



CONVENTION AND VISITORS AUTHORITY

**REGULAR MEETING OF THE BOARD OF DIRECTORS
JULY 8, 2008
MINUTES**

The Regular Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority was held the 8th day of July 2008 at the Las Vegas Convention Center, 3150 Paradise Road – Las Vegas, Nevada 89109. This meeting had been properly noticed and posted in compliance with the “Nevada Open Meeting Law”.

I. OPENING CEREMONIES

CALL TO ORDER

Chair Oscar Goodman called the meeting to order at 9:02 a.m. The following Members were present, constituting a quorum thereof.

Mayor Oscar Goodman, Chair
Mr. Keith Smith, Vice Chair
Mayor James Gibson, Sec./Tr.
Commissioner Tom Collins
Mayor Susan Holecheck
Mr. Tom Jenkin

Ms. Kara Kelley
Mayor Michael Montandon
Mr. Scott Nielson
Councilman Mike Pacini
Mr. Andrew Pascal
Commissioner Rory Reid..... Entered after Roll Call

Absent:

Mr. Charles Bowling
Councilman Larry Brown

LVCVA
Executive
Staff in
Attendance

Rossi Ralenkotter, President/CEO
Terry Jicinsky, Senior Vice President – Marketing Division
Luke Puschnig, Legal Counsel
Ms. Brenda Siddall, Vice President – Finance (Representing the Operations Division)

E. James Gans, Senior Vice President – Operations DivisionAbsent

INVOCATION
FLAG SALUTE

Father Larry Lentz, Guardian Angel Cathedral, presented the invocation.
The Flag Salute followed the invocation.

II. APPROVAL OF THE AGENDA / MINUTES

APPROVAL OF
THE AGENDA
and
APPROVAL OF
THE MINUTES

President Rossi Ralenkotter informed the Board that the July 8, 2008 Agenda was in order for approval as well as the minutes of the June 10, 2008 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 July 8, 2008 Agenda and the minutes of the June 10, 2008 Regular Meeting of the Board of Directors as presented.

III. ELECTION OF BOARD MEMBERS

In accordance with the Nevada Revised Statutes, the following nominees were submitted for approval for the 2-year term of July 2007 through June 2009:

Only elected Board Members may vote for the following nominees:

From the Chamber of Commerce:

Mr. Andrew Pascal NRS 244A.603(1)(g)(1)(i)

From the Nevada Resort Association:

Mr. Keith SmithNRS 244A.603(1)(g)(2)

Member Mike Pacini moved to approve the nomination of Mr. Andrew Pascal from the Las Vegas Chamber of Commerce and Mr. Keith Smith from the Nevada Resort Association to serve on the Board of Directors for the term July 1, 2008 through June 30, 2010. The motion carried by the following vote of the elected officials on the Board:

Commissioner Tom Collins	Aye	Commissioner Rory Reid	Absent
Mayor James Gibson	Aye	Councilman Larry Brown	Absent
Mayor Oscar Goodman	Aye		
Mayor Susan Holecheck	Aye		
Mayor Michael Montandon.....	Aye		
Councilman Mike Pacini	Aye		

Members Andrew Pascal and Keith Smith were sworn-in by the Honorable J. Tim Williams and assumed their seats on the Board.

MEMBER RORY REID ENTERED THE MEETING

IV. PRESENTATIONS

There were no special presentations.

V. STAFF REPORTS

MARKETING DIVISION

AWARDS
Second Quarter 2008

The Marketing Division briefly reviewed the awards received by the LVCVA in the second quarter 2008:

American Advertising Federation/District/Regional Addy

- Gold Addy

Successful Meetings

- 2008 Pinnacle Award

Las Vegas Chamber of Commerce

- Patron Award

This is an information item. No Board action required.

MARKETING DIVISION (Continued)

PIRATES OF THE
COLORADO RIVER
REGATTA
(Las Vegas Events)

The city of Bullhead City in Arizona and the Laughlin Tourism Committee in Nevada jointly produce the second annual Pirates Of The Colorado River Regatta. This is a river festival featuring various water sports, including tub racing, decorated rafts and kayak racing. The event is expected to draw approximately 1,000 attendees with an estimated 500 out-of-town visitors, generating an estimated non-gaming economic impact for Nevada of \$134,000.

Fiscal Impact:

FY 2009 Estimated expenditures: \$15,000 (Las Vegas Events Reserve Account.)

Member James Gibson moved and it was carried by unanimous vote of the members present to approve the distribution of funds to Las Vegas Events in the estimated amount of \$15,000 to fund the Pirates Of The Colorado River Regatta, which will be held August 16, 2008 in Laughlin, Nevada.

INCENTIVE TRAVEL
& MEETING
EXECUTIVES SHOW
(IT&ME)

The Las Vegas Convention and Visitors Authority exhibits annually at the Incentive Travel & Meeting Executives Show (IT&ME), which is the premier gathering of corporate and incentive travel planners and buyers from throughout North America. This year's event will be held September 23-25, 2008, with the LVCVA hosting a customer development and networking event on September 24, 2008.

The estimated expenditure to promote Las Vegas to the corporate and incentive meeting planners at the 2008 IT&ME is \$512,600.

Fiscal Impact:

FY 2009	Estimated expenditures:	\$512,600
	Estimated revenue:	<u>\$ (49,250)</u>
	Estimated net expenditure:	<u>\$463,350</u>

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve an estimated expenditure of \$512,600 to promote Las Vegas to the corporate and incentive meeting planners at the September 23-25, 2008 Incentive Travel & Meeting Executives Show in Chicago, Illinois, and to host a customer development and networking event during IT&ME on September 24, 2008.

OPERATIONS DIVISION

**LVCVA
PRESIDENT/CEO
CHANGE ORDER
AUTHORITY
(MPEP)**

In May 2007, the Board of Directors approved a revised Master Plan Enhancement Program with a budget of \$890 million. Currently, the President/CEO has the authority to approve change orders on public works projects whether deductive or additive that total 10% whereby if a deductive change order for 6% of the contract amount and an additive change for 4% of the contract amount were issued, the President/CEO would only be authorized to issue additional changes with prior Board of Directors approval.

In order to expedite construction, remain on schedule and budget, and take advantage of value added engineering, it is necessary to grant authority to the President/CEO to authorize additive change orders in the amount not to exceed 10% and deductive changes in the amount not to exceed 10% within the Board of Directors approved contract amount. All change orders would be reported at the subsequent regularly scheduled Board of Directors' Meeting.

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to grant authority to the LVCVA President/CEO to: 1) Execute public works project change orders in the deductive amount not to exceed 10% of the Board of Directors approved contract amount for all projects associated with the Master Plan Enhancement Program; 2) Execute public works project change orders in the additive amount not to exceed 10% within the Board of Directors approved contract amount for all projects associated with the Master Plan Enhancement Program.; and 3) Report these change orders at the subsequent regularly scheduled Board of Directors' meeting.

**ADVANCE
PURCHASE OF
CHILLERS
(File #08-2102)
(MPEP)**

Two 2,000-ton chillers are required to be added to the Las Vegas Convention Center Central Plant to cool the approximately 418,000 square feet that will be added with the Desert Inn Meeting Rooms and the North South Connector associated with the Master Plan Enhancement Program. Additionally, these chillers will compensate for significant cooling loss due to multiple construction projects in progress consecutively throughout the facility and allow for back-up requirements or redundancy should an existing chiller fail or need to be taken out-of-service for any length of time.

Due to time constraints between lengthy manufacturing schedule and the required installation dates, the Program Management Team has advised staff to pre-purchase this equipment and assign the contract to the Construction Manager-at-Risk For Construction, who will coordinate the delivery and install the equipment.

The LVCVA currently has a contract with *Turner Construction Company* for Pre-Construction Services for the Desert Inn Meeting Rooms and North South Connector projects which includes procurement assistance. By purchasing the chillers through *Turner Logistics, LLC* (a *Turner Construction* company) as a sole source, the LVCVA will save procurement overhead and profit costs.

Fiscal Impact:

FY 2009 Estimated expenditures: \$1,654,817 (MPEP Capital Fund)

Member James Gibson moved and it was carried by unanimous vote of the members present to: 1) Declare the Advance Purchase of Chillers a sole source procurement; 2) Award the Advance Purchase of Chillers (File #08-2102) to Turner Logistics, LLC, Hawthorne, New York in the estimated amount of \$1,654,817; and 3) Authorize the Director of Purchasing to execute the contract documents.

OPERATIONS DIVISION (Continued)

NEVADA POWER
COMPANY
EQUIPMENT
RELOCATION
(MPEP)

Utility Package 11.0 of the Master Plan Enhancement Program includes the relocation of *Nevada Power Company* feeder lines and connected equipment and gas mains which currently run along the former Desert Inn Road alignment (now Orange Drive). These relocations are required to clear conflicts with new utility infrastructure and the future Desert Inn Meeting Room foundations.

Fiscal Impact:

FY 2009 Estimated expenditures: \$319,223 (MPEP Fund)

Member Tom Collins inquired as to whether the LVCVA had looked into a possible refund from *Nevada Power Company* under Rule 9 of the Public Utilities Commission.

Following a brief discussion, Member Tom Collins moved and it was carried by unanimous vote of the members present to: 1) Approve an Agreement with *Nevada Power Company* in the amount of \$319,223 for the relocation of feeder lines and connected equipment; and, 2) Authorize the Director of Purchasing to execute the contract documents.

2008 BOND
RESOLUTION ON
THE ISSUANCE OF
GENERAL
OBLIGATION
TRANSPORTATION
BONDS
(Resolution 2008-37)

Ms. Susan Martinovich, President, Nevada Department of Transportation, reported that NDOT had received the bids for the Interstate-15 Express Lane Project and the lowest bidder was *Capriotti Construction* at \$21 million, therefore, with the proposed construction cost and estimated construction engineering contingencies, NDOT's estimated request of the LVCVA has been reduced from \$45 million to approximately \$25 million.

Ms. Jennifer Stern, LVCVA's Bond Counsel, addressed the Board and recommended that the Board adopt the 2008 Transportation Bond Resolution with an amendment to Section 301, which would reduce the maximum principal amount of the bond from \$45 million to \$30 million.

RESOLUTION NO. 2008-37

A RESOLUTION DESIGNATED BY THE SHORT TITLE "2008 TRANSPORTATION BOND RESOLUTION"; AUTHORIZING THE ISSUANCE OF THE "CLARK COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) LAS VEGAS CONVENTION AND VISITORS AUTHORITY TRANSPORTATION BONDS (ADDITIONALLY SECURED WITH PLEDGED REVENUES) SERIES 2008"; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING OF THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT THEREOF; ADDITIONALLY SECURING THEIR PAYMENT BY A PLEDGE OF THE NET REVENUES DERIVED FROM THE OPERATION OF CONVENTION HALL AND RECREATIONAL FACILITIES AND CERTAIN LICENSE TAXES; PROVIDING OTHER MATTERS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF.

Fiscal Impact:

The debt service on the Bonds, when issued, will be paid from Las Vegas Convention and Visitors Authority revenues.

Following the discussion, Member James Gibson moved to approve Resolution No. 2008-37 with an amendment to reduce the maximum principal of bonds from \$45 million to \$30 million. The motion carried by unanimous vote of the members present to approve, adopt and authorize the Chair to sign the 2008 Bond Resolution concerning the issuance of \$30 million in General Obligation (Limited Tax) Transportation Bonds (additionally secured with pledged revenues) of Clark County.

OPERATIONS DIVISION (Continued)

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 May 31, 2008* was presented to the Board for their review. Vice President of Finance Brenda Siddall discussed a few minor changes in the Report.

This is an information item. No Board action required.

EXECUTIVE DIVISION

INSURANCE COVERAGE AND PREMIUM – FY 2009 - General Liability - Property, - Excess Workers' Compensation

Kaercher Campbell & Associates and LVCVA Staff have negotiated with various insurance companies to obtain the best insurance for the minimum premium. The estimated cost of \$1,174,243 is for the total insurance premium including Excess Workers' Compensation Insurance, Liability, and Property Insurance for fiscal year 2009.

Fiscal Impact:

FY 2009 Estimated expenditures: \$1,174,243

Following a brief discussion, Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to: 1) Approve the estimated expenditure of \$1,174,243 for various insurance coverages for fiscal year 2009; and 2) Authorize Legal Counsel to execute the appropriate documents.

LEGAL COUNSEL'S REPORT

Legal Counsel Luke Puschnig reported the following:

LVCVA & ARAMARK vs Herbert Fair

On or about March 11, 2008, the Las Vegas Convention and Visitors Authority was sued in State District Court by Mr. Herbert Fair of California for allegedly interfering with a contract for advertising on televisions in the Banners and International Food Market Restaurants at the Las Vegas Convention Center. The LVCVA tendered the defense of action and the tender was accepted by ARAMARK. After working through certain issues, a motion to dismiss was filed on immunity grounds. On June 10, 2008 District Court Judge Lee Gates granted the LVCVA's Motion to Dismiss and held that the LVCVA was immune in this case.

Mr. Puschnig acknowledged the Denver attorneys: Laurin Quiat and his associate Holli Hartman.

LVCVA & ARAMARK vs Network Visual Services, LLC

On or about May 30, 2008, an amended complaint was filed against the Las Vegas Convention and Visitors Authority and ARAMARK by *Network Visual Services, LLC* of California regarding the same television monitors and advertising in the Banners and International Food Market Restaurants at the Las Vegas Convention Center. This is the companion case filed by the alleged partners of Mr. Herbert Fair. This case was filed in the Federal District Court in the Central District of California. ARAMARK accepted the tender of defense of this action.

The LVCVA is accused of violating Federal Anti-Trust Laws and intentionally interfering with ARAMARK's contract with *Network Visual Services, LLC*.

The LVCVA will be taking an aggressive stance on this matter.

LEGAL COUNSEL'S REPORT - (Continued)

LVCVA & GES
Exhibition Services
vs
Lawrence West

On or about November 6, 2006, the Las Vegas Convention and Visitors Authority and *GES Exhibition Services* was sued by Mr. Lawrence West for an alleged trip-and-fall. After a substantial amount of discussion and initial involvement of the LVCVA's insurance company, *GES Exhibition Services* accepted the tender of defense of this action. Arbitration was held on liability in this case, and the arbitrator held for Mr. West and against *GES Exhibition Services*. GES has paid the amount, and as such, the LVCVA did not expend any monies to defend this law suit. The case is now dismissed.

LVCVA & Ashland
Contractors
vs
Daniel Roland

On September 30, 2005, the Las Vegas Convention and Visitors Authority and *Ashland Concrete* was sued by Mr. Daniel Roland who claimed personal injury as a result of an accident when his limousine fell into a ditch during construction at the Las Vegas Convention Center. *Ashland Concrete's* insurance carrier initially declined coverage, but in the end result accepted the LVCVA's tender of defense. Just prior to the trial of this matter, the insurance carrier settled the suit. The LVCVA did not expend any monies on the settlement or defense.

UPDATE
Gold Lot Property
Nevada Power
Company Substation
Site

The Board of Directors approved the sale of approximately 1/3 acre of real property in the Gold Lot to *Nevada Power Company* to be able to build a substation. *Nevada Power Company* has since informed the Las Vegas Convention and Visitors Authority that they have found an alternative substation site. As such, they will not be entering into the agreement with the LVCVA and, therefore, that property will not be sold at this time.

Initiatives against
LVCVA funding

Chair Oscar Goodman requested Legal Counsel update the Board on the status of the two initiatives.

Legal Counsel Luke Puschnig reported that on July 2, 2008, Judge James Todd Russell in the First Judicial District Court for the State of Nevada entered an Order stating that the two initiatives that were filed against the Las Vegas Convention and Visitors Authority's funding were invalid and are to be taken off of the ballot. It is not known at this time whether that decision will be appealed by the originator of those initiatives.

Chair Oscar Goodman acknowledged Legal Counsel for his hard work on this issue.

VI. COMMITTEE REPORTS

There were no committee meetings to report during the month of June 2008

VII. DIRECTORS' COMMENTS

Chair Oscar Goodman suggested Member Tom Collins meet with Legal Counsel Luke Puschnig regarding the Nevada Power line relocation and a possible refund under Rule 9.

Member Tom Collins thanked the Board of Directors for their support of the University of Nevada Las Vegas (UNLV) Rodeo Team. He announced that the UNLV Woman's Rodeo Team are the National Champions of Collegiate Rodeo. Also, Wes Lockhart from the UNLV Men's Rodeo Team is the runner-up for the individual All-Around Champion in the Men's Collegiate Rodeo.

Chair Oscar Goodman told of the **Las Vegas Magic** during the recent Conference Of Mayor's, when two showgirls accompanied him to the podium to accept his award as the Art Mayor for the Year. "It's the way Las Vegas does it! The entire room was excited to see the showgirls of Las Vegas," he said. He thanked staff for making the last-minute arrangements for the showgirls to be there.

VIII. COMMENTS FROM THE FLOOR BY THE PUBLIC

There were no comments from the floor by the public.

IX. ADJOURNMENT

There being no further business to come before the Board of Directors, Chair Oscar Goodman adjourned the meeting at 9:37 a.m.

Respectfully submitted,

Date Approved: August 12, 2008

Approved

Carol Fergen
Executive Assistant to the Board

Approved

Oscar Goodman
Chair