



CONVENTION AND VISITORS AUTHORITY

REGULAR MEETING OF THE BOARD OF DIRECTORS
JUNE 10, 2008
MINUTES

The Regular Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority was held the 10th day of June 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 9:00 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. Absent
Charles Bowling
Councilman Larry Brown
Commissioner Tom Collins
Mayor Susan Holecheck
Mr. Tom Jenkin
Ms. Kara Kelley
Mayor Michael Montandon
Mr. Scott Nielson Absent
Councilman Mike Pacini
Mr. Andrew Pascal
Commissioner Rory Reid Entered after Roll Call

- LVCVA Executive Staff in Attendance
Rossi Ralenkotter, President/CEO
Terry Jicinsky, Senior Vice President – Marketing Division
Luke Puschnig, Legal Counsel
E. James Gans, Senior Vice President – Operations Division

INVOCATION Pastor Bob Cassels - Shadow Hills Baptist Church, presented the invocation.
FLAG SALUTE 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 June 10, 2008 Agenda was in order for approval with the withdrawal of Item No. 6 [Nevada Commission on Tourism – Fiscal Year 2009 Interlocal Agreement].
The Minutes of the May 13, 2008 Regular Meeting of the Board of Directors and the Minutes of the May 15, 2008 Public Hearing on the Budget were in order for approval as presented.

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve: 1) The June 10, 2008 Agenda, with the withdrawal of Item No. 6 (Nevada Commission on Tourism – Fiscal Year 2009 Interlocal Agreement); and 2) Approve the Minutes of the May 13, 2008 Board of Directors’ Meeting as well as the Minutes of the May 15, 2008 Public Hearing on the Budget as presented.

III. PRESENTATIONS

[There were no special presentations.]

IV. STAFF REPORTS

MARKETING DIVISION

**MESQUITE
TEACHER GAMES**
(Las Vegas
Events Funding)

The Mesquite Teacher Games feature a competition of sports and games, nightly social events, and a school flag parade during the opening ceremonies. This first year event is expected to draw an estimated 885 visitors with approximately 250 out-of-town visitors. It will be held June 16-20, 2008 at the Casablanca Event Pavilion in Mesquite, Nevada.

Fiscal Impact:
FY 2008 Estimated Expenditure: \$22,000

Following a brief discussion, 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 \$22,000 to fund the Mesquite Teacher Games to be held June 16-20, 2008 at the Casablanca Event Pavilion in Mesquite, Nevada.

MEMBER RORY REID ENTERED THE MEETING

**17TH ANNUAL
LAS VEGAS
HOSPITALITY
GOLF CLASSIC**

Las Vegas will host over 200 of its clients at the 17th Annual Las Vegas Hospitality Golf Classic, October 8-10, 2008 at the Stallion Mountain Country Club and Royal Links Golf Club. The event will consist of an opening reception, two days of golf, and a closing awards luncheon. There will be approximately 36 local sponsors contributing an estimated sponsorship revenue of \$72,000.

Fiscal Impact:

FY 2009	Estimated expenditure:	\$350,000
	Estimated sponsorship revenue:	<u>(72,000)</u>
	Total estimated net expenditure:	<u>\$278,000</u>

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve an estimated expenditure of \$350,000 for sponsorship of the 17th Annual Las Vegas Hospitality Golf Classic, to be held October 8-10, 2008 in Las Vegas Nevada.

MARKETING DIVISION (Continued)

JUSTIN
TIMBERLAKE
SHRINERS
HOSPITALS FOR
CHILDREN OPEN
(Formally the
Fry's.com Open)

The Justin Timberlake Shriners Hospitals for Children Open (formally the Fry's.com Open) Golf Tournament will be held in Las Vegas at the Tournament Players Club in Summerlin, October 13-19, 2008. The Agreement, in the estimated amount of \$166,000, will include: a Marquee Tent to be utilized by the LVCVA to entertain clients and invited guests; 6 playing spots in the Celebrity Pro-Am; 75 Marquee Tent passes per day Thursday through Sunday; 75 Preferred Parking passes; 100 general admission tickets per day Monday through Sunday; and the Las Vegas sign prominently located in television view on the 10th tee box.

President/CEO Rossi Ralenkotter stated that this will be a very positive event for both the destination as well as the community.

Fiscal Impact:

FY 2009 Estimated expenditure: \$166,000

Following a brief discussion, Member Michael Montandon moved and it was carried by unanimous vote of the members present to: 1) Approve an estimated expenditure of \$166,000 and to enter into an Agreement with the Justin Timberlake Shriners Hospitals for Children Open to lease a Marquee Tent during the October 13-19, 2008 golf tournament; and, 2) Authorize the President/CEO to execute the contract documents.

PROFESSIONAL
CONVENTION
MANAGEMENT
ASSOCIATION
(PCMA)
2011
PROFESSIONAL
CONVENTION
Host City
Agreement

Las Vegas has been selected to be the host city for the Professional Convention Management Association (PCMA) 2011 Annual Convention scheduled for January 9-12, 2011. The Las Vegas Convention and Visitors Authority has participated in PCMA for more than 30 years. The last time PCMA held their annual convention in Las Vegas was in 1981.

Responsibilities of the host city include hosting a kickoff luncheon in 2010 and securing sponsorships for numerous events in 2011. The MGM Grand is serving as the headquarter property for the 2011 convention and has committed to host the opening night reception. Sponsorship opportunities between the LVCVA, Las Vegas hotels and the local hospitality community will help underwrite the majority of the estimated total expenses. The LVCVA and PCMA will actively work together to obtain additional sponsorships from the numerous Las Vegas entities that have expressed interest in participating.

This 2011 convention is estimated to generate more than \$3 million in non-gaming economic impact to the destination from registered delegates during the conference. The attendees and organizations in attendance at the 2008 conference in Seattle, Washington, represent more than \$750 million in future group business for Las Vegas.

Fiscal Impact:

FY 2010 Estimated expenditure: \$300,000

FY 2011 estimated expenditure: \$350,000

Member Mike Pacini moved and it was carried by unanimous vote of the members present to: 1) Approve the Las Vegas Convention and Visitors Authority to sponsor the Professional Convention Management Association 2011 Annual Conference; and, 2) Authorize the President/CEO to enter into required Agreements.

MARKETING DIVISION (Continued)

UPDATE
Travel Industry
of America –
Pow-Wow

At the request of Chair Oscar Goodman, Mr. Jicinsky updated the Board on the Travel Industry of America - Pow Wow and International Tradeshow that Las Vegas hosted during the week of May 31-June 4, 2008. He reported there was near record-breaking attendance with approximately 5,300 attendees. The community did an amazing job of showcasing Las Vegas. He noted that there were numerous newspaper, television and radio personnel from around the world reporting on the Las Vegas destination. Mr. Jicinsky acknowledged Mr. Vince Alberta and his staff for the fine job they did interfacing with the international media during this successful event.

This is an update only and was not posted on the agenda. No Board action required.

LAS VEGAS
EVENTS
Agreement

The proposed Agreement provides for the Las Vegas Convention and Visitors Authority to enter into an Agreement with *Las Vegas Events, Inc.*, a non-profit Nevada Corporation. The purpose of the Agreement is to enable *Las Vegas Events* to promote special events within Clark County, Nevada, and authorizes the LVCVA to provide *Las Vegas Events* with a grant for the funding of certain special events and other expenses.

Fiscal Impact:

FY 2009 Estimated expenditures: \$7,039,735

This expenditure has been budgeted for and approved in the LVCVA FY 2009 Budget.

Vice Chair Keith Smith expressed concern about approving the contract as it is written due to the increasing uncertainty of the economy. He requested that Staff work with *Las Vegas Events* to modify the contract to include the ability for LVCVA Staff to approve projects as the revenue levels change.

Following the discussion, Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve: 1) The Agreement with *Las Vegas Events, Inc.* for the period July 1, 2008 through June 30, 2009 with modifications to the Agreement as requested by the Board that the contract be modified to include the ability for LVCVA Staff to approve projects as the revenue levels change; and, 2) Expenditures in the estimated amount of \$7,039,735.

NEVADA
COMMISSION
ON TOURISM
Interlocal
Agreement

This item was withdrawn from the agenda.

MARKETING DIVISION (Continued)

**INTERNATIONAL
REPRESENTATIVE
OFFICE
CONTRACTS**

In June 2007, the Las Vegas Convention and Visitors Authority Board of Directors approved the existing 1-year contract extensions for the current eight international offices. All of these contracts are scheduled to expire on June 30, 2008.

Mr. John Bischoff, Vice President of International Brand Strategy, presented a PowerPoint detailing the current international market. He explained the LVCVA's new global branding strategy of implementing a tiered international office and marketing structure by designating three international markets. Those markets are: Major Markets (Canada, Mexico, United Kingdom); Primary Markets (Japan, Germany, South Korea, Australia, Ireland); and Emerging Markets (China, Brazil, Russia, India). The execution of the twelve contracts for international representation would expand the LVCVA's global reach of the brand to over 75 markets. The initial term of the contracts will be for two years, July 1, 2008 through June 30, 2010, with one 2-year renewal option.

Senior Vice President Terry Jicinsky acknowledged Mr. Bischoff and his staff for their hard work on this important branding strategy for the international market.

Fiscal Impact:

FY 2009	Estimated expenditure:	\$1,985,000 USD
FY 2010	Estimated expenditure not to exceed 5% increase:	\$2,084,250 USD

Member Tom Jenkin stated that he applauded Staff on the new strategy, however, he wondered if they had underestimated the effort needed to launch this new strategy and whether this is a relatively meager entry into a market that could prove to be enormous for Las Vegas.

President/CEO Rossi Ralenkotter explained that the budgeted amount being approved for this item was for the international office operations and the international regional offices. He assured the Board that as the market continues to grow, staff will allocate the resources to support it.

Chair Oscar Goodman said he also supported the new global branding strategy, and commented on the importance of attracting new business to the Las Vegas destination. He emphasized the need to continue with the ongoing effort to retain the monies the LVCVA requires to continue their mission.

Following the discussion, Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to authorize the President/CEO to execute proposed contracts for monthly administrative fees for international representation, with the initial term of July 1, 2008 through June 30, 2010, and one 2-year renewal option.

MEMBER RORY REID LEFT THE MEETING.

OPERATIONS DIVISION

PLAN REVIEW FEES (MPEP)

Before the Clark County Building Department will begin review of the Master Plan Enhancement Program ("MPEP") construction documents for the purpose of issuing a building permit, a fee which is commonly referred to as a Plan Review Fee must be paid. All plans must pass through various plan check disciplines in order for the building permit to be issued. The fees vary across Clark County departments and are estimated at the time of submittal. The MPEP Project Management Team seeks to expedite the procurement process by requesting that the Board grant the LVCVA President/CEO authority to approve the Plan Review Fees for each project package, including those packages that are in excess of \$100,000. The Board of Directors will be informed of the approval of each individual plan review fee and the project to which it relates.

Fiscal Impact:

FY 2009 Estimated: \$1,800,000
Master Plan Enhancement Program Fund

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to: 1) Approve the expenditure of up to \$1,800,000 with Clark County Building Department for Plan Review Fees directly related to the Master Plan Enhancement Program; and, 2) Authorize the President/CEO to approve the Plan Review Fees for each project package directly related to the Master Plan Enhancement Program, including those packages that are in excess of \$100,000.

UTILITY INSTALLATIONS AND RELOCATION (BID #08-2084, PWP CL-2008-272) (MPEP)

The Master Plan Enhancement Program requires that existing telephone, water, storm water, and sanitary sewer facilities located in Orange Drive be relocated to avoid conflicts with new foundations of the new Desert Inn Meeting Room project. The construction of the New Grand Concourse project will require that storm water that currently drains from Paradise Road across Silver Lots 1 & 2 and west along Orange Drive be captured and carried underground within a drainage culvert beneath the new concourse structure. Due to the congestion within this utility corridor, these utility relocations are designated to be constructed under a single contract. In order to complete the Master Plan Enhancement Program in accordance with the program schedule, it is important that this work proceed approximately six months in advance of construction of the Desert Inn Meeting Room or the New Grand Concourse projects.

Based on the specifications and plans developed by *MWH, GC Wallace* and *Embarq*, and reviewed by Project Development, four bids were received, with *Frehner Construction Company, Inc.*, the lowest and responsive bid in the estimated amount of \$10,273,396.37.

Fiscal Impact:

FY 2009 Estimated: \$10,273,396.37
Master Plan Enhancement Program Capital Fund

Following a brief discussion, Member Tom Collins moved and it was carried by unanimous vote of the members present to: 1) Award Utility Installations and Relocation (Bid #08-2084) to Frehner Construction, Inc., Las Vegas, Nevada, in the estimated amount of \$10,273,396.37; and, 2) Authorize the Director of Purchasing to execute the contract documents.

OPERATIONS DIVISION (Continued)

TRANSFER OF FUNDS
 Debt Service

Pursuant to the provisions in the 1998A, 11/99, 2005, Master Plan Financing Fund, 5/2007 and 12/2007 bond covenants, the Las Vegas Convention and Visitors Authority is required to transfer from the General Fund to the respective debt retirement funds such amounts necessary to pay the maturing installments of principal and interest. The LVCVA will make such transfers on a quarterly basis. The total annual requirement to fund debt service is as follows:

1998A Series	\$1,330,481.26
11/99 Series	11,790,775.00
2005 Series	6,126,412.50
Master Plan Financing Fund	28,406,000.00
5/2007 Series	3,767,762.00
12/2007 Series	<u>3,282,936.00</u>
	<u>\$54,704,366.76</u>

Member Susan Holecheck moved and it was carried by unanimous vote of the members present to approve the transfer of \$54,704,366.76 from the General Fund to the Debt Retirement Funds for fiscal year 2009 debt service requirements.

DISTRIBUTION OF TAX COLLECTION ALLOCATION
 Third Quarter
 FY 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.

Collection allocation for hotel activity occurring during the months of December, January and February (associated room tax received by the Las Vegas Convention and Visitors Authority in February, March and April) has been recorded in fiscal year 2008 under the new method of distribution.

	Rate %	FY 08 Third Quarter Amount	FY 07 Third Quarter Amount
Clark County	41.11	\$ 2,125,749.98	\$ 2,012,336.01
City of Las Vegas	30.29	1,566,260.45	1,482,696.62
City of North Las Vegas	9.58	495,370.59	468,941.35
City of Henderson	12.82	662,907.20	627,539.47
Boulder City	2.20	113,759.43	107,690.08
City of Mesquite	4.00	<u>206,835.31</u>	<u>195,800.14</u>
		<u>\$ 5,170,882.96</u>	<u>\$ 4,895,003.67</u>

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve the payment of tax collection allocation for the third quarter of fiscal year 2008 in the total amount of \$5,170,882.96.

OPERATIONS DIVISION (CONTINUED)

BUDGET TRANSFER
Intra-Fund

NRS 354.598005 provides that budget appropriations may be transferred between functions if the governing body is advised of the action at the next regular meeting. Functions at the Las Vegas Convention and Visitors Authority are defined as General Government, Marketing, Operations and Community Support.

Staff advised the Board of Directors that an Intra-Fund Budget Transfer in the amount of \$312,200 for appropriations from the Community Support function to the Marketing Division This transfer was for Laughlin's production of a new branding campaign and website development.

This is an information item. No Board action required.

BUDGET TRANSFER
Inter-Fund

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. The salaries and benefits budget for fiscal year 2008 was prepared in January 2008. During that year, a significant number of personnel actions occurred (terminations, new hires, retirements, transfers, promotions, etc.) that resulted in the need for a transfer in the amount of \$899,700 from the payroll suspense and the payroll retirement accounts to the departmental salaries and benefits accounts.

Vice Chair Keith Smith moved to approve an Inter-Fund (contingency) Budget Transfer in the amount of \$899,700 to fund end-of-year revisions in the salaries and benefits budget due to vacancy factors, retirements, position transfers, recently filled positions and reassignments.
The motion carried by the following vote:

- | | | | |
|-----------------------|-----|------------------------|--------------|
| Larry Brown | Aye | Charles Bowling | No vote cast |
| Tom Collins | Aye | Michael Montandon..... | No vote cast |
| Oscar Goodman | Aye | | |
| Susan Holecheck | Aye | | |
| Tom Jenkin | Aye | James Gibson | Absent |
| Kara Kelley | Aye | Scott Nielson | Absent |
| Mike Pacini | Aye | Rory Reid | Absent |
| Andrew Pascal..... | Aye | | |
| Keith Smith | Aye | | |

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 April 30, 2008* was presented to the Board for their review. Vice President of Finance Brenda Siddall discussed a few minor changes to page four of the Report.

This is an information item. No Board action required.

EXECUTIVE DIVISION

LEGAL COUNSEL'S REPORT There were no new legal issues reported.

- LAS VEGAS EVENTS' REPORT
- Mr. Pat Christenson, President of *Las Vegas Events Inc.*, addressed the concerns expressed by one of the Board members during the discussion about the proposed *Las Vegas Events Agreement*. (Item number 5 on the agenda.)
 - Mr. Christenson presented the survey results for events that took place March-May 2008, and listed a couple of upcoming events in June 2008.

This is an information item. No Board action required.

V. COMMITTEE REPORTS

The Policy Committee met on May 13, 2008. Committee Chair Charles Bowling brought the Committee's recommendations on the following issues before the full Board for possible action:

A. Board Member Attendance Requirement

Board Members have requested the Policy Committee discuss potential policy guidelines on Board attendance for the Board of Directors meetings.

The Committee agreed that it is the personal obligation of each Board Member to attend the Board meetings and, therefore, recommended that no action be taken at this time.

Chair Oscar Goodman moved and it was carried by unanimous vote of the members present to approve the committee's recommendation that no Board Policy is required on the matter of Board Member attendance.

B. Proposed Changes to Grant Policies and Procedures

Staff requested that the Policy Committee: 1) Review the proposed policy modifications to the Las Vegas Convention and Visitors Authority Grant and Funding Programs; and, 2) Recommend approval to the Board of Directors.

The Committee recommended that the Board of Directors approve the proposed policy modifications, and add a stipulation that any organization using funds for any purpose other than what they were approved for shall not receive future funding for any purpose.

Member Kara Kelley disclosed that she will be abstaining from voting on this item because the Chamber of Commerce receives a grant from the LVCVA.

Vice Chair Keith Smith moved to approve the committee's recommendation to incorporate the proposed policy modifications to the Grant Policies and Procedures, and to add a stipulation that any organization using funds for any purpose other than what they were approved for shall not be allowed to receive future funding for any purpose.

The motion carried by the following vote:

Charles Bowling	Aye	Kara Kelley	Abstained
Larry Brown	Aye	James Gibson	Absent
Tom Collins	Aye	Scott Nielson	Absent
Oscar Goodman	Aye	Rory Reid	Absent
Susan Holecheck	Aye		
Tom Jenkin	Aye		
Michael Montandon	Aye		
Mike Pacini	Aye		
Andrew Pascal	Aye		
Keith Smith	Aye		

Policy Committee Meeting Report (Continued)

C. Clarification of Board Policy 8.01(7): Nepotism

Staff requested that the Policy Committee: 1) Review the provisions of Board Policy 8.01(7) on Nepotism and adopt the recommended clarification to the Board Policies; and, 2) Recommend approval to the Board of Directors.

The Committee recommended that the Board of Directors approve the proposed clarification to Board Policy 8.01(7) on Nepotism.

Vice Chair Keith Smith moved and it was carried by unanimous vote of the Board members present to approve the committee's recommendation to incorporate the proposed clarification to Board Policy 8.01(7) on Nepotism.

D. Election of Board Officers

The Policy Committee had previously requested that Staff review guidelines for electing Board Officers for convention bureaus that are similar to the Las Vegas Convention and Visitors Authority.

The Committee requested that Staff notify the full Board in the Fall prior to January of the odd numbered years that the Election of Officers will be on the agenda in January.

The Committee recommended that the Board of Directors impose term limits of two (2) consecutive terms in a specific office on all Board Officers starting after the election in January of 2009.

Vice Chair Keith Smith moved and it was carried by unanimous vote of the Board members present to approve the committee's recommendation to impose term limits of two (2) consecutive terms in any specific Office of the Board Officers, effective after the election of Officers in January of 2009.

VI. DIRECTORS' COMMENTS

There were no additional comments from the Board Members.

VII. COMMENTS FROM THE FLOOR BY THE PUBLIC

Mr. Jon Aster White, President of the National Las Vegas Entertainment Hall of Fame, updated the Board of Directors on his plan to produce a television special, 'Vegas Star Awards' and a 3-day weekend, 'The Hall of Fame Weekend', and that the previous date of August 2008 has been moved to October 2008. He informed the Board that he recently met with Kari Clark regarding the possibility of *Dick Clark Productions* involvement with this event and will be meeting again with them in a couple of weeks to discuss the details.

VIII. ADJOURNMENT

There being no further business to come before the Board of Directors, Chair Oscar Goodman adjourned the meeting at 9:51 a.m.

Respectfully submitted,

Date Approved: July 8, 2008

(s)

Carol Fergen
Executive Assistant to the Board

(s)

Oscar Goodman
Chair