

**Reno-Sparks Convention & Visitors Authority
Meeting held Thursday, May 25, 2023, 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, May 25, 2023. 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 9:00 am.

A2. Pledge of Allegiance

Chair Bybee asked Board Member Silver to lead the pledge.

A3. Roll Call

The Clerk of the Board took roll call.

Board Members Present:

Councilwoman Charlene Bybee, RSCVA Chair
Mayor Hillary Schieve, RSCVA Vice Chair
Commissioner Alexis Hill, Board Member **[via Zoom, arrived in-person 9:13am]**
Stephen Ascuaga, RSCVA Board Member
Andy Chapman, RSCVA Board Member
Shannon Keel, RSCVA Board Member **[via Zoom]**
Rick Murdock, RSCVA Board Member
Jessica Sferrazza, RSCVA Board Member **[via Zoom]**
Ann Silver, RSCVA Board Member

Board Members Absent:

RSCVA Executive Staff Present:

Charles Harris, President and CEO
Courtney Jaeger, Vice President, Finance
Trent LaFerriere, Vice President, Facilities
Mike Larragueta, Vice President, Sales
Christina Erny, Vice President, Marketing
Ben McDonald, Senior Director of Communications and Public Affairs

RSCVA Legal Counsel:

Benjamin Kennedy, Dickson Wright
Molly Rezac, Ogletree Deakins

Board Clerk:

Lisa Farmer, Executive Assistant to the President and CEO

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

Mr. Donnie Nelson, Executive Director, Nevada Interscholastic Activities Association (NIAA), spoke in support of the portable indoor track proposal. He left it was an opportunity to start a legacy, both the NIAA, NCAA, and many other sports organizations are looking for venues. Not only was it good for the community and would be beneficial for local high school sports, but it would also create enormous opportunities for exposure, introducing more people to Reno Tahoe.

Ms. Hanah Smrt, University of Nevada student athlete, shared her support and excitement for the proposed indoor track. Currently track athletes don't have suitable practice facilities and cannot practice on a track during the winter and/or inclement weather. Athletes must travel long distances for all their meets, taking them away from classes and costing the program additional money.

Ms. Emily Clarke, University of Nevada student athlete, also spoke in support of the indoor track proposal. She emphasized that track athletes must travel far distances to compete and there were few tracks available, particularly on the west coast.

C. CONSENT AGENDA:

- 1. Approval of the Agenda of the May 25, 2023, Regular Meeting of the Board of Directors**
- 2. Approval of the Minutes of the April 27, 2023, Regular Meeting of the Board of Directors**

Motion: Move to approve the consent agenda as presented.

Moved by: Board Member Murdock

Seconded by: Board Member Schieve

Aye: Board Members: Ascuaga, Bybee, Chapman, Hill, Keel, Murdock, Schieve, and Silver

Nay:

Absent:

Abstain:

Vote: Motion passed unanimously 9-0-0

D. PRESENTATIONS

D1. Presentation: Portable Indoor Track Feasibility and Economic Impact

Chair Bybee said Items D1 thru D3 would be heard back and back and some topics may be addressed under more than one agenda item.

Mr. Mike Larraguetta, Vice President of Sales, said in response to the Board's request to identify new business, maximize rentals at RSCVA facilities, and generate room nights, staff had been working on a proposal over the last 21 months. The proposal to purchase a custom, portable, indoor running track was being presented to the Board through the hard work of internal staff as well as communication and collaboration with community partners.

Mr. Larraguetta said the track would create opportunities for national exposure, enhance local partnerships, create facility rental revenue, and bolster the RSCVA's partnership with the University of Nevada, Reno. It would be one of four indoor tracks in the western United States. He introduced Mr. Jason Boudrie, Founder and CEO, Synergy Sports, who gave a presentation on the track feasibility study results.

Mr. Boudrie said he had been working with the RSCVA for over a year on a feasibility and impact assessment for a potential indoor track in Reno Tahoe. The track season runs November through March, which is typically a slower season in the community. Mr. Boudrie said the draw for participants was approximately six hours, with the main users being colleges and universities and youth program organizations. Through his assessment, he estimated 45,000 annual visitors during the shoulder season. Approximately 20,000 would be student athletes. During the first year, it was estimated the facility could handle seven meets. This would increase to 14 by year five, including possible NCAA conference and national championship opportunities.

The first-year impact was forecasted to generate 24,000 room nights, increasing to over 51,000 by year five, with hosting a collegiate level conference and/or national meet. The study indicated the track would generate sufficient revenue to cover operating expenses and was estimated to have a \$40M regional economic impact annually. Hosting an NCAA championship event would add another \$5M in economic impact to the community. The estimated revenue for the program itself was estimated at \$665,000, turning a profit in the first year.

Chair Bybee opened the floor to questions and comments. Board Member Chapman asked if the estimated revenue was based off of out of market rental or did it include some rental by local organizations. Mr. Boudrie said it was estimated through championship meets and local rental by high schools, colleges, and universities, some of which may be out of market.

Mayor Schieve asked what the comparison was east coast vs. west coast in terms of collegiate programs. Mr. Boudrie said having an indoor track on the west coast was a better business model than having a similar track on the east coast as there were more available tracks on the east coast.

Board Member Murdock asked who would be responsible for possible sponsorships and/or naming rights for the facility/track. Mr. Boudrie said it varies dependent on the season, the specific meet or event. Discussion followed regarding sponsorship on different levels through both physical and digital support.

Board Member Murdock asked if Mr. Boudrie would be helping in finding national sponsors. Mr. Boudrie affirmed he would. Board Member Ascuaga said some meets would have sponsorship already attached to the program, however there were opportunities for the facility and actual track.

Board Member Ascuaga asked what expenses would be tied to the breakdown and set up of the track. Mr. Boudrie said some of it was included in the proposed financial model. Not knowing actual dollar amounts, it was a little ambiguous. The numbers would be streamlined as more information and commitments became available. Board Member Ascuaga asked where the responsibility of booking the track would belong. Vice President Larraguetta replied that it would be the Sales Sports Team working with Mr. John Mansoor.

Board Member Silver asked if the track would be open to the public. Mr. Boudrie said that is a decision that would have to be made by RSCVA. The more the public uses the facility, the more there is wear and tear on the track. He added that the indoor track was not flat, but banked, which can be overwhelming for those not familiar with indoor track running. It was not for regular, everyday use.

Board Member Chapman asked what the anticipated lifespan is for the track. Mr. Boudrie said it was well over 10 years.

Vice President Larraguetta introduced Mr. John Mansoor, Executive Director of the Pacific Association of USA Track and Field. Mr. Mansoor highlighted his professional accomplishments. He had overseen events for Junior Olympics, NCAA Championships, USA Track and Field Championships, Masters Championships, and US Olympic Trials, which were held on an outdoor track in Sacramento. There are no indoor tracks in California, Nevada, Oregon, or Arizona. There are four indoor tracks in the city of Boston alone. Mr. Mansoor was the Director of the Reno Indoor Games, held in Reno several years ago. The event was televised and was home to several world records. Mr. Mansoor said he had been waiting 26 years to return to Reno to hold high profile track events. He said there were capable people in place to book and manage large track events.

Mayor Schieve thanked Mr. Mansoor for the presentation. She asked if there was comparative information available for similar tracks. Mr. Mansoor said both Spokane and Albuquerque had indoor tracks like the one being proposed, he didn't have it with him, but it could be provided. Mayor Schieve asked to see that information. She liked seeing the RSCVA working with Nevada and other sports organizations to help bring this project to the area. Mr. Mansoor said there were 100's of indoor tracks on the east coast and the in the Midwest. But with so few on the east coast, there were many opportunities for a new track to host meets.

Board Member Ascuaga asked what the percentage of the events Mr. Mansoor works with are for youth, young adult, and adult events. Mr. Mansoor gave upcoming meets in Sacramento as an example: Master's Championship – 1,200 athletes, plus guests for a week; collegiate conference meets – 300 athletes, plus guests for three days; Junior Olympics – 2,000 athletes, plus families and guests for three days; Olympic level of events don't attract large number of athletes but have huge exposure. RSCVA would need to decide what demographics to target.

D2. Presentation: University of Nevada and RSCVA Partnership – Portable Indoor Track

Chair Bybee introduced University of Nevada Athletics Director Stephanie Rempe and University of Nevada President Brian Sandoval.

AD Rempe said Nevada was extremely excited at the prospect of adding an indoor track to the area. When she arrived at Nevada, President Sandoval charged her with making sure Nevada Athletics continues to grow and maintains close ties with the community. It was a great opportunity for Nevada Athletics to work with RSCVA and the City of Reno.

For Track and Field events, the student athletes must travel. As previously stated, the closest facilities for them to attend meets are several hundred miles away in different states. During the winter, track coaches and staff have to find creative ways to find places for the athletes to practice. AD Rempe said Nevada Athletics was willing to provide storage for the track when it was not being used. This would be a secure, climate-controlled storage during the off-season months.

President Sandoval too was excited to partner with the RSCVA on this incredible opportunity for the region to attract a new market, new visitors. He said having such a facility to hold youth events was also a good opportunity for Nevada to attract and recruit young athletes. Having this facility will also help programs in times of poor air quality, particularly in times when air quality is impacted by nearby fires.

Mayor Schieve confirmed that Nevada Athletics was willing to partner and brand the track to be a part of the University of Nevada, Reno. President Sandoval said they were willing to partner and would love to see the Nevada Athletics logo on the track.

Chair Bybee asked if Nevada Athletics would be hosting events at the facility. Mr. Kirk Elias, Nevada Women's Track and Field Coach, affirmed that would be the idea. They had already submitted a list of events they would like to host at the proposed track and would also like to bid on future NCAA events to be held at the facility.

Board Member Sferrazza said she was excited about the proposed project. She asked President Sandoval if there was a way to share the cost of the nearly \$5M project with the university. President Sandoval said the university was participating with their contribution of the storage during the off season (estimated to be \$200,000/year).

Board Member Hill asked if Nevada would be willing to sign letters of support, should RSCVA seek additional types of funding, including monies from the State of Nevada infrastructure bank.

President Sandoval said they were happy to support the project and fully committed to helping find additional funds. Mayor Schieve would like to see the University of Nevada brand the Reno-Sparks Convention Center (RSCC) as a part of the partnership. Having the Nevada logo would show the collaborative effort and partnership for the project. President Sandoval said they would be proud to add their name to the building and show how they are part of the community.

Board Member Sferrazza said it was a goal of the RSCVA to find ways to generate room nights in the off season. She asked if the track would be ready by next year at about the same time. Vice President Larraguetta reviewed the estimated timeline. If the project was approved today, the bid would be awarded to the track contractor. The track, built in Italy, would take 9 months to construct. It would be shipped to Reno with the manufacturer's representative. RSCVA would hope to take ownership of the track in late October 2024, making it available for meets starting in December 2024. This would also provide time for the Sales Department's Sports team to seek out and book events for the 2024-2025 track season. This would try to boost occupancy in months when occupancy was at its lowest.

D3. Presentation: Portable Indoor Track, Track Equipment, and Portable Bleachers

Vice President Larraguetta introduced Mr. Don Paige, Owner and President, Paige Design Group. Mr. Paige explained what the indoor track was and how it was different than a flat track. It was also very efficient to install the track, use it for the season, then tear it down for storage, freeing up space when it's not in use. This track would be World Athletics certified. World Athletics (WA) is the top governing body of track worldwide.

Board Member Murdock left the meeting at 10:14am. He returned at 10:17am.

Mr. Paige reviewed how the track would be built, assembled, and shipped. A member of the manufacturing service team would be sent with the track to train RSCVA staff on the installation, maintenance, and removal of the track for storage.

Board Member Hill left the meeting at 10:18am. She returned at 10:22am.

Discussion followed regarding the needed equipment for track and field events and the portable bleachers. Mayor Schieve asked if the track would be able to be used for the Special Olympics. Mr. Paige said since the track was banked, it may not be suitable for wheelchairs, but it was a 200m track and would follow all WA specifications.

E. BOARD MATTERS

E1. Review, Discussion, and Possible Action regarding the Acquisition of the Portable Indoor Track, Indoor Track Equipment and Portable Bleachers

The RSCVA Board of Directors is being asked to review, discuss, and approve staff's recommendation to award the Request for Proposal 2023-OP02 for the acquisition of the following:

- a) Portable Indoor Track from Truckee Meadows Construction, Inc. in an amount not to exceed \$3,462,390;
- b) Portable Bleachers from FSI/Flooring Solutions, Inc in an amount not to exceed \$1,208,630.42; and
- c) Track Equipment from USC in an amount not to exceed \$365,399.81

Vice President of Sales, Mr. Mike Larraguetta, thanked those that presented for their time and expertise to help bring this project to the Board of Directors for consideration. This item was being proposed for action to allow staff to move forward with the proposed portable indoor track and complementary equipment.

Board Member Murdock asked if there was a way to creatively finance this project as to not wipe out any particular existing budget. Vice President of Finance Courtney Jaeger said if this item was approved, Finance would investigate some options, including possible grant and state funding. If approved, the down payment of \$1.8M would be due in July. She did not think there was a need to look for outside financing at this time. Finance was considering several options including a tier system that would include monitoring room tax revenues and dedicating revenues over budget to fund the proposed track. The next step would be to look at funding that was not used in the FY24 budget, such as the \$500K in the Opportunity Fund budget. If those funds had not been expended, they could be used toward paying for this project. In anticipation of the project, Finance had allocated up to \$2M of the FY25 budget. Vice President Jaeger was confident that it could be funded with existing funds.

Board Member Ascuaga thought this was a good project for the community and a great partnership with the University of Nevada. He appreciated staff's work on the proposal for almost two years. However, the Board had only been introduced to the project approximately 20 days ago. It was a wonderful project, but the Board needed to look at the reality of how it would be paid for. He thought the project was worthwhile, but he was hesitant to re-open the FY24 budget and unravel all the work that was done at the Finance and Facilities Committee to bring the FY24 budget to the Board. There would be a lot of change on the Board and the RSCVA leadership in the next few months, he didn't want to commit future Board Members and a CEO to a decision on how to pay for it without looking at it more. He suggested not taking action and referring the item back to the Finance and Facilities Committee to look at possible funding options. He was in full support of the track and thought it would be an asset to the community, but wanted to be realistic about the funding.

Board Member Silver agreed. She wanted to look closer at the funding as the Finance Department thought it could be financed in-house. The money would have to be taken from somewhere and she didn't want to take away and impact other budgets.

Mr. Harris said the initial payment of \$1.8M was very doable, based upon monies that could be moved from capital projects and funds that were budgeted but not spent in the current fiscal year. The other \$3.2M was more concerning. Over the last fiscal year, RSCVA was able to make some significant budget augmentations. Looking into the next year, the trends seem to show a rocky travel and tourism year with increased inflation and some industries looking at layoffs. He cautioned the Board to not rely on budget augmentation to help pay the remaining amount.

Board Member Sferrazza liked the idea of sending the item back to the Finance and Facilities Committee for further vetting. If this was to be approved, discussion needed to happen about what to defer in the capital projects budget. She also had questions about the actual bids. Discussion followed regarding the bid documents and process.

Mayor Schieve asked what the downsides of the project were, what obstacles should the RSCVA avoid? Mr. Paige said the biggest concern was that every time you touch the track to set it up or take it down, it's downgraded and would deteriorate. It was a very intricate process and must be done correctly.

Chair Bybee thanked all the guests in attendance for their presentations and support of the project. This project fits the goals and wishes of the Board in terms of finding new opportunities, increasing room nights, and booking events in slower times of the year. The return on investment of four years was positive as well as the exposure for the community. Even though \$5M was a big number, she was confident it could be found. The \$1.8M had already been identified, the question was where the remainder would come from. Discussion followed regarding how funds in FY24 were reallocated to come up with the upcoming payment. A couple of paving projects would be delayed, instead maintenance such as crack fill could be done as a short-term solution. A restroom remodel would also have to be delayed, but Vice President of Facilities Trent LaFerriere said it wasn't crucial and could be addressed in future budgets.

Vice President Larraguetta asked for clarification on when the bids would expire. Mr. Jose Martinez, Director of Facility Operations, said if the bids were not awarded, there was a possibility that the bids would expire and have to be resubmitted, with the potential for increasing pricing based on supply chain and resource delays and availability. Board Member Ascuaga took issue with putting him in a position to have to make a decision. It was a great project, but they needed time to carefully consider it.

Mayor Schieve said it would be helpful to send it to the Finance and Facilities Committee to hash out a lot of the details and be more familiar with the project. A discussion followed about the bleachers, which could be used for other events and could be covered in rental fees.

Board Member Sferrazza asked if a Finance and Facilities Committee could meet to vet the proposal and bring it back to the Board, if even a special meeting was needed to meet the timeline for the bids. Board Member Ascuaga said it was possible and suggested reaching out to the bidders and requesting another 30 days.

There were still some questions that need to be looked at, including the cost to set up and take down the track. Board Member Murdock asked if the item could be approved, subject to the Finance and Facilities Committee making a recommendation on the funding. Mr. Kennedy said there were a couple of options: 1) Approve as is and revise the budget; or 2) Defer a decision on the track and approve the budget as is and then have the Committee meet and bring back a budget revision (if needed) in the future. More discussion followed regarding the bid dates. Mr. Martinez left the meeting to speak to the bidders and confirm the deadlines.

Chair Bybee said she was already considering moving the scheduled June 22nd Board meeting to June 15th, this might help with meeting the deadlines. She asked if the Board was comfortable with the Board not sending it back to the Finance and Facilities

Committee should the bids expire before that date. Board Members Murdock and Ascuaga responded that they would like it to be heard by the Finance and Facilities Committee and were amenable to moving the June meeting even earlier if needed. Discussion followed regarding the possibility of using the Opportunity Fund budget for the project. Chair Bybee asked to move on to the next item and return to this after the information about the bid expiration dates are confirmed.

Board Member Sferrazza asked if anything had been submitted in writing from the University of Nevada for the track storage. Mr. Kennedy said it was a verbal commitment at this time. Board Member Sferrazza asked that it be provided in writing.

Item E2 was heard at this time.

Board Member Silver left the meeting at 11:10am and returned at 11:15am.

This item was reopened after Item E2.

Mr. Kennedy said the FY24 budget was approved in item E2 without the proposed track. He suggested declining to award the RFPs at this meeting and give staff and the Finance and Facilities Committee direction to meet and come back to the full Board with a proposal to fund and award the RFPs.

Motion: Move to not take action to award the RFPs at this time and request that the item be heard again at the next meeting after staff and the Finance and Facilities Committee have met to discuss funding.

Moved by: Board Member Ascuaga

Seconded by: Board Member Murdock

Aye: Board Members: Ascuaga, Bybee, Chapman, Hill, Keel, Murdock, and Schieve

Nay:

Absent: Silver

Abstain:

Vote: Motion passed 8-0-1 (Silver absent)

Item E3 was heard next.

E2. PUBLIC HEARING: Review and Adoption of the Reno-Sparks Convention and Visitors Authority Fiscal Year 2023-2024 Budget (Resolution #600)

Vice President of Finance Courtney Jaeger gave a presentation on the proposed budget for FY24. The Capital Improvement Plan (CIP) budget totaled approximately \$4.3M with the largest projects being (if approved) the portable indoor track project and some projects at the Reno-Sparks Convention Center (RSCC). Vice President of Finance Trent LaFerriere reviewed the proposed projects to replace a cooling tower, refurbishment of the runway windows, replacement of skylights, replacement of aging vehicles, and a restroom conversion.

Chair Bybee asked if any of the proposed changes to accommodate the indoor track were crucial. Mr. LaFerriere said none of them were time sensitive and would still be addressed in future budgets or as additional funds became available. Board Member

Chapman confirmed that the CIP met the Board policy outlining 10% of total room tax collections county wide would be spent on capital projects. Discussion followed regarding delayed improvements at the Reno-Sparks Livestock Events Center. Vice President LaFerriere said the Western Heritage group was still looking to partner on expansion of the facility, which would include removal of existing paved areas. What was proposed was to do crack fill this year and continue discussions with the Western Heritage group for future improvements.

Board Member Sferrazza asked about the sign outside the Reno Events Center (REC). Vice President LaFerriere said discussions were ongoing with the City of Reno. Discussion followed regarding funding and replacement of the sign. The cost to replace the sign was approximately \$180K. Chair Bybee said RSCVA was responsible for maintenance and repairs up to \$10K, beyond that it was not the RSCVA's obligation. President and CEO Harris added that in the current fiscal year, RSCVA allocated \$500K in improvements to the facility in an attempt to be a participating partner in the facility. Board Member Sferrazza asked to add the sign to the capital project budget. Commissioner Hill thought it could be a partnership between the City of Reno, RSCVA, and Washoe County. Board Member Chapman suggested this be handled at the staff level. Mr. Harris asked for staff direction, if the Board wanted to replace the sign, staff would

Mayor Schieve left the meeting at 11:23am. She returned at 11:25am.

Mayor Schieve informed the Board that the City Manager Doug Thornley was joining the meeting on the phone. She added that the City Manager said he would pay for it but needed more information. Vice President LaFerriere said it had been submitted but would follow up with the City. City Manager Thornley left the meeting.

Board Member Chapman noted that 14% of total room tax revenues were generated in Washoe B, and about 10% of total revenues was going to capital improvements. He said there are no RSCVA properties in that area, he wanted the Board to be aware there are other needs in the area despite there not being a facility in that area.

Vice President Jaeger resumed the presentation, noting that \$310K was being set aside for reserves. She asked if the Board wanted to use \$60K of that reserve for replacement of the sign. There was consensus from the Board to make that amendment.

Mayor Schieve asked about the estimated \$350K budgeted for furniture replacement. Vice President LaFerriere said it was for replacement of aging furniture in over 70 combined offices in all the facilities, some of which was 20+ years old. He was also looking to making the offices unified to make it possible to use the same type in each facility, making them usable in any office.

Vice President Jaeger continued her presentation on the overall FY24 budget. The current Strategic Plan funding policy for the Board initiative related to Air Service was budgeted for \$750K. Vice President Jaeger asked the Board for direction on Air Service spending. Currently the Air Service fund is authorized for spending on direct support for

air lift. During the current fiscal year, after discussion at Board meetings, the CEO was looking for authorization to use Air Service funds for air service marketing efforts including paid media in addition to mitigation agreements. The Finance and Facilities Committee discussed this at their May 9th meeting and had requested more discussion with the full Board to determine what amount or percentage of the Air Service fund be used for marketing air service.

Board Member Ascuaga (Chair of the Finance and Facilities Committee) said the Board has seemed to wrestle with finding opportunities to use the Air Service Fund. The Committee wanted input from the full Board as the current guidelines were specific to what the funds can be used for. The Committee expressed a desire to loosen up the guidelines and maybe direct some of the funds to other efforts such as marketing and education. Board Member Silver thought added flexibility was important, however something needed to be held back as no one knew when opportunities for new air service or new mitigation agreements may arrive.

Vice President of Marketing and Communications Christina Erny said part of their goals in the annual plan was to spend money directly on air service. That had been done with both JetBlue and American Airlines this fiscal year as well as an educational FAM for airline executives. There were also plans to contract with an airline consultant to create strategies for DMO specific plans for routes and opportunities for non-stop flights.

Board Member Murdock said he would like to see the Reno Tahoe Airport Authority (RTAA), the Regional Air Service Corporation (RASC) and RSCVA work together to creatively use the available funds, with all the organizations contributing.

Board Member Chapman suggested maybe changing the guidelines to hold 20-25% for mitigation agreements. Board Member Sferrazza had a concern about reducing the budget to \$750K instead of \$1M. Board Member Ascuaga thought \$750K was adequate and the monies should be used if there are no requests for mitigation. There were opportunities for augmentation if needed in the future. Mr. Kennedy suggested maybe approving the budget for the Air Service Fund at \$750K and then either setting a percentage that can be used for marketing or approving the Air Service Fund as presented and addressing the expenditure guidelines later. There was consensus to leave the Air Service Fund as presented and at a future meeting entertain a request from Marketing to spend monies out of that fund. Vice President Erny said she did need clarification for expenditures made during this fiscal year, as it was outlined in their annual plan to spend on goals directly related to air service. Mr. Harris added that the Board informally approved of that spending when they set one of his goals to spend money to support existing air service and provide educational opportunities. He asked for formal guidance to clarify what budgets should be used for those expenses. Mr. Kennedy suggested moving forward with the FY24 budget and possibly address the FY23 expenses separately, possibly at another meeting. He felt the general guidance was adequate, but if formal action was desired, it should be addressed later.

Board Member Silver apologized that she needed to leave the meeting to attend a legislative meeting in Carson City. **Board Member Silver left the meeting at 11:50am.**

Vice President Jaeger continued the FY24 budget presentation. Room Tax revenues were estimated at \$43.8M and total Facility Rental revenues were budgeted at \$7.2M. The Facility loss projections for FY24 were down 4% from the previous fiscal year. There were some challenges in the current fiscal year including significant increases in utilities and temporary labor expenses and overall inflation. There were also some successes including a 15% increase in total events in FY23. Increases in selling spaces during slower periods, providing higher occupancy and revenues. The RSCVA was also able to hire some key operational staff and increase operational consistency and efficiency.

Vice President Jaeger reviewed other revenues and the FY23 carryforward balance. Board Member Ascuaga clarified that the approximate \$4M is already allocated. Commissioner Hill wanted to note that Washoe County is looking at some changes in relation to short term rentals. She didn't think they would significantly change the projections, but asked that staff stay in touch with the County to track potential changes.

Vice President Jaeger reviewed the operational expenses for FY24 in the General Fund. Total expenses were estimated at \$44.3M, of that \$16.9M was estimated for payroll and personnel expenses and \$11.4M was estimated for Promotion and Advertising. She said the CEO asked that the proposed 4% Cost of Living Adjustment (COLA) be discussed by the full Board of Directors as well as merit-based increases up to 3% for all qualified employees (approximately \$278K if all employees qualified for the full merit increase). There was a PERS increase of 4% was built into the budget as well, totaling approximately \$370K.

Board Member Ascuaga added that the Finance and Facilities Committee reviewed the proposed COLA and merit increases and thought it was within a good range but wanted to have the full Board weigh in on the discussion. Board Member Chapman asked when the last PERS increase occurred. Vice President Jaeger said the last one was two years ago for approximately 0.5%.

Ms. Jaeger reviewed Services and Supplies, it was noted that cost increases ranging from 16% to 40% had occurred the current year and had been accounted for in the upcoming fiscal year as increased expenditures along with increases in general liability insurance. She then reviewed Promotions and Advertising along with Special Projects. The Apportionment to the Incline Village Crystal Bay Visitors and Convention Bureau was approximately \$2.2M. Vice President Jaeger finished the presentation by reviewing the RSCVA other funds.

Board Member Keel noted that the budget accounted for decreases in occupancy and Average Daily Rates (ADR), she asked what those numbers were based on. Vice President Jaeger said it was based on market trends, especially in the hotel segment and other economic factors. Board Member Keel said when the decision to take over the

maintenance of the facilities was made, it was anticipated that expenses would be less, however they were budgeted at higher amounts. She asked if this was a short-term increase in losses. Vice President Jaeger replied that a 4% decrease was budgeted for FY24, it was budgeted for 5.5% for FY23, adding that the unforeseen increases in utilities were really affecting the overall expenses, but it was decreasing. Board Member Keel asked for a summary one page of the revenues and expenses. Vice President Jaeger said she would send it.

Mr. Kennedy reported the bid for the bleachers would expire June 30, 2023. The other bids had longer timelines. Discussion followed on options for approval of the budget with or without the proposed track project.

Motion: Move to approve the FY23-24 budget as discussed (with \$60K from capital reserves designated for the sign at the Reno Events Center) without the proposed track project, and request that the Finance and Facilities Committee review finance options and bring the item back to the Board of Directors for consideration.

Moved by: Board Member Schieve

Seconded by: Board Member Hill

Chair Bybee opened the floor to public comment, there was none.

There was a technical difficulty and some Board Members were not able to hear/see the meeting. **A recess was called at 12:20pm, the meeting reconvened at 12:25pm.**

Aye: Board Members: Ascuaga, Bybee, Chapman, Hill, Keel, Murdock, and Schieve

Nay:

Absent: Silver

Abstain:

Vote: Motion passed 8-0-1 (Silver absent)

Chair Bybee returned to Item E1.

E3. Review Presentations, Discussion, and Possible Action to Approve and Award the Request for Proposal 2023-ADMN01 for the Reno-Sparks Convention and Visitors Authority Executive Search Firm

This item was heard after Item E1.

Chair Bybee introduced Ms. Andrea Bricca, Manager Partner of DHR Global. Ms. Bricca gave a presentation that included her biographical information and introduced her colleagues that would be working to find the next President and CEO for the RSCVA.

Chair Bybee asked if the proposed twelve-week timeline was reasonable. Ms. Bricca said it was a reasonable timeline but could be affected by the timeline of the Board. Board Member Sferrazza didn't see any DMOs listed in the proposal as past clients. She asked if the firm had any experience in that sector and asked for examples of other similar

companies the firm had worked with. Ms. Bricca said they had not done any CVBs or DMOs but had strong representation in hospitality realms as well as public relations and marketing organizations that are tangentially related as well as public universities and local government organizations. They also had experience in the gaming industry. Discussion followed regarding the search process including the DHR recruiting philosophy, meeting with employees and Board Members to discuss culture, expectations, compensation, etc.

Ms. Jessica Bayer, DHR, joined the meeting. She shared her background and her experience working with marketing, communications, and public relations companies. Discussion followed regarding compensation (proposed at 33% in the DHR proposal) and whether or not there was an opportunity for a reduction if a local candidate was selected in the search. Ms. Bricca said they would be willing to discuss a carve out agreement for certain candidates.

Mayor Schieve left the meeting at 12:45pm, she returned at 12:46pm.

Chair Bybee introduced Ms. Tina Winner and Mr. Dennis Tracy of Winner Partners. They provided a presentation, outlined their experience and background, and reviewed their proposed search process and timeline. Ms. Winner said in relation to fees, they proposed a flat dollar amount with a one-year guarantee, they too would be amenable to different fee amount for local/internal candidates. They have experience with DMOs and public agencies and are familiar with Open Meeting Law regulations.

Mr. Ben Kennedy, Legal Counsel, clarified that the agenda item was asking the Board to select and move forward with one firm, allowing the Chair and Legal Counsel to negotiate and execute a contract with the selected firm.

Discussion followed regarding the timing of the item in relation to the addition of new Board Members. Board Members Schieve and Sferrazza felt strongly that the decision to select a firm be delayed until the new members had been onboarded. President and CEO Charles Harris said as a part of his transition he was leaving a detailed report that would be shared and bring the new President and CEO up to speed and included areas of improvement. Chair Bybee said her intent was to bring the search firm proposals to the Board for selection and then start the process with the search firm of meeting with stakeholders both internal and external to establish what the RSCVA was looking for in a new President and CEO. There would be many opportunities for the Board to provide input and meet with the selected firm.

Board Member Chapman said he saw two different topics coming out of the conversation: 1) In-depth conversations with Board Members and Staff to establish the wants and needs of the RSCVA, and 2) Selection of a search firm to start the process, understanding there would be change on the Board in approximately 45 days, but he didn't think the selection would be any different in 45 days. He was willing to move forward with the search firm selection with the understanding that the process will include those in-depth conversations with staff and the Board after new members are

seated. Commissioner Hill agreed, she was ready to make a decision, the longer they delayed, the longer the process would take.

Motion: Move to hold off on awarding the search firm RFP until the new Board Members are seated.

Moved by: Board Member Schieve

Seconded by: Board Member Hill

Board Member Ascuaga said there needed to be an interim discussion connected to this item. He felt both firms that presented were capable of executing the search, understanding that discussions would take place after new Board Members arrived. He was prepared to move forward and award the bid. Chair Bybee said the interim placement would be discussed at the June Board meeting.

Commissioner Hill asked if there was a desire to send the RFP back out for additional options? Mr. Kennedy said since this was a professional service it was not necessary to go out to bid again, however the Board did have that option.

Chair Bybee said it would be nine weeks until the new Board Members attend a meeting. At that time, this process would be repeated adding significant time to the timeline.

Aye: Board Members: Ascuaga, Bybee, Chapman, Hill, Keel, Murdock, and Schieve

Nay: Board Member Bybee

Absent: Board Member Silver

Abstain:

Vote: Motion passed 7-1-1 (Bybee opposed, Silver absent)

E4. Review, Discussion, and Possible Action regarding the United States Bowling Congress (USBC) Proposal to Adjust the Women's Championship Future Schedule at the National Bowling Stadium

Board Members Sferrazza and Murdock disclosed they have working relationships with Caesar's Entertainment which sponsors the USBC events the National Bowling Stadium, however there was no financial benefit to either of them as a result of the contract being discussed.

Vice President of Sales Mike Larraguetta gave a brief history of the relationship between the RSCVA, the National Bowling Stadium (NBS), and the USBC. During the nine year relationship with USBC, their events have generated over 493,000 room nights, \$3.5M in room tax and have had an estimated \$445M economic impact in the community. The current tournament was estimated to bring 50,000 bowlers and generate 80,000 room nights.

After receiving the request from the USBC to change dates for the upcoming Women's Championship, staff met with hotel leaders and found them in unified support of adjusting the dates as requested. Mr. Kennedy clarified that since the event was being

rescheduled from 2025 to 2028 and 2030 to 2033, instead of cancelled the liquidated damages penalty was not applicable.

Motion: Move to approve staff recommendation to amend the USBC Women's Championship dates as presented.

Moved by: Board Member Chapman

Seconded by: Board Member Hill

Aye: Board Members: Ascuaga, Bybee, Chapman, Hill, Keel, Murdock, and Schieve

Nay:

Absent: Silver

Abstain:

Vote: Motion passed unanimously 8-0-1 (Silver absent)

E5. 2023/2024 Special Events Partnership Funding Recommendation Award Allocations

Ms. Tasha Holloway, Senior Marketing Events Manager, reviewed the Special Event Annual Fund criteria and the process staff had followed to review the 42 applications that had been received for FY24. A list of proposed awards was provided in the agenda packet. After awards were determined, approximately \$76,600 was held back to provide opportunities for new events that may come to the RSCVA or for Spring events that have not yet occurred in FY23.

Board Member Chapman said after extensive conversation with staff, he understood that the events in Incline Village/Crystal Bay (IVCB) did not meet the marketing criteria. He thought it may be time to look at the funding and make considerations for events that draw visitors but are not advertised out of market.

If the IVCB SkyShow event did not meet the criteria, he would be requesting the Board look at other options to fund the event which drew a large number of visitors. It met the goal of advancing environmental efforts to protect the Lake Tahoe region and would gain exposure for the region.

Board Member Murdock supported the request to seek other funding as the IVCB region hits maximum room nights during the event and it was important to support the area, even though their room nights are limited.

Mayor Schieve left the meeting at 2:05pm.

President and CEO Charles Harris said the intent behind this fund was to help marketing efforts for the area and the more programs they support the better. He was supportive of the IVCB SkyShow and if the Board wanted to fund it, he would work with staff to find another way to provide monies for the program. He complimented Tasha and the internal Special Events team for their work and maintaining the integrity and transparency of the Special Events Fund program.

Discussion followed regarding funding for legacy events like Hot August Nights and the Reno Rodeo. Ms. Holloway said both of those events are sponsored by Reno Tahoe with in-kind donations that include use of the RSCVA facilities. Board Member Sferrazza noted that the Reno Air Race Association requested \$150,000 but was funded \$50,000. Mr. Harris said out of the \$150,000 requested, there wasn't much that the RSCVA would already receive as part of their previously approved sponsorship agreement for \$150,000. This would make the total contribution to the Reno Air Race Association \$200,000.

Motion: Move to approve staff recommendation to award the Special Event Fund applications as presented.

Moved by: Board Member Ascuaga

Seconded by: Board Member Murdock

Aye: Board Members: Ascuaga, Bybee, Chapman, Hill, Keel, and Murdock

Nay:

Absent: Board Members: Schieve and Silver

Abstain:

Vote: Motion passed unanimously 7-0-2 (Schieve, Silver absent)

G. BOARD MEMBER ANNOUNCEMENTS, REPORTS, AND UPDATES

Board Member Hill asked to add the request for \$20,000 from Incline Village/Crystal Bay for the SkyShow program to the next agenda.

Board Member Ascuaga alerted Finance and Facilities Committee Members that they would need to meet the week of June 5th.

Board Member Chapman noted a correction to the financial report for revenues in Washoe A and Washoe B territories.

Board Member Sferrazza asked to have a discussion on the placement of an Interim President and CEO. Chair Bybee said it was scheduled to be on the June agenda. Board Member Sferrazza asked that the conversation be broad enough to allow for open discussion.

Board Member Murdock asked that the Sales team around the country be introduced to the new Board Members as well as Mr. Brent Bowers, at the National Bowling Stadium.

Board Member Silver joined the meeting at 2:20pm.

H. COMMENTS FROM THE FLOOR BY THE PUBLIC

Chair Bybee opened the floor to public comment, there was none. Public comment was closed.

F. ADJOURNMENT

Chair Bybee adjourned the meeting at 2:23pm.

The meeting may be viewed at the following:

5/25/23 RSCVA BOD Mtg (Part 1) www.youtube.com/live/jwxS9FxbOXM?feature=share

5/25/23 RSCVA BOD Mtg (Part 2) www.youtube.com/live/fPRRY2t-nEc?feature=share