on top of the salary increase.

Shannon Keel wondered whether the increase stayed in place.

Robert Chisel stated that Ms. Cunningham's salary was adjusted back down once the authority hired Mr. Harris.

Mayor Schieve asked Ms. Cunningham how long she served as Interim.

Jennifer Cunningham said that she served 11 months in 2015-2016 and that it was May through November of 2020 when Mr. Harris began.

Mayor Schieve said that the Board should go back to the finance committee and make sure there is a clear policy in place should guidelines to follow. She added that Ms. Cunningham had to clean up some pretty big situations, let employees go, and a 15% pay cut.

Andy Chapman asked, since we are talking about a bonus, wouldn't that take place at the end of the fiscal year?

Mayor Schieve stated that due to inflation, the bonus amount from five years ago should not compare. She asked that RSCVA staff and legal counsel should come up with a clear policy.

Ben Kennedy stated that this is on the agenda as a separate item because Ms. Cunningham reported directly to the Board. He added that this was before Charles Harris started. Mr. Kennedy said that Mr. Harris does not have a way to measure Ms. Cunningham's performance as Interim and that this would be up to the Board's discretion.

Rick Murdock asked if Ms. Cunningham received a pay raise to take the interim position, while staff took a 10-15% pay cut.

Mark Sterbens stated that Ms. Cunningham received a 20% increase and then took a 15% decrease along with the rest of the Executive Committee.

Rick Murdock said that a 20% increase is not a lot to assume the role of CEO. He added that he is sympathetic to everyone that took pay cuts and had layoffs.

Bob Lucey asked to share a historical perspective. He agreed that the Board should look at pay equality and look at very resolute policies. He said that last time Ms. Cunningham served as interim, between Mr. Baum and Mr. DeLone, Ms. Cunningham was integral in many successes. He said that authority formed a Strategic Plan based on legislature with the new fee given to the authority. He said that the team launched a new brand and had to terminate employees. He added that Ms. Cunningham helped in the CEO search process, helped land several significant programs, and worked closely with the airport to bring in new air service. He went on to say that Ms. Cunningham had several roles and was rightly awarded that bonus. Mr. Lucey noted, however, COVID-19 has been a difficult time for all of us. He added that the industry and state shut down for three months, and nobody was doing anything. He said that we were trying to maintain the ship without turning the lights off, but everyone stayed home for the most part. Mr. Lucey noted that Ms. Cunningham elected to assume the role of Interim CEO without the assumption of ever receiving a bonus and was given an increase in salary for that period. He said that the Board unanimously hired a new CEO and that this is not the time to award a bonus. Mr. Lucey agreed with Mr. Chapman's comments and suggested that the Board wait to see where our fiscal year ends. The first time Ms. Cunningham served, specific successes could be seen, but no one had added wins during COVID-19 unless you were on the frontlines.

Mayor Schieve said that she has been on a record number of long Zoom calls these days and has never worked harder than during this pandemic. She reminded the Board that it is a lot harder to shut down when working from home. Mayor Schieve added that it had been a challenging landscape, but RSCVA staff has been on national panels for the travel industry. She commended Robert Chisel as one of the best in the business, and thanks to his early cuts, the authority is doing well.

Robert Chisel stated that the authority beat the budget twice in the first six months of the pandemic. He said that the RSCVA is in an excellent financial position and looking solid. He added that the bond refinance will bring in additional reserves.

Mayor Schieve said that Ms. Cunningham did the job of two people during this time. She said that it is essential to invest in your team's morale, and you are only as good as your people. Mayor Schieve said that she is lucky that we work with amazing people at the City of Reno, adding that sometimes there is a tendency not to recognize the people that make us successful.

Daniel Farahi asked if the bonus was given based on the Interim's achievement and was at the Board's discretion, not based on a portion of what the full-time CEO would have made.

Ben Kennedy said that the Board awarded her a \$60K bonus, \$45K was to address a pay discrepancy, and a \$15K merit bonus based on performance.

Daniel Farahi stated that many of us, if not all of us, are working harder. He said that he is not sure that any entities had any exceptional results this past year. Mr. Farahi added that he has spoken to many CEOs, and none of them are giving bonuses unless your performance exceeds the prior year. He said that he finds it hard to approve additional compensation for one position and not for any other, and most of us are still struggling through this past year.

Councilwoman Bybee that while she understands the bonus awarded in 2015, the landscape is very different now. She said that there are businesses hanging on by a thread because of this COVID-19 pandemic. She finished by saying that this is not a reflection of Ms. Cunningham's performance, but it seems like bad timing to award a bonus with the 49% budget loss while the community is trying to climb out of this economic crisis.

Ben Kennedy stated that a motion was not necessary. He added that the Board could bring this item back on a future agenda and take no action at this time.

Daniel Farahi asked for clarification, stating that, rather than asking for a \$15K bonus, this item will be brought back as a new, possibly higher amount.

Mayor Schieve said that the Board had awarded a percentage for CEOs in the past and stated that Charles Harris's bonus would be a 35% bonus.

Ben Kennedy stated that Mr. Harris's contract says that he is eligible for a 35% bonus based on his contracted salary amount. He cautioned the Board that any change would have to come back on the March agenda. Today the Board is agendaized to award up to \$15K. He said that the Board could change that to a percentage it could be brought back on the March agenda to read in an amount not to exceed 15%.

Mayor Schieve proposed that the Board take action today on the items as agendaized.

Daniel Farahi stated, with all due respect, he is disappointed that the Board did not have the conversation and that the consensus was that the Board was not in favor of even a 15K bonus. He stated that he would hope that some consideration would be given to the discussion and concerns brought forth by numerous Board members.

**MOTION:** Mayor Hillary Schieve made a motion to approve a merit bonus to Jennifer Cunningham for her work as RSCVA Interim President/CEO in an amount not to exceed Fifteen Thousand Dollars (\$15,000). It was not seconded. **Motion failed.**

**12. Review, discussion, and possible action regarding making staff compensation reinstatement retroactive.**

Mayor Schieve stated that she wanted to bring this agenda item back and emphasized that this is not a bonus or pay raise; this item makes the employees whole from the pay cuts taken in 2020. She stated that she went back to the video recording from previous Board meetings with board members' comments. Mayor Schieve asked to play those comments in a video clip.

Ann Silver clarified that her comments addressed the reinstatement of employee salaries from the 10%-15% pay cuts. Ms. Silver asked Charles Harris if the employees were brought back to full wages.

Charles Harris said that the staff salaries were restored on December 6, 2020.

Andy Chapman said that he does not feel that the authority is back to pre-pandemic numbers. He said while the RSCVA's budgets had done better than expected, it is still down 49% in room revenues than the prior year. I don't know of many DMO's or businesses that are providing that make-up. He suggested that staff look at pushing this back to the end of the fiscal year and perhaps look at a merit-based bonus later.

Daniel Farahi asked the private business leaders on the Board members if their organizations took pay cuts during the past year.

Mark Sterbens answered that the Nugget staff took pay cuts.

Shannon Keel said that the GSR incurred layoffs and pay cuts.

Rick Murdock stated that The Row incurred layoffs and pay cuts.

Mr. Farahi asked if any of those organizations did anything regarding retro pay. He added that the RTAA took pay cuts to be fiscally responsible and protect the organization, and none of those team members received retro payment. Mr. Farahi said that he believes that this item sets a dangerous precedent. He added that if we are talking morale, for all of the others in this community who did not receive retroactive pay, this is not the time for this item. He said that the Board had discussed this issue ad nauseam, and he does not support this agenda item.

Mayor Schieve said she appreciates Mr. Farahi's comments and asked if his organization's cuts were across the Board.

Mr. Farahi answered that yes, and the CEO did not take a salary last year and did not receive any retroactive pay.

Mayor Schieve said that she believes that the RSCVA needs an updated policy that reflects pay cuts from the CEO on down, not the situation.

Mr. Farahi asked if Mayor Schieve was referring to the CEO that the Board just hired when the pay was brought back.

Mayor Schieve said that need everyone should be in alignment so that it is a team effort.

Mr. Farahi said that Mr. Harris was hired at a time when staff pay was restored.

Mayor Schieve said the issue is that the Board brought Mr. Harris on during COVID-19, and the cuts should have been across the entire organization. She said that a policy is needed to make sure that everyone is in line.

Mr. Sterbens said that he wants to make sure that employee compensation is up to the CEO's discretion.

Mr. Murdock suggested that the Board give Mr. Harris the ability to look at a bonus structure for employees as business bounces.

**MOTION:** Chair Hillary Schieve made a motion to approve making the pay reinstatement retroactive back to the effective date of the mandatory reductions with an aggregate salary cost to the RSCVA in an amount not exceed One Hundred Eighty-Nine Thousand Dollars (\$189,000). It was not seconded.  
**Motion failed.**

**Mayor Schieve left the Board meeting at 12:28 am.**

**J. BOARD MEMBERS COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS**

None

**K. COMMENTS FROM THE FLOOR BY THE PUBLIC**

None

**L. ADJOURNMENT**

**MOTION:** Member Ann Silver made a motion to adjourn. It was seconded by member Andy Chapman.  
**Motion carried unanimously.**

Meeting adjourned at 12:32m.