



CONVENTION AND VISITORS AUTHORITY



REGULAR MEETING OF THE BOARD OF DIRECTORS
FEBRUARY 10, 2009
MINUTES

The Regular Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority was held the 10th day of February 2009 at the Las Vegas Convention Center, 3150 Paradise Road – Las Vegas, Nevada. This meeting has been properly noticed and posted in compliance with the “Nevada Open Meeting Law”.

OPENING CEREMONIES

CALL TO ORDER

Chair Oscar Goodman called the meeting to order at 9:00 a.m. A quorum of the members was present at roll call.

- Mr. Charles Bowling
Commissioner Tom Collins
Mayor James Gibson
Mayor Oscar Goodman
Mayor Susan Holecheck
Mr. Tom Jenkin
Ms. Kara Kelley
Mayor Michael Montandon
Mr. Scott Nielson
Councilman Mike Pacini
Mr. Andrew Pascal
Mayor Pro Tem Gary Reese
Mr. Keith Smith
Commissioner Lawrence Weekly

- LVCVA Executive Staff in Attendance
Rossi Ralenkotter, President/CEO
Terry Jicinsky, Senior Vice President - Marketing Division
Luke Puschnig, Esq., Legal Counsel

INVOCATION FLAG SALUTE
Pastor Shane Crister from Hope Baptist Church presented the invocation. The Flag Salute followed the invocation.

APPROVAL OF THE AGENDA / MINUTES

APPROVAL OF THE AGENDA and APPROVAL OF THE MINUTES
President Rossi Ralenkotter informed the Board that the February 10, 2009 Agenda was in order for approval as well as the minutes of the January 13, 2009 Regular Meeting of the Board of Directors.
Member James Gibson moved and it was carried by unanimous vote of the members present to approve the February 10, 2009 agenda as well as the minutes of the January 13, 2009 Regular Meeting of the Board of Directors as presented.

MEMBER MICHAEL MONTANDON ENTERED THE MEETING

BOARD APPOINTMENTS

In accordance with Nevada Revised Statute NRS 244A.603(1)(b), the Governing Body of the City of Las Vegas made the following appointment to the Las Vegas Convention and Visitors Authority Board of Directors:

- Mayor Pro Tem Gary Reese

This is an information item. No Board action required.

The Charge of Responsibility and Oath of Office was presented by the Honorable Tim Williams to the newly appointed Member of the Board.

PRESENTATIONS

50TH ANNIVERSARY OF THE LAS VEGAS CONVENTION CENTER

"Golden Moments"

The Las Vegas Convention Center is celebrating its 50th Anniversary in 2009. Staff presented a video of the historical moments of the Las Vegas Convention Center featuring Burton Cohen, who served on the Board of Directors from 1972-1978.

This is an information item. No Board action required.

ECONOMIC IMPACT SERIES

Presentation by
Applied Analysis
*"The Tourism
Industry's
Contribution to
Major Public
Revenues"*

Mr. Jeremy Aguero, Principal at *Applied Analysis*, presented a PowerPoint reviewing the tax contributions by visitor spending, hotel/casino property tax per acre, industry-specific taxes, fees and charges imposed on business, consumption and property generally, and Nevada's leisure and hospitality sector, its employees and patrons, and how it all affects major public revenues.

This is the third in a series of briefs by *Applied Analysis*.

STAFF REPORTS

MARKETING DIVISION

2008 YEAR-END VISITOR STATISTICS

Kevin Bagger, Director of Internet Marketing and Research, presented a PowerPoint overview Las Vegas visitor statistics for 2008, including visitor volume, room inventory, convention attendance, citywide occupancy, average daily room rates, county gaming revenues, and airport and auto traffic in and out of the city. Mr. Bagger concluded his presentation estimating 2009 visitation to be -4%/-5%, occupancy at 81%-83%; and room inventory in 2008 will increase by 13,000.

Introduction

Mr. Bagger introduced Gina Zozaya and Kris Tibbs, who research and gather the data at the LVCVA.

MARKETING DIVISION (Continued)

"VEGAS BOUND"
MARKETING
CAMPAIGN
STATUS REPORT

Staff presented a PowerPoint review of the latest campaign over the past 30 days, and a video of the newest episode in a series of the "Vegas Bound" television commercials. This campaign has been integrated into commercials during Jimmy Kimmel, print ads, and Webisodes on YouTube and VisitLasVegas.com, resulting in \$4.75 million in earned media to date.

2009 SENIOR
SOFTBALL USA
WINTER WORLDS
AND WORLD
SERIES QUALIFIER

Senior Softball USA is one of the largest producers of adult and senior softball tournaments throughout the United States. Hosting the 2009 Senior Softball USA Winter Worlds, March 24-29, 2009, and the 2009 World Series Qualifier, June 20-21, 2009, would showcase Mesquite as a softball host destination.

These events have been approved by the Mesquite Resort Association and the *Las Vegas Events Board*.

Fiscal Impact:
FY 2009 Estimated: \$9,000

Member Michael Montandon moved and it was carried by unanimous vote of the members present to approve the distribution of funds to *Las Vegas Events* in the amount of \$9,000 to fund the Senior Softball USA Winter Worlds to be held March 24-29, 2009, and the 2009 World Series Qualifier to be held June 20-21, 2009, in Mesquite, Nevada.

ADVERTISING
CONTRACT

Staff advised the Board of Directors that the current advertising contract with *R&R Partners, Inc.* expires on June 30, 2009.

In 1999, the advertising contract with *R&R Partners, Inc.* was approved by the Board of Directors following a request for proposals process. The contract was approved for a 5-year term with an option for a 5-year extension. In 2003, the Board of Directors approved that extension and added an option for an additional 5-year extension.

This is an information item. No Board action required.

Chair Oscar Goodman stated that although there is an option for an automatic 5-year extension of the advertising agreement with *R&R Partners, Inc.*, he believed that taking into consideration the current and forecasted economic challenges, it would be prudent for the Board to evaluate all of their options at this time. He asked members James Gibson, Lawrence Weekly, Keith Smith, Charles Bowling, and Kara Kelley to meet with him, Rossi Ralenkotter and Terry Jicinsky to provide their individual expertise and input regarding this matter.

EXECUTIVE DIVISION

**DISTRIBUTION OF
 TAX COLLECTION
 ALLOCATION**
 Second Quarter
 FY 2009

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 collecting 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.

Collection allocation for hotel activity occurring during the months of September, October and November (Associated room tax received by the LVCVA in November, December and January) in fiscal year 2009 is 13.5% lower than the same quarter last year.

	Rate %	FY '09 Second Quarter Amount	FY '08 Second Quarter Amount
Clark County	41.11	\$ 2,010,074.21	\$ 2,323,844.68
City of Las Vegas	30.29	1,481,030.10	1,712,217.35
City of North Las Vegas	9.58	468,414.27	541,533.25
City of Henderson	12.82	626,834.14	724,682.29
Boulder City	2.20	107,569.04	124,360.45
City of Mesquite	4.0	195,580.07	226,109.91
		<u>\$ 4,889,501.83</u>	<u>\$ 5,652,747.93</u>

These expenditures were budgeted for and approved in the fiscal year 2009 budget.

Member James Gibson moved and it was carried by unanimous vote of the members present to approve the payment of tax collection allocation for the second quarter of fiscal year 2009 in the total amount of \$4,889,501.83.

EXECUTIVE DIVISION (Continued)

**INTER-FUND
BUDGET
TRANSFER**

NRS 354.598005 provides that appropriations may be transferred between funds or from the contingency account if the transfer is approved by the Board of Directors.

During the development of the fiscal year 2009 budget, the Nevada Department of Transportation (NDOT) bond issuance was projected to be \$45 million. The fiscal year 2009 budget contains appropriations for an operating transfer of \$3.9 million from the General Fund to the Debt Service Fund for principal and interest obligations on the NDOT bonds. The bonds were issued in July 2008 for \$26 million; as such, the debt service requirements are overstated. Upon approval of this request, the transfer from the General Fund to Debt Service Fund will be reduced and the excess balance of \$2,394,446 will be transferred to the Capital Improvement Fund.

Fiscal Impact:
FY 2009 Estimated: \$2,394,446

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve an Inter-Fund Budget Transfer to transfer from the General Fund to Debt Service Fund, which will be reduced and the excess balance of \$2,394,446 will be transferred to the Capital Improvement Fund.

**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 December 31, 2008* was presented to the Board for their review.

Vice President of Finance Brenda Siddall highlighted a few key issues in the report.

This is an information item. No Board action required.

**FISCAL YEAR 2009
BUDGET
ADJUSTMENTS**

Declining revenue streams have been closely monitored and have been met with corresponding expenditure controls, including budget cuts, cost containment measures specific to each department, restrictions on overtime, limitations on non-sales related travel, deferral of capital and a hiring freeze. The preliminary December report, combined with published projections for the first quarter average daily rates, has resulted in a revised fiscal year 2009 revenue projection that requires Board of Directors' approval of the budget reductions.

Fiscal Impact:
Reduction in fiscal year 2009 budgeted revenues: \$(26,750,000)
Reduction in fiscal year 2009 appropriations: 11,021,442
Net reduction in fiscal year 2009 budgeted ending fund balance: \$(15,728,558)

Member Keith Smith moved and it was carried by unanimous vote of the members present to approve \$26,750,000 reduction in fiscal year 2009 budgeted revenues; \$11,021,442 reduction in fiscal year 2009 appropriations; totaling a net reduction of \$15,728,558 in fiscal year 2009 budgeted ending fund balance.

EXECUTIVE DIVISION (Continued)

**DEFERRED
COMPENSATION
PLAN**

Resolution #2009-41
Resolution #2009-42

The Las Vegas Convention and Visitors Authority and Clark County maintain separate deferred compensation plans administered by the *Hartford Life Insurance Company* under Internal Revenue Code 457(b).

While the LVCVA's plan has \$10 million in assets, Clark County's has over \$170 million in assets, and the LVCVA would like to take advantage of zero fees and a higher return by converting its deferred compensation plan assets and combining them with Clark County's. The mix of fund choices between the two plans is very similar. An estimated conversion date will be determined by *Hartford* within the next 30-60 days.

This action has been coordinated with the Clark County Comptroller and their Investment Committee.

Staff is also requesting that the Board appoint *Reliance Trust Company* as Trustee for the Plan.

Fiscal Impact:

There is no cost to employees or the LVCVA for this conversion.

Member Lawrence Weekly moved and it was carried by unanimous vote of the members present to: 1) Approve Resolution 2009-41 to convert the Las Vegas Convention and Visitors Authority Deferred Compensation Plan to Clark County's Plan; and, 2) Approve Resolution 2009-42 to appoint *Reliance Trust Company* as Trustee for the Plan.

**LEGAL COUNSEL'S
REPORT**

There were no new legal issues reported.

COMMITTEES

There is a vacant seat on the Audit Committee.

Chair Oscar Goodman moved and it was carried by unanimous vote of the members present to elect Member Susan Holecheck to the Audit Committee to fill the seat vacated by ex-Member Larry Brown.

DIRECTORS' COMMENTS

Chair Oscar Goodman discussed the recent backlash faced by Las Vegas as a result of the media spotlight on Wells Fargo Bank, who eventually cancelled of their trip to Las Vegas. Board Members added their input to the conversation.

Member Susan Holecheck informed the Board that Mesquite has just been approved for a 920 acre upscale sports facility.

- Introduction: Member Holecheck introduced Bryan Dangerfield, Mesquite's Economic Development Director.

COMMENTS FROM THE FLOOR BY THE PUBLIC

Items raised under this portion of the Agenda cannot be deliberated or acted upon until the notice provisions of the Nevada Open Meeting Law have been met.

Jon Aster White, President CEO of the National Las Vegas Entertainment and Sports Hall of Fame informed the Board that everything is on schedule for the May 22-24, 2009 'Las Vegas Hall of Fame' in the Event Center of the Las Vegas Hilton.

Mr. White also discussed the Las Vegas New Year's Eve fireworks show and presented the possibility of partnering with Dick Clark Productions to help with the Las Vegas fireworks for next year.

David Brown, President of the Nevada Collation Of Talent Agents and the owner of the Remington Agency, questioned the practices being used by R&R Partners, Inc. in choosing talent and models.

Billy Vassiliadis, CEO of R&R Partners, Inc., responded to Mr. Brown's comments/questions.

Johnny Karapapazon, President of Orion Productions, Inc. requested guidance on how to get his agency acknowledged by the LVCVA for talent requests.

ADJOURNMENT

There being no further business to come before the Board of Directors, Chair Oscar Goodman adjourned the meeting at 10:24 a.m.

Respectfully submitted,

Date Approved: MARCH 10, 2009

(s)

Carol Fergen
Executive Assistant to the Board

(s)

Oscar Goodman
Chair