



CONVENTION AND VISITORS AUTHORITY

REGULAR MEETING OF THE BOARD OF DIRECTORS
NOVEMBER 13, 2007
MINUTES

The Regular Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority was held the 13th day of November 2007 at Cashman Center, Las Vegas, Nevada. This meeting had been properly noticed and posted in compliance with the "Nevada Open Meeting Law".

I. OPENING CEREMONIES

CALL TO ORDER

Chairman Oscar Goodman called the meeting to order at 9:00 a.m. On roll call the following members were present, constituting a quorum thereof.

- Mayor Oscar Goodman, Chair
Mr. Keith Smith, Vice Chair
Mr. Charles Bowling
Councilman Larry Brown
Commissioner Tom Collins
Ms. Susan Holecheck
Ms. Kara Kelley
Mr. Scott Nielson

- Mayor James GibsonAbsent
Mr. Tom Jenkin.....Absent
Mayor Michael MontandonAbsent
Councilman Mike PaciniAbsent
Mr. Andrew PascalAbsent
Commissioner Rory ReidAbsent

LVCVA Executive Staff in Attendance

- Rossi Ralenkotter, President/CEO
Terry Jicinsky, Senior Vice President – Marketing Division
Luke Puschnig, Legal Counsel
Brenda Siddall, Vice President - Finance
E. James Gans, Senior Vice President – Operations Division..... Absent

INVOCATION
FLAG SALUTE

Pastor Travis Ogle from Hope Baptist Church presented the invocation. The Flag Salute followed the invocation.

APPROVAL OF THE AGENDA and APPROVAL OF THE MINUTES

President Rossi Ralenkotter informed the Board Item Number Ten [Cashman Field Scoreboard Renovation – BID #08-2039] would be withdrawn from the Agenda, and with that change, the November 13, 2007 Agenda, as well as the Minutes of the October 9, 2007 Regular Meeting of the Board of Directors were in order for Board approval.

Member Kara Kelley moved and it was carried by unanimous vote of the members present to: 1) Approve the November 13, 2007 Agenda with the withdrawal of Item Number Ten [Cashman Field Scoreboard Renovation - BID #08-2039]; and, 2) Approve the Minutes of the October 9, 2007 Regular Meeting of the Board of Directors as presented.

II. PRESENTATIONS

MOST VALUABLE PLAYER PROGRAM

The Most Valuable Player (“MVP”) program recognizes and rewards excellence in delivering on the Mission and the Brand promise, exemplifying the core values and/or providing above and beyond service to Las Vegas Convention and Visitors Authority internal and/or external customers. The Vice President of Human Resources, Mark Olson, presented the October 2007 MVP Award to **Jean Burdett, Transportation Coordinator - Financial Resources.**

CONGRESSIONAL RECOGNITION

President/CEO Rossi Ralenkotter informed the Board that the Las Vegas Convention and Visitors Authority received congressional recognition for the first full-service Police Department Substation on a convention site in the United States, and was commended for its continued efforts in ensuring the safety of its conventioners.

III. STAFF REPORTS

MARKETING DIVISION

LVCVA AWARDS Third Quarter 2007

The following awards were received by the Las Vegas Convention and Visitors Authority during the Third Quarter 2007:

Government Finance Officers Association

- Certificate of Achievement for Excellence in Financial Reporting
- Distinguished Budget Presentation Award

Meetings & Conventions

- Gold Service Elite Award

National Council of Destination Organizations

- NCDT Destiny Awards

Carlson Wagonlit Travel

- Las Vegas - Number 1 domestic destination in 2007

Corporate and Incentive Magazine

- Award of Excellence

Achievement of Excellence in Procurement Award

MARKETING DIVISION (CONTINUED)

WASHINGTON, D.C.
ADVOCACY EVENT

The Washington, D.C. Advocacy Event is scheduled to be held the first week in February 2008. This event will bring business and tourism leaders from Las Vegas together with members of the United States Congress to advocate on behalf of Las Vegas and the travel and tourism industry. Activities will include individual meetings, educational outreach and a hosted reception with Congressional members, their Chiefs of Staff, Washington, D.C. based travel and tourism representatives, as well as key business leaders from Southern Nevada. Individual meetings will be held with key members of the Senate and the House of Representatives to advance travel legislation that affect the travel and tourism economy in Las Vegas.

Fiscal Impact:

FY 2007/2008 - Estimated Expenditure: \$250,000

Following a brief discussion, Member Larry Brown moved and it was carried by unanimous vote of the members present to approve an estimated expenditure of \$250,000 to fund a Washington, D.C. Advocacy Event to be held in Washington D.C. the week of February 4, 2008.

OPERATIONS DIVISION

CUSTOMER
FOCUS GROUP
- Update
(MPEP)

Vice President of Facilities Mark Haley and Vice President of Convention Sales Chris Meyer gave a PowerPoint presentation reviewing the highlights of the 13th Customer Focus Group meetings that were held September 24-26, 2007. Some of the topics covered during the meetings included telecommunications, business center services, and coordination of construction and event activities. Mr. Haley also presented a timeline of the construction projects over the next five years to the Board.

Board members briefly discussed various topics, including traffic on Joe W. Brown during construction, McCarran International Airport and the Ivanpah Airport Extension, and taxi service for the airport and the convention center.

This is an information item. No Board was action required.

Operations Division (Continued)

FOOD SERVICE
CONCESSION
LEASE
Second
Amendment
(Contract #335)

The Las Vegas Convention and Visitors Authority is currently in the sixth year of a 15-year Food Service Concession Lease Agreement with *ARAMARK Sports and Entertainment Services, Inc. (ARAMARK)*. The January 1, 2002 Agreement was originally negotiated in conjunction with the South Hall Expansion. In developing the Master Plan Enhancement Program and the associated budget, funding was identified to construct all new food service areas and to refurbish a limited number of existing areas. Staff anticipates that during construction when Banners Restaurant is taken out of service for 6-9 months, the LVCVA will need to provide customers with temporary food service options. The R&M Reserve Account currently averages \$130,000 per year. By shifting 2.5% of the rental commission structure into the R&M Reserve Account, LVCVA will be able to cover the budgeted food service revenue figures and create a funding mechanism to ensure a consistent level of quality in all food service areas throughout the facility prior to and during the construction.

Included in the original terms and conditions of the 2002 Agreement are a \$13,000,000 investment and a significant increase in commission rates from an average blended rate of 23% to the following:

Years 1-5: 27.0% of all Gross Receipts
Years 6-10: 29.5% of all Gross Receipts
Years 11-15: 32.0% of all Gross Receipts

The new commission and R&M Reserve Account structure would be as follows:

Years 1-5: 27.0% of all Gross Receipts/R&M = 0.5%
Years 6-10: 27.0% of all Gross Receipts/R&M = 3.0%
Years 11-15: 29.5% of all Gross Receipts/R&M = 3.0%

Members Keith Smith and Charles Bowling moved and it was carried by unanimous vote of the members present to: 1) Approve the Second Amendment to the Food Service Concession Lease with ARAMARK Sports and Entertainment Services, Inc. for the Las Vegas Convention and Visitors Authority with the recommendation by the Board*; and, 2) Authorize the Director of Purchasing to execute the contract documents.

*Recommendation by the Board:

The fund will start November 1, 2007 for a 5-year term or through the completion of the Master Plan Enhancement Program and be brought back to the Board of Directors for review at that time.

Operations Division (Continued)

ELECTRICAL
SWITCHGEAR
RELOCATION AND
DRIVEWAY
MODIFICATION
(BID #08-2034,
PWP-CL-2008-75)

This item is a request to award a bid to relocate electrical switchgear equipment located on the south side of the South Hall. This equipment extends into the driveway, causing a traffic hazard. This project would move the switchgear to another parcel of land, thus widen and straighten the driveway.

Based on specifications provided by the Facilities Division and *G.C. Wallace, Inc.*, bids were received from six companies, with *Byrd Underground, LLC, Las Vegas, Nevada*, the lowest responsive and responsible bidder the estimated amount of \$250,100.

During questions from the Board Members, Ms. Siddall advised the Board that the LVCVA has a rigorous review process that Staff goes through in the budget every year to insure that only the critical items make it into the budget. She noted that Staff gives priority to safety issues, and believes that the noted area is a potential safety hazard.

Fiscal Impact:

FY 2007/2008 Estimated \$250,100 (Capital Fund)

Following the discussion, Vice Chairman Keith Smith moved and it was carried by unanimous vote of the members present to: 1) Award the Electrical Switchgear Relocation and South Driveway Modification (Bid #08-2034, PWP-CL-2008-75) to *Byrd Underground, LLC, Las Vegas, Nevada*, in the estimated amount of \$250,100; and, 2) Authorize the Director of Purchasing to execute the contract documents.

GOLD LOT
EXTENSION
PROJECT
(BID #08-2012,
PWP-CL-2007-396)

Several of the larger shows at the Las Vegas Convention Center use the Gold Lot for exhibit space. Ten years ago, underground conduit was placed in a portion of the Gold Lot to house electrical and communication lines. With the growth of some of the shows, there is a need to extend those conduits further out to provide additional capacity and eliminate the hazard of aboveground cable runs.

Based on specifications provided by the Facilities Division, bids were received from nine companies, with *Acme Electric, North Las Vegas, Nevada* being the lowest responsive and responsible bidder in the estimated amount of \$122,000.

Fiscal Impact:

FY 2007/2008 Estimated \$122,000 (Capital Fund)

Member Larry Brown moved and it was carried by unanimous vote of the members present to: 1) Award the Gold Lot Conduit Extension Project (Bid #08-2021, PWP-CL-2007-396) to *Acme Electric, North Las Vegas, Nevada*, in the estimated amount of \$122,000; and, 2) Authorize the Director of Purchasing to execute the contract documents.

OPERATIONS DIVISION (Continued)

BLUE LOT
RECONSTRUCTION
PROJECT
(BID #08-2040,
PWP-CL-2008-90)

The Blue Parking Lot is located off of Joe W. Brown Drive, and has been in use for 27 years. It was sealed-coated about nine years ago. Recently, the LVCVA hired the engineering firm of *Ninyo and Moore Geotechnical and Environmental Sciences Consultants* to evaluate that parking lot and they determined that the surface is deteriorating and it is necessary to replace the underlying material as well as the asphalt.

Based on specifications provided by the Facilities Division, bids were received from five companies, with *Las Vegas Paving Corporation, Las Vegas, Nevada* being the lowest responsive and responsible bidder in the estimated amount of \$277,747.50.

Fiscal Impact:

FY 2007/2008 Estimated \$277,747.50 (Capital Fund)

Vice Chairman Keith Smith moved and it was carried by unanimous vote of the members present to: 1) Award the Blue Parking Lot Reconstruction Project (Bid #08-2040, PWP-CL-2008-90) to Las Vegas Paving Corporation, Las Vegas, Nevada, in the estimated amount of \$277,747.50; and, 2) Authorize the Director of Purchasing to execute the contract documents.

SILVER LOT 4
TEMPORARY SITE
IMPROVEMENTS
(BID #08-2037)

Silver Lot 4 is currently a vacant and unimproved Lot. In order to use this Lot, it will be necessary to construct certain improvements.

Improvements would include compaction of the soil, drainage and paving, as well as the installation of electrical lines under the paving for future power and lighting. These improvements will be temporary until construction is complete under the MPEP.

Based on the specifications and plans provided by *G.C. Wallace, Inc.*, and reviewed by the LVCVA Operations Division, bids were received from six companies, with *Hardy Construction* being the lowest responsive and responsible bidder at \$562,888.

Fiscal Impact:

FY 2007/2008 Estimated \$562,888 (Capital Fund)

Vice Chairman Keith Smith moved and it was carried by unanimous vote of the members present to: 1) Award Silver Lot 4 Temporary Site Improvements (Bid #08-2037) to Hardy Construction, Las Vegas, Nevada, in the estimated amount of \$562,888; and, 2) Authorize the Director of Purchasing to execute the contract documents.

OPERATIONS DIVISION (Continued)

TRANSFER OF
FUNDS -
INTEREST EARNED

Governmental entities use fund accounting to aid management in demonstrating compliance with financial, legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Funds segregate revenues and expenditures according to their intended purpose.

The General Fund is the primary operating fund of the Las Vegas Convention and Visitors Authority. The Capital Projects Fund is used to account for the acquisition of capital assets and the construction of new facilities. The Debt Service Funds account for the accumulation of resources to pay principal and interest payments on the Las Vegas Convention and Visitors Authority's outstanding debt issues. All resources, both the Capital and Debt Service Funds are derived from transfers from the General Fund. The only revenues attributable directly to the Capital and Debt Service Funds are interest earnings in investments, and Budgetary Policy requires those earnings to be transferred to the General Fund.

Interest has been received for investments in the following funds and is pending transfer to the General Fund:

Fiscal Impact:

FY 2008 \$1,936,297.92

Capital Fund	\$	1,417,463.17
1996 Bond Fund		50,096.13
1998A Bond Fund		44,536.52
1999 Bond Fund		22,398.77
2003 Bond Fund		258,961.67
2005 Bond Fund		69,727.57
2007 Bond Fund		59,964.67
MPEP Debt Service Fund		<u>13,149.42</u>
	\$	<u>1,936,297.92</u>

Vice Chairman Keith Smith moved and it was carried by unanimous vote of the members present to approve the transfer of interest earned in the amount of \$1,936,297.92 from the Capital and Bond Funds to the General Fund.

OPERATIONS DIVISION (Continued)

DISTRIBUTION OF
 TAX COLLECTION
 ALLOCATION
First Quarter
FY 2007/2008

Clark County and the cities of Las Vegas, North Las Vegas, Henderson, Boulder City, and Mesquite all levy certain taxes on gaming and/or hotel and motel rooms and have pledged the revenues to the Las Vegas Convention and Visitors Authority. NRS 244A.645 provides that the Las Vegas Convention and Visitors Authority may reimburse the entity up to 10% of the gross revenues collected to defray the reasonable costs of collection of such taxes. The statute also allows the entities in a county to share the collection fee on any basis they deem reasonable.

By agreement dated September 11, 2007, the above-mentioned Cities and Clark County agreed to split the 10% collection fee by a formula based on the fiscal year 2007 collection allocation amounts as a baseline, with the excess allocated based on both a percentage of the contribution by that entity plus a percentage paid on population.

In order to align the collection allocation payments to the modified accrual basis of accounting, a one-time adjustment to the timing of the payment is needed. Collection allocation of the hotel activity during May (associated room tax received by the Las Vegas Convention and Visitors Authority in July) was recorded for fiscal year 2007, but has not yet been paid.

	<u>FY 07 Rate %</u>	<u>July 2007 Payment</u>	<u>July 2006 Payment</u>
Clark County	41.11	839,462.54	\$ 764,374.48
City of Las Vegas	30.29	618,519.10	563,193.94
City of North Las Vegas	9.58	195,622.75	178,124.73
City of Henderson	12.82	261,783.26	238,367.33
Boulder City	2.20	44,923.80	40,905.47
City of Mesquite	4.00	81,679.64	74,373.58
		\$ <u>2,041,991.09</u>	\$ <u>1,859,339.53</u>

(This item continued on the next page)

DISTRIBUTION OF
 TAX COLLECTION
 ALLOCATION
 First Quarter
 FY 2007/2008
 (Continued)

Collection allocation for hotel activity occurring during the months of June, July and August (associated room tax received by the Las Vegas Convention and Visitors Authority in August, September and October) has been recorded in fiscal year 2008 under the new method of distribution.

	FY 07 Rate %	FY 08 First Quarter Amount	FY 07 First Quarter Amount
Clark County	41.11	\$ 2,110,470.25	\$ 1,930,988.92
City of Las Vegas	30.29	1,555,002.28	1,422,759.78
City of North Las Vegas	9.58	491,809.90	449,984.77
City of Henderson	12.82	658,142.26	602,171.69
Boulder City	2.20	112,941.73	103,336.79
City of Mesquite	4.00	205,348.60	187,885.08
		<u>\$ 5,133,715.02</u>	<u>\$ 4,697,127.03</u>

These expenditures were budgeted for and approved in the Fiscal Year 2008 Budget.

Fiscal Impact:

FY 2007 \$2,041,991.09
 FY 2008 \$5,133,715.02

Vice Chairman Keith Smith moved and it was carried by unanimous vote of the members present to approve the payment of tax collection allocation for the last month of fiscal year 2007 and the first quarter of fiscal year 2008 in the total amount of \$7,175,706.11.

LVCVA BUDGET
 AND STATISTICAL
 REPORT

Internal policies require that interim financial reports, which permit comparison of recorded transactions and account balances with the approved budget be prepared and distributed to the Board of Directors on a monthly basis. The Las Vegas Convention and Visitors Authority Budget and Statistical Report for the period ending September 30, 2007 had been presented to the Board for their review. Vice President of Finance Brenda Siddall noted that since this is the end of the first quarter, the investment report is included in the report. There were no questions or comments from the Board members on this item.

This is an information item. No Board action required.

EXECUTIVE DIVISION

LEGAL COUNSEL
WESTGATE
RESORTS LTD.
("What Happens in
Vegas, Starts Here")

On February 20, 2007, *Westgate Resorts, Ltd.* ("*Westgate*") filed an application for the phrase "What Happens In Vegas, Starts Here" for use in conjunction with real estate time-sharing services (U.S. Ser. No. 78/672,985). The *Westgate* trademark application was opposed by Las Vegas Convention and Visitors Authority's staff by way of numerous cease and desist letters to *Westgate*. *Westgate* had their attorneys respond to the letters, however, they refuse to withdraw the application for the trademark.

Legal Counsel recommended filing an Opposition against *Westgate Resorts, Ltd.* in the United States Patent and Trademark Office to protect the Las Vegas Convention and Visitors Authority's "What Happens Here, Stays Here" mark from customer confusion and dilution.

Chairman Oscar Goodman moved and it was carried by unanimous vote of the members present to authorize the filing of an Opposition to the application for a trademark filed by *Westgate Resorts, Ltd.* for the phrase "What Happens In Vegas, Starts Here" to assist in the enforcement of the Las Vegas Convention and Visitors Authority's trademark rights to the phrase "What Happens Here, Stays Here".

LEGAL COUNSEL'S
REPORT

On August 23, 2006 the Las Vegas Convention and Visitors Authority was served with a lawsuit in the Eighth Judicial District Court by Mr. Kevin Casey. Mr. Casey alleged he was injured when he slipped and fell in a bathroom during the MAGIC Tradeshow in 2004. Las Vegas Convention and Visitors Authority tendered the defense of this action to MAGIC and the claim was accepted. The LVCVA Staff then worked with MAGIC's Insurance Counsel to prepare a Motion for Summary of Judgment on the issue of immunity. On October 18, 2007 the Court granted the LVCVA's Motion for Summary Judgment. Other than Staff time and effort, the LVCVA did not expend any funds defending this suit.

LAS VEGAS
EVENTS' REPORT

President of *Las Vegas Events* Pat Christenson briefly reviewed the upcoming events for the months of October and November 2007. Mr. Christenson discussed traffic alternatives that are in progress to assist with traffic control for upcoming events at the Thomas & Mack Center. This is an information item. No Board action required.

IV. COMMITTEE REPORTS

AUDIT COMMITTEE REPORT

Audit Committee Chairman Keith Smith reported that the Audit Committee met on October 25, 2007 to discuss posted items.

Internal Auditor's Report

The Committee received a report from the Director of Internal Audit covering audit work performed on various areas including the facilities use charges, advertising, accounts payable, credit cards, investments, purchasing, room and gaming tax, and payroll. There were no significant items noted.

This is an information item only. No Board action required.

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2007

The Committee received and reviewed the Comprehensive Annual Financial Report, and recommended the Board of Directors accept the Report as presented in the back-up documentation.

Vice Chairman Keith Smith moved and it was carried by unanimous vote of the Board members present to accept the Comprehensive Annual Financial Report, including the independent auditors' reports.

Resolution #2007-33 to Augment the Las Vegas Convention and Visitors Authority Fiscal Year 2008 General Fund and Capital Projects Funds Budgets

The Committee received and reviewed the Resolution to Augment the Las Vegas Convention and Visitors Authority Fiscal Year 2008 General Fund and Capital Projects Funds Budgets. The Committee recommended the Board of Directors adopt Resolution No. 2007-33 as presented in the back-up documentation.

Member Larry Brown disclosed that he supports the Augmentation, but will abstain on those portions of the Augmentation which are specifically a benefit to the Las Vegas 51's.

Vice Chairman Keith Smith moved and it was carried by unanimous vote of the Board to approve the fiscal year 2008 budget augmentation as follows: 1) Increase fiscal year 2008 General Fund budget appropriations by \$14,039,495; 2) Increase fiscal year 2008 Capital Improvement and Replacement fund budgeted revenues by \$10,500,000; 3) Increase fiscal year 2008 Capital Improvement and Replacement Fund budget appropriations by \$79,609,569; 4) Increase fiscal year 2008 Debt Service Funds budget revenues by \$2,177,410; and, 5) Decrease fiscal year 2008 Debt Service Funds budget appropriations by \$847,471.

The motion passed by unanimous vote of the Board members present, with Member Larry Brown abstaining on those issues as disclosed.



V. DIRECTORS' COMMENTS

There were no additional comments from the Directors.

VI. COMMENTS FROM THE FLOOR BY THE PUBLIC

Mr. Ted Russell, a resident of Las Vegas, stated that he wanted on the record his idea for a "Russell Airport Downtown Express Tunnel System - Toll Tunnel". He also spoke about the recent Veterans' Day Parade, and he read a list of things he thought the Governor should address.

VII. ADJOURNMENT

There being no further business to come before the Board of Directors, Chairman Oscar Goodman adjourned the meeting at 10:36 a.m.

Respectfully submitted,

Date Approved: December 11, 2007

(s)

Carol Fergen
Executive Assistant to the Board

(s)

Oscar Goodman
Chairman