

**Reno-Sparks Convention & Visitors Authority
Regular Meeting of the Board of Directors
Meeting Minutes
April 27, 2021**

The Regular Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 9:00 am, April 27, 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.

A. OPENING CEREMONIES

Call to Order

Roll call

Board Members Present:

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

Board Members Absent:

Commissioner Bob Lucey

RSCVA Executive Staff Present:

Charles Harris, President & CEO
Michael Larragueta, Vice President of Sales
Courtney Jaeger, Vice President of Finance
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).

C. APPROVAL OF THE AGENDA OF THE APRIL 27, 2021 SPECIAL MEETING OF THE BOARD OF DIRECTORS

MOTION: Member Rick Murdock made a motion to approve the agenda. It was seconded by Councilwoman Andy Chapman. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF APRIL 12, 2021 SPECIAL MEETING OF THE BOARD OF DIRECTORS

MOTION: Member Charlene Bybee made a motion to approve the April 12, 2021 meeting minutes. It was seconded by member Ann Silver. **Motion carried unanimously.**

E. FINANCE DIVISION

E1. Presentation and update regarding efforts made to obtain federal funding.

Courtney Jaeger, Vice President of Finance, stated that the Board requested an update regarding the RSCVA's efforts to pursue federal assistance at the last board meeting. She reviewed each option, including CARES, PPP Loans, Shuttered Venue Operators Grants (SVOG), and two options under the American Rescue Plan Act. Ms. Jaeger said that the RSCVA was not eligible to receive a direct distribution of the CARES funds as those went to cities, states, counties. Local governments that did not receive a direct distribution had to apply for funds on a reimbursement basis. She went on to say that the RSCVA applied in October of 2020 and was not granted funds. She noted that she remains in contact with the state to see if the authority would qualify for smaller allocations. Ms. Jaeger said that the second plan the organization pursued was the Paycheck Protection Program (PPP Loans). She said that this is a loan program that the small business administration administers (SBA). The first draw PPP loans did not allow local governments to apply; however, the consolidated appropriations act (signed into law on December 27, 2021) had modifications to the PPP. Ms. Jaeger said that she reviewed that act in detail and noted language that allows local governments to apply for the second draw of PPP funding if the local government is engaged in destination marketing activities. Ms. Jaeger reviewed the NRS 354 against the terms of the PPP loans and found that the requirements of NRS 354.6256 regarding local governments and operating loans appeared to prohibit the RSCVA from taking out a PPP loan. However, further review may allow a loan to be taken under certain circumstances. Obtaining a loan was explored, but there were no lenders interested. Ms. Jaeger reviewed the Shuttered Venue Operators Grants (SVOG) and found that the first round of FAQ for SVOG stated that governments who acted solely as venue operators were eligible, and governments that operated as venues and performed other activities were ineligible. Ms. Jaeger contacted the SBA for clarification, and the most recent FAQ now indicates that governmental entities that perform other activities may now be eligible. She added that the team is in touch with our district SBA office and will bring the Board any updates if funding is obtained. Finally, Ms. Jaeger stated that the American Rescue Plan Act has two possible options, but the eligibility and program requirements were not yet released. In conclusion, Ms. Jaeger said that the team would continue to pursue federal assistance. She said that federal aid was not budgeted in the fiscal year 2021 and will not be part of the fiscal year 2022 budget and reminded the Board that the RSCVA remains in a solid financial position.

Mayor Schieve suggested that, once again, the authority retain the services of the Porter Group. She said that Congressman Porter wrote a lot of the legislature and could help navigate the RSCVA through the process.

Ann Silver asked if ASM has applied for federal funding.

Courtney Jaeger said that ASM Management did not believe that the organization was eligible based on the employee restriction requirement as they have over 500 employees as an organization.

Rick Murdock said that part of the selling point of SMG taking over the four facilities was that they would help sell the region and bring in business through their vast list of contacts, whether that was entertainment or conventions.

Charles Harris said that he has a meeting scheduled with ASM, and he would discuss Rick's comments at that meeting.

E2. RSCVA Re-Opening Plan

Charles Harris, President & CEO, began by announcing that next week is National Tourism Week. He mentioned that both Mayor Schieve and Mayor Lawson provided proclamations and thanked the elected officials for their support for the destination and industry. He then moved into Item E2, the RSCVA Re-Opening Plan, and presented the CEO Overview. Mr. Harris stated that this is not a "reopening" presentation because the authority has been open except for a short period. He said that each department would tackle this plan in three phases. Phase 1, Protect and Retrench, Phase 2. Be Opportunistic and Phase 3, Reengage with Broader Audience. Mr. Harris said that Phase 1 began in March of 2020 and ran through October. The team reduced expenses, scaled back operations, targeted travel intenders, and focused on responsible messaging around safety. He stated that Phase 2 was from November 2020 to March of 2021 and focused on supporting tourism partners

to capitalize on reopening, safe pandemic protocols, virtual partner engagement, and targeted drive-market travel. Mr. Harris finished with Phase 3 that started in April, and will most likely take us into December. He added that Phase 3 would include the spring/summer campaign launch, capitalizing on the increase in demand for safe travel, the ramp-up in sales partnerships, and a Customer Advisory Board (CAB) development.

Courtney Jaeger, Vice President of Finance, began with the current top financial priorities. She discussed the targeted spending on areas including digital advertising and key market air service advertising. She added that the authority would continue to support airlift opportunities. Next, Ms. Jaeger discussed staffing, capital, and the rainy day fund. Next, she moved into the year-to-date, budget-to-actual financial performance, including room tax collections, tourism surcharge, operating expenses, capital projects, and bond refinancing. Ms. Jaeger stated that the team has been mindful and efficient in spending. She thanked Trent LaFerriere, Operations Facility Manager, and Jose Martinez, Project Manager, for keeping the capital projects within and under budget. She added that they had saved the RSCVA over \$200,000 compared to the original budget for projects, allowing the authority to complete various additional much-needed projects. Finally, Ms. Jaeger walked the Board through revenue comparison, ADR (Average Daily Rate), and visitor volume compared to pre-pandemic numbers.

Christina Erny, Director of Marketing, began by highlighting some of the successful initiatives the marketing department executed over the past few months. She provided statistics and key indicators and spoke about a new marketing campaign. Ms. Erny said that the marketing team has continued to position the region as a safe travel destination and focused efforts on digital advertising for its flexibility and hyper-targeting abilities. She discussed the winter marketing campaign and the authority's partnership with the High Five Foundation. She said that another significant initiative is welcoming and providing resources for visitors of all abilities, including a new website widget with accessibility adjustments and integrating more diversity into our promotional efforts. She said total ad impressions for the fiscal year-end would exceed 430 million. Ms. Erny went on to say that 25% of the advertising spend is going to video as video increasingly becomes a high conversion channel with compelling storytelling capabilities. She noted that Influencer Marketing is becoming an increasingly essential component of the destination marketing mix. For example, Jasmine Pakhas 98M followers on Tasty, 43k followers on Instagram, are a viral creator for food, travel, wellness, and sustainability. Finally, Ms. Erny shared an exciting new marketing campaign surrounding the "re" in Reno. After deep-diving into data and traveler sentiment with our agency, BVK, the team discovered travelers are seeking more personal enrichment now more than ever. Ms. Erny shared a clip from the new campaign that ultimately reveals the logo Reno Tahoe.

Ben McDonald, Director of Communications, said the region is open from a public relations perspective. He talked about the authority's consistency in messaging. He added that public relations efforts focused on proactive media placement, with 83 stories in leisure and meeting publications. Mr. McDonald said that media FAM's continue to be one of the most effective tactics, and while last year saw 17 FAM tours, this year the team hosted five media visits due to the COVID-19 pandemic. He added that the regain could have as many as 25 media tours in a typical year. Mr. McDonald talked about creating a buzz by leveraging opportunities and spoke about the regional draw of wide-open spaces and natural beauty. He discussed *Prevue*, *Meetings Today*, and *Travel and Leisure* magazines and talked about newsletter communications, local media, and national public relations. Finally, Mr. McDonald touched on the regional communications partnerships between the City of Reno, the City of Sparks, Washoe County, and the University of Nevada.

Michael Larragueta, Vice President of Sales, said that the definite room night production, year-to-date, through March 21, 2021, is 121,745 room nights against a goal of 148,784 (82% of goal). He said as the State of Nevada group gathering protocols has eased the past few months, the RSCVA has been able to host two significant group programs. The first being the Northern California Volleyball Association (NCVA) held two tournaments the past three weekends and has a third scheduled for May 6 -11. These three tournaments represent 1,110 teams, 13,500 athletes, over 10,000 coaches, and family members. The tournaments represent 18,000 plus room nights and an economic impact of \$10.7 million. Mr. Larragueta recognized Director of Sports Development, Shelli Fine, and Director of Sales for the facilities, Renee McGinnes, and their teams for tireless efforts in preparation and fulfillment that resulted in the success of these events. The second group being USBC, the largest convention to meet in Reno over the past twenty-five years. The USBC returned

with The U.S. Open, followed by the Master's Tournament, and beginning April 24th the Women's Championships that runs through July 4th. These nationally televised tournaments represent over 18,000 room nights, \$32 million in economic impact. Mr. Larragueta said that most destinations across the country have struggled to both maintain and book meetings and sporting events during the pandemic. However, he said that the team contracted over 56,000 group room nights this fiscal year with the combination of staff persistence, relationships, flexible hotel partners, and the state of Nevada's Business and Industry Divisions cooperation. Mr. Larragueta said that travel restrictions for both staff and clients forced the RSCVA to get creative to remain engaged with meeting planners, third parties, and decision-makers. From June through February, the team held seven virtual events hosting 211 clients. He added that RSCVA Business Development Director Marcus Johnson held numerous webinars with leaders in the lead generation space such as Conference Direct, Helms Briscoe, and American Express, reaching 200 plus meeting planners. Mr. Larragueta announced the authority signed a three-year strategic partnership with ASAE (American Society of Association Executives), as well as one-year agreements with PCMA (Professional Convention Management Association) and MPI (Meeting Professionals International). These programs provide unique exposure at signature events through customized partnership rights and extensive access to association members and professional meeting planners. The RSCVA has access to personalized benefits designed to specifically meet the goals and objectives of the meetings and convention Sales team. Finally, Mr. Larragueta announced for the first time since 2014 we are establishing a Customer Advisory Board better known as a CAB. He said the RSCVA sales team has been working diligently with Terri Breining to launch the Reno Tahoe Customer Advisory Board, inviting 27 meetings and convention decision-makers to join this new Board. Out of those 27 invitations, 25 committed, with one tentative and one no due to company policy.

Art Jimenez, Executive Director of Tourism Sales, talked about Tourism Sales Room Night production. He said that the major hotel partners reported 42,880 room nights, up 85% for March of 2020, adding that Online Travel Agent (OTA) and Travel Agents represent 96% of third-party bookings. Mr. Jimenez said that 134,021 room nights are directly related to partnership marketing. He added that the RSCVA has stepped up air service notifications with the "wide-open spaces" message and that travelers searching for trips to Reno Tahoe are up 45%. Finally, Mr. Jimenez touched on sales missions, tradeshow, and FAM tours.

Mayor Hillary Schieve thanked the team for the presentation.

Ann Silver asked if the new marketing campaign included different age demographics.

Rick Murdock suggested that the marketing team look into adding e-games into the advertising mix. He also asked that staff revisit funding for some of the larger special events and the possibility of starting new events and conventions.

Charles Harris said that what the board saw today is just a sample of everything the authority is working on to the market the region. He added that there had been several discussions around special events and bringing new events to the area.

Rick Murdock suggested working with the University to bring events to the region and stressed the importance of partnership with the airport.

Shannon Keel said that she is very impressed with the campaign that BVK put forth. She said that she could appreciate the focus on getting outdoors as we are slowly coming out of the pandemic but requested that the marketing include various age demographics and what Reno offers indoors. Ms. Keel asked if the RSCVA hired BVK for the particular campaign or if we work with them year-round.

Christina Erny answered by saying that BVK is RSCVA's integrated brand agency and media buying agency and that the team works with them year-round. She said that this campaign is still in the beginning phase but includes gaming, nightlife, and indoor activities.

Shannon Keel asked if the RSCVA is working with the county to get the region open.

Charles Harris said that the RSCVA is working with county officials.

Shannon Keel asked about the 24% increase in travelers using OTA's compared to pre-pandemic. She wondered what is causing that number to rise.

Art Jimenez answered by saying that Priceline, Expedia, and other OTA's have robust budgets and have not slowed down advertising. He noted that travelers are using those tools more often, creating that 24% increase.

Councilwoman Charlene Bybee thanked the staff for the excellent presentation. She suggested that the RSCVA collaborate with city officials to promote special events. She said that people are familiar with the more significant events, but smaller events like the Lavender and Honey Festival and PumpkinPalooza are also essential. Councilwoman Bybee added that she received an email from the Sparks City Manager stated Washoe County would meet Friday to discuss the reopening plan.

Andy Chapman commended the staff on the presentation and asked what specific market the authority is targeting and if there is a plan to drive more mid-week travel. Mr. Chapman also asked about the current booking window.

Christina Erny answered by saying that the staff uses a radius approach with some heavier marketing in key markets. For example, the focus is on the West Coast, with concentrated marketing in the bay area, southern California, and Las Vegas. She noted that this is flexible depending on the traveler's interest. Ms. Erny added that the airline markets (direct flights to and from Reno) are also a focus.

Andy Chapman asked Michael Larragueta about the CAB makeup and would that list be made available to the Board.

Michael Larragueta answered by saying that the CAB list would be available once it is established. He added that the board comprises a diversified group of corporate associations, tradeshow, third parties, etc. He said that this group represents all segments and industries, small, medium, and large to get the best feedback.

Charles Harris added that the RSCVA is looking at a long-term effort with the CAB. He said that this widely diverse group would give us honest feedback.

F. FINANCE DIVISION

F1. Independent Audit Services

Courtney Jaeger, Vice President of Finance, presented for approval staffs recommended audit firm to perform independent audit services for the fiscal year ending June 30, 2021, with the option for one-year renewals for the subsequent two fiscal years. She stated that staff received six fee quotes for independent audit services, and each quote was given full consideration. Ms. Jaeger said that staff recommends the external audit firm of Moss Adams LLP at amounts not to exceed \$49,000 for the fiscal year 2021, \$50,500 for the fiscal year 2022, and \$52,000 for the fiscal year 2023.

MOTION: Councilwoman Bybee made a motion to approve staff to contract with Moss Adams LLP to perform independent audit services for the Reno-Sparks Convention and Visitors Authority for the fiscal year ending June 30, 2021, with fees estimated at \$49,000, with the option for two subsequent one-year renewals for the fiscal years ending June 30, 2022, and 2023, with fees estimated at \$50,500 and \$52,000, respectively. It was seconded by member Mark Sterbens.

Motion carried unanimously.

G BOARD MEMBERS COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

Mayor Schieve asked to put the Porter Group Contract and discussion on an upcoming agenda.

H COMMENTS FROM THE FLOOR BY THE PUBLIC

None

I ADJOURNMENT

Meeting adjourned at 10:41 am.