

**Reno-Sparks Convention & Visitors Authority
Special Meeting held Thursday, September 22, 2022, at 9:00 a.m.
Reno-Sparks Convention and Visitors Authority
4065 S. Virginia Street, Board Room, Reno, Nevada**

The Reno-Sparks Convention & Visitors Authority Board of Directors met at 9:00 am on Thursday, September 22, 2022. The meeting was properly noticed & posted in compliance with the Nevada Open Meeting Law.

A. OPENING CEREMONIES

A1. Call to Order

Chair Charlene Bybee called the meeting to order at 9:01 am.

A2. Pledge of Allegiance

Chair Bybee asked Daren Griffin, President and CEO of the Reno-Tahoe Airport Authority to lead the pledge.

A3. Roll Call

The Clerk of the Board took roll call.

Board Members Present:

Councilwoman Charlene Bybee, RSCVA Chair
Stephan Ascuaga, RSCVA Board Member
Andy Chapman, RSCVA Board Member **[Arrived 9:04am]**
Shannon Keel, RSCVA Board Member
Commissioner Bob Lucey, RSCVA Board Member
Rick Murdock, RSCVA Board Member
Mayor Hillary Schieve, RSCVA Vice Chair **[Joined at 9:18am Via Zoom Intermittently due to Technical Difficulties]**
Jessica Sferrazza, RSCVA Board Member
Ann Silver, RSCVA Board Member

Board Members Absent:

RSCVA Executive Staff Present:

Charles Harris, President & CEO
Trent LaFerriere, Vice President, Facilities
Mike Larragueta, Vice President, Sales
Christina Erny, Vice President, Marketing

RSCVA Legal Counsel:

Benjamin Kennedy, Dickson Wright
Molly Rezac, Ogletree, Deakins

Board Clerk:

Lisa Farmer, Executive Assistant to the CEO

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

Mr. George Eddie Lorton, resident and candidate for City of Reno Mayor, had concerns about the recent U.S. Conference of Mayors in Reno. He felt funds were expended as a political tool for the sitting Mayor.

Ms. Collen Westlake, resident and School Board candidate, she asked that the Board be cognizant of the quality of education occurring in the State of Nevada. She had concerns that students were graduating from high school not prepared for college or achieving basic milestones. The impacts of this were that when these students join the workforce, they are not qualified to meet the demands of businesses coming to the area. She said she is a long time resident and has a vested interest in Nevada and the local community, and its future.

C. APPROVAL OF THE AGENDA OF THE SEPTEMBER 22, 2022, MEETING OF THE BOARD OF DIRECTORS

Motion: Move to approve the agenda of the September 22, 2022, meeting of the Board of Directors as presented.

Moved by: Board Member Chapman

Seconded by: Board Member Murdock

Aye: Board Members: Ascuaga, Bybee, Chapman, Keel, Lucey, Murdock, and Sferrazza

Nay:

Absent: Board Member: Schieve

Abstain:

Vote: Motion passed

D. APPROVAL OF THE MINUTES OF THE AUGUST 25, 2022, SPECIAL MEETING OF THE BOARD OF DIRECTORS

Motion: Move to approve the minutes of the August 25, 2022, special meeting of the Board of Directors as presented.

Moved by: Board Member Silver

Seconded by: Board Member Murdock

Aye: Board Members: Ascuaga, Bybee, Chapman, Keel, Lucey, Murdock, and Sferrazza

Nay:

Absent: Board Member: Schieve

Abstain:

Vote: Motion passed

E. EXECUTIVE UPDATE(S)

E1. Reno-Sparks Convention and Visitors Authority CEO Update

President and CEO Charles Harris gave a presentation to update the Board of Regents on recent RSCVA activities. It is a recap of the CEO reports provided on a monthly basis. There was a lot of activity going on around the arts. The inaugural Reno Tahoe International Art Show was held the previous weekend at the Convention Center. The Convention Center was also hosting the immersive Van Gogh exhibit, Beyond Van Gogh. It was recently extended through October.

Mr. Harris quickly reviewed the RSCVA monthly snapshot, which now includes Sales and Marketing. RSCVA Vice President of Sales, Mike Larragueta, recently hosted the first of four quarterly Directors of Sales (DOS) meetings. This was an opportunity for RSCVA to connect with stakeholders statewide. Mr. Harris shared two new marketing videos.

The Nevada Travel Exchange (NTA) would be coming to Reno soon for their annual conference. It is the third time Reno was hosting the conference. The anticipated attendance was approximately 700 people.

During the recent poor air quality resulting from fires in California, RSCVA opened their facilities to youth groups to allow them to have a place to practice. Mr. Harris said in Destination Analysts would be coming to the Board in January to share their Visitors Profile Report. Mr. Harris provided copies of the RSCVA annual plan and collateral for each of the RSCVA facilities. As a part of that plan, at the request of the Board Chair, staff would be providing updates as the year goes on. Mr. Mike Larraguetta was on the agenda to give the update from the Sales Department.

Chair Bybee and Board Members Sferrazza and Murdock complimented staff on the collateral updates. Discussion followed regarding planning for the effects of some of the anticipated slow down in travel. Board Member Ascuaga said it was great to have the annual plan to look at and keep on hand to remind everyone of the mission and goals for the RSCVA.

F. PRESENTATIONS

F1. Presentation: Update from the Reno-Tahoe Airport Authority

Mr. Daren Griffin, President and CEO, of the Reno-Tahoe Airport Authority, gave a presentation providing an update on airport business, the airline industry, air service partnership with RSCVA, and the launch of the new MoreRNO program, a multi-year comprehensive construction program to improve infrastructure at RNO. It is a generational investment in infrastructure to meet the growing needs of the area, estimated at an approximate \$1B project that will extend to 2029.

Chair Bybee thanked Mr. Griffin for the presentation and appreciated that the RTAA was envisioning moving the airport forward in terms of comfort and convenience. Board Member Lucey was impressed with the layout of the master plan for the airport. He asked if the payment booths will remain where they are or be moved. Mr. Griffin said they would remain in the same area, but vehicles will be exiting right onto Terminal Lane, pending approval of the traffic pattern changes.

Discussion followed regarding the proposed entrance and changes in traffic flow. Board Member Sferrazza applauded Mr. Griffin for his vision and work to get this plan developed and moving forward. Discussion followed regarding the Passenger Facility Charge (PFC), and the take off and landing fees. Board Member Murdock congratulated Mr. Griffin for the work, the airport is a catalyst for growth in the area.

Commissioner Lucey asked about the proposed plan to expand cargo areas. Mr. Griffin said that was still in being looked at. All the existing facilities and parking positions are full, a plan is needed for growth. Commissioner Lucey asked if there was consideration to utilize the Stead airport, knowing there will need to be infrastructure improvements. Mr. Griffin said there were some significant limitations, but they were still looking at opportunities. There is some interest, but due to the location of RNO, companies prefer to use RNO for air cargo.

F2. Presentation: Annual Plan Update - RSCVA Sales Department

Mr. Mike Larraguetta, Vice President of Sales, gave a presentation to update the Board on the Sales Department key initiatives as they align with the three-year plan. Vice President Larraguetta provided an update on two initiatives: 1) a complete assessment of all major stakeholders' ideal group requirements and 2) implementation of an annual hotel engagement program.

Chair Bybee thanked Vice President for the insight into what the Sales Department was doing and how they are aligning with the direction provided within the RSCVA annual plan. Board Member Keel was happy to hear the efforts to understand the needs of the stakeholder properties. She asked for a one sheet that lists the RSCVA goals that can be quickly referenced during these types of presentations. Board Member Ascuaga agreed that shareholder assessment was so important, booking and coordinating events is complicated, particularly as you look toward programs that may be several years in the future.

Board Member Murdock asked how important the satellite offices are in the implementation of the initiatives. Vice President Larragueta said there are seven offices (Los Angeles, Sacramento, Dallas, St. Louis, Washington D.C., Chicago, and Atlanta) that are an extension of the hotel sales departments. They represent the hotels nationally as they don't have the large brand opportunities that other regions do. Mr. Larragueta pointed out that the importance can be seen in the 50% of rooms nights consumed per year in this market for conventions, meetings, and sports segment. The reliance on the RSCVA team to bring conventions and meetings to the area is critical. Discussion followed regarding the work being done with a focus on leisure sales. Board Member Chapman encouraged the continued collaborative work with the Incline/Crystal Bay properties, the same as the Reno/Sparks hotels.

Board Member Sferrazza said it would be beneficial to have the staff from the satellite offices attend an upcoming meeting. Mr. Larragueta said he was looking to get the whole sales team in the area for a retreat in January and would try to time it accordingly to allow attendance of the whole team at the January Board meeting.

ITEM G4 WAS ADDRESSED NEXT.

G. BOARD MATTERS

G1. Review, Discussion, and Possible Action Regarding RSCVA President and CEO Mr. Charles Harris' Goals and Objectives for FY 2021-2022

THIS ITEM WAS HEARD AFTER ITEM G3.

Legal Counsel Molly Rezac said this item was being presented as part of the RSCVA President and CEO compensation policy. The board packet included the CEO goals presented approved by the Board on July 21, 2021.

President and CEO Charles Harris reviewed the goals and outcomes. Board Member Ascuaga asked for clarification, the language stated "at the Board's discretion" however the contract language is that if the goals are fulfilled, it's not discretionary. If that is the case, what is the total bonus amount that the goal percentages pertain to? Legal Counsel Rezac said the total bonus pool is \$104,545.08. When the Board approved the goals in July 2021 the intent was that if the goals were met, the bonus amount would be awarded for that goal. The contract and policy provide for reasonable discretion if there are unforeseen events. The Board made decisions related to what would be awarded if certain goals were met, the potential amount is up to 35%.

Discussion followed regarding how or if budget augmentations affect the approved goals. The intent is to measure the goal to the budget as augmented throughout the year. Legal Counsel Ben Kennedy understood the goal to be "did the CEO meet the budget that the Board established?", thus the numbers organically are changed through Board approved augmentations.

Board Member Sferrazza asked how much was the cost-of-living adjustment (COLA)? Mr. Harris said it was 3%. Legal Counsel Kennedy said this item was to address the bonus, the next agenda item was for salary adjustments like merit and COLA.

Board Member Chapman said from his perspective, this item was pretty straight forward. The Board approved the goals and the obligation that came along with the President and CEO meeting those goals. He believed the goals were met.

Motion: Move to approve the CEO bonus for goal outcomes for Fiscal Year 2021-2022 for 35% for \$104,545.08.

Moved by: Board Member Chapman

Seconded by: Board Member Silver

Board Member Sferrazza had issues with the community engagement, specifically access to virtual public comment during meetings. She thought there was room for improvement in terms of transparency. She said the President and CEO and his team had done a wonderful job during the year. She appreciated the CEO making staff whole after cuts taken during the pandemic and recognizing his team. Board Member Sferrazza said she had heartburn about the 35% bonus. She was not on the Board when the contract was approved, and she didn't see other organizations with this type of bonus structure. She would support the motion, but if she had negotiated that contract, she would not agree to that type of bonus. It causes an imbalance between the CEO and staff and was not personally directed at the CEO.

Chair Bybee said she was not on the Board either when the contract was approved. The Board has the ability to address the contract, the evaluation process, goals, etc. at a future meeting. The goals were met, and the contract spells out the bonus, thus she would support the motion.

Board Member Murdock supported the motion. He added that the Executive Committee could be charged to work with the CEO on goals if needed, as directed by the Board.

Board Member Ascuaga agreed with earlier comments, separate from the CEO's performance. There was room for improvement on the evaluation and goals process. He would support the motion as it was what was agreed to in the contract.

Commissioner Lucey left at 11:43 am

Mayor Schieve said this an area she's had issues with, in the past with other CEO contracts. She was the Chair when the contract was approved. She unfortunately not at the meeting when the contract was approved. She had extensive conversation at the time, the bonus amount caused her concern. She thought it was egregious when compared to other governmental organizations. She cannot support this motion. The Board has a responsibility to be fiscally conservative when it comes to these contracts.

Board Member Silver said none of the Board Members in the room were on the Board when the contract was approved. Nonetheless there was a contract, the Board was obligated to approve the bonus as the goals were met and exceeded. The Board was legally obligated to approve it via the contract.

Board Member Sferrazza agreed, and it was nothing to do with Mr. Harris. It was important to her to express that the bonus amount is too high, and she would like to work on it with the future with the CEO.

Aye: Board Members: Ascuaga, Bybee, Chapman, Lucey, Murdock, and Sferrazza

Nay: Board Member: Schieve

Absent: Board Member: Keel, Lucey

Abstain:

Vote: Motion passed

G2. Review, Discussion, and Possible Action Regarding the Annual Review of RSCVA President and CEO Mr. Charles Harris for FY 2021-2022

Legal Counsel Molly Rezac said this item was to address Mr. Harris' performance for Fiscal Year 2021-2022.

Chair Bybee said in looking at the surveys, it was helpful to see the graphs and the comments made by the Senior Staff and the Board. The comments were positive and gave good insight into Mr. Harris' performance. Board Member Sferrazza said she would not support a merit increase based on the approval of the 35% bonus. The merit increase was discretionary and up to the Board. Mr. Harris did get a COLA increase at the beginning of the fiscal year. She felt that was adequate compensation. The Board had rated Mr. Harris' performance and the survey speaks for itself.

Board Member Silver thought Mr. Harris' tenure has been clouded by a lot of issues. The Board has set a new tone and a new way of moving forward. She thought the Board may be caught in a negative spiral. The Board continually says, "it's not personal" and "it's not about Mr. Harris" but there are many individuals who receive pay increases and bonuses that don't reach the newspaper. Mr. Harris met and exceeded his goals, the comments on the survey were 75% positive, it didn't make sense to say no to merit based on performance. The Board needs to look at the bonus and merit separately.

Board Member Ascuaga said this was a unique position. In looking at the hiring date, Mr. Harris has received an additional \$20K in pay increase, and now after the last motion, over \$150,000 in bonus pay. Board Member Ascuaga wanted to be fair to all parties. He would be OK with no increase as the COLA increase was across the board.

Board Member Chapman agreed. The COLA increase was consistent with similar organizations. Board Member Murdock also agreed considering the \$100,000 bonus awarded.

Chair Bybee agreed with Board Member Silver. COLA was provided to all employees, as it was a cost-of-living increase. It was a totally different bucket than merit. This item was to look at merit in regard to performance. It was a big number, but this organization was different. It's based on sales and performance. Mr. Harris' performance had been exceeded. She is supportive of a 2% to 3% merit increase, looking solely at performance during the fiscal year. In looking at CEO salaries in other DMO's Mr. Harris' salary is on the lower end.

Board Member Sferrazza said in supporting a 35% bonus, it told Mr. Harris what the Board thinks of Mr. Harris' performance and the performance on his team. Board Member Silver said from a Human Resources perspective there's a difference between merit increases, bonus pay, and

COLA. Based on her understanding of the value of maintaining personnel that are exceptional as stated by the Board Members such increases are warranted.

Motion: Move to approve a 3% merit increase.

Moved by: Board Member Silver

Seconded by: Board Member Bybee

Board Member Chapman said it was important to recognize that with the COLA, this was a 7% increase.

Aye: Board Members: Bybee and Silver

Nay: Board Member: Ascuaga, Chapman, Murdock, Schieve, Sferrazza

Absent: Board Member: Keel, Lucey

Abstain:

Vote: Motion failed

ITEM H WAS ADDRESSED NEXT.

G3. Review, Discussion, and Possible Action to Approve Funding for the Incline Village/Crystal Bay TART Connect Micro-Shuttle Project

THIS ITEM WAS HEARD AFTER ITEM G4.

Board Member Chapman, President and CEO of Travel North Tahoe Nevada, reviewed the request from North Tahoe Nevada to fund the TART Connect, Micro-Shuttle, a two-year pilot project connecting the five zones on the north shore of Lake Tahoe via mass transit shuttles. The program is app based, free to the user. Riders can use the app to designate a pickup and drop off location. The micro-shuttle does tie into the existing TART (Tahoe Truckee Transit) Zone 3 routes. Board Member Chapman reviewed usage statistics, hours of operation, and goals for future use. This request was being sought as Incline/Crystal Bay does contribute over \$2M to the transient lodging tax revenues.

Washoe County Commissioner Alexis Hill, Regional Transportation Commission (RTC) Commissioner, shared her support of the micro-transit shuttle. There was significant commitment to make travel in and around Lake Tahoe a better experience. Both Washoe County and the RTC have supported and contributed to this program.

Ms. Jaime Wright, Placer County TART Transit, Public Works Manager, shared that this project was in the second year of the two-year program. Washoe RTC, Truckee, and Placer County would be issuing a joint RFP soon to implement a collaborative micro-transit system. She said the implementation of this program has been a game changer within Incline Village and Crystal Bay. Over the summer, Washoe County transit at the lake had seen a 43% increase in usage. They would be looking for federal funding to help continue the program although local support would still be needed.

Chair Bybee asked if the \$350,000 request was for one time funding. She also wanted to know the percentage of ridership of locals, tourists, etc. Board Member Chapman said 75% of the ridership was residential systemwide. At this point, this is a one time ask for the current fiscal year. There were plans for a split between federal, state, and local funds to help fulfill the \$20M

need for operation going forward. However, it was yet to be determined how long it would take to get that funding in hand. Chair Bybee said although there might be a desire to see more tourists use the system, residential travel takes more cars off the road and gets people to work to make sure tourist destinations are open and operating.

Board Member Murdock asked if the new change to the university in Incline would impact the usage. He asked for a list of contributors. Board Member Chapman said the University of Nevada, Lake Tahoe campus would have little impact on the service as there were no plans to build dorms and the college has a relatively small student population. Washoe County RTC contributed \$290,000; Washoe County Commission, \$100,000; Tahoe Fund, \$50,000; North Lake Tahoe Nevada, \$50,000, the program still needed to raise another \$29K to meet budget needs, should RSCVA agree to fund the \$350,000 request.

Board Member Sferrazza asked how transient occupancy tax (TOT) revenue was allocated since part of the funds come from the Tahoe basin. President and CEO Charles Harris said it was all part of the RSCVA General Fund. Board Member Sferrazza was in support of the request but had concerns with the amount as \$350,000 would make RSCVA the largest contributor to the program. She would like to see any similar requests go to the Finance and Facilities Committee to be vetted. President and CEO Harris agreed, RSCVA needs to be a good partner and contribute, but at what level? This was the first request for such funding from Incline Village/Crystal Bay. The goal is to support the lake in regard to sustainability as well as drive well qualified visitors to the area. Board Member Chapman reminded the Board that this was a two-year project, so RSCVA wouldn't be the largest contributor when looking at the two-year budgets. North Lake Tahoe Nevada had contributed over \$400K over the two years, which was considerable when their whole budget is \$1.8M. More discussion followed regarding support of the infrastructure of a major part of the Reno Tahoe brand and maintain the experience visitors expect from the area.

Board Member Silver asked why ARPA funds were not available to use on this project. Board Member Chapman said the major reason was that those federal funds were available for capital and infrastructure. This request was for operational revenue to keep the program running through the end of the fiscal year. Commissioner Lucey added that the Washoe County Commission did also apply for grants, but they were not selected for awards.

Chair Bybee asked Mr. Harris said since this wasn't budgeted, would there need to be a budget augmentation? If not, where would the funds come from.

President and CEO Charles Harris said it would be provided via a budget augmentation as the funds were not identified as part of the FY23 budget. There would be a budget augmentation coming forward in November. If the funds were needed now, they would come from Marketing and then would need to be replenished through the budget augmentation. Board Member Chapman understood that the funds, if approved would come later. But he was looking for the commitment today as it was crucial as they move into planning for the winter and spring seasons. Chair Bybee said the request was for up to \$350,000. She asked if Board Member Chapman would be agreeable to a lower amount and then revisit the remainder when the budget augmentation goes to the Finance and Facilities Committee. Board Member Chapman said looking at the current projections, they were favorable, and he was supportive of a lesser amount, and then possibly funding the remainder as a part of a future budget augmentation.

Board Member Ascuaga thought there was support across the board. This was a small band-aid that had very complex needs for the future. He too was wrestling with the amount. He asked if there were other organizations being considered for possible contributions. Discussion followed

regarding the existing and potential partnerships. Board Member Chapman said the bottom line is that the other organizations, wouldn't have the ability to fulfill the current need. Without the funding, the program would have to make some dramatic changes which would include possible reductions in hours and operations. It was important to look at the system as a whole, in conjunction with existing transportation networks in both Nevada and California to reduce the number of vehicles driving around the lake.

Board Member Murdock suggested that the rainy day fund be used for this request. Commissioner Lucey said in looking at the revenue being generated by short term rentals in the Incline Village/Crystal Bay area, there were opportunities to help with this request. Both the City of Reno and the City of Sparks have come to the RSCVA Board asking for funds. Washoe County has never come asking for this type of funding. Commissioner Lucey suggested awarding \$250,000 from the rainy day fund, the TOT generated from the area in the next months would support that amount. He would ask that any additional TOT funds used to market the micro-transit shuttle service. Mr. Harris shared that the rainy day fund had grown from \$1M to \$1.4M, so there was funding available.

Motion: Move to approve \$250,000 for the TART micro-shuttle project today and go back to the Finance and Facilities Committee in November to request the additional \$100,000.

Moved by: Board Member Sferrazza

Seconded by: Board Member Ascuaga

Aye: Board Members: Ascuaga, Bybee, Chapman, Keel, Lucey, Murdock, and Sferrazza

Nay:

Absent: Board Member: Schieve

Abstain:

Vote: Motion passed

Board Member Keel left at 11:27am

ITEM G1 WAS ADDRESSED NEXT.

G4. Review, Discussion, and Possible Action to Approve Staff's Recommendation for the Purchase of a Laser Projector and Lens for the Large Video Screen at the National Bowling Stadium

THIS ITEM WAS HEARD AFTER ITEM F2.

Motion: Move to approve the purchase of a Christie laser projector and Christie lens for the National Bowling Stadium large screen projector for a sum not to exceed one hundred forty-four thousand, four hundred twenty dollars and sixty-four cents (\$144,420.64)

Moved by: Board Member Sferrazza

Seconded by: Board Member Murdock

Aye: Board Members: Ascuaga, Bybee, Chapman, Keel, Lucey, Murdock, and Sferrazza

Nay:

Absent: Board Member: Schieve

Abstain:

Vote: Motion passed

ITEM G3 WAS ADDRESSED NEXT.

H. BOARD MEMBER ANNOUNCEMENTS, REPORTS, AND UPDATES

THIS ITEM WAS HEARD AFTER ITEM G4.

Board Member Sferrazza asked to have a meeting with the remote sales staff.

Board Member Chapman asked to start the conversation about Mr. Harris' contract for the FY24.

Chair Bybee said the additional funding for the TART micro-shuttle will be heard by the Finance and Facilities Committee in conjunction with the budget augmentation.

Board Member Ascuaga would like an update from the Western Heritage Alliance and possible direction to staff regarding the RSCVA's next steps for the project.

Board Member Murdock asked if there was anything extra needed going forward to attract events like NCAA tournaments. Mr. Harris said he was happy to share the results of a recent feasibility study.

Mayor Schieve asked to have a presentation from RTAA related to their customer service plan during all the construction.

I. COMMENTS FROM THE FLOOR BY THE PUBLIC

There was no public comment.

J. ADJOURNMENT

Chair Bybee adjourned the meeting at 12:17 pm.

The meeting may be viewed here: https://youtu.be/aVV3Sm_ZKzg