



CONVENTION AND VISITORS AUTHORITY

REGULAR MEETING OF THE BOARD OF DIRECTORS
NOVEMBER 18, 2008
MINUTES

The Regular Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority was held the 18th day of November 2008 at Cashman Center, 850 Las Vegas Boulevard North, Vegas, Nevada. This meeting had 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 9:02 a.m. A quorum of the members was present at roll call.

Mayor Oscar Goodman, Chair
Mr. Keith Smith, Vice Chair
Mayor James Gibson, Sec/Tr Arrived After Roll Call
Mr. Charles Bowling
Councilman Larry Brown
Commissioner Tom Collins Left before Item #1
Mayor Susan Holecheck
Mr. Tom Jenkin
Ms. Kara Kelley
Mayor Michael Montandon
Mr. Scott Nielson
Councilman Mike Pacini
Mr. Andrew Pascal Absent
Commissioner Rory Reid Absent

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

INVOCATION FLAG SALUTE
Reverend Jesse D. Scott 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: 1) The November 18, 2008 Agenda was in order for approval with the withdrawal of item number two (Mesquite Teacher Games); and 2) The minutes of the October 14, 2008 Regular Meeting of the Board of Directors were in order for approval as presented.

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to: 1) Approve the November 18, 2008 Agenda with the withdrawal of Item #2 - Mesquite Teacher Games; and 2) Approve the minutes of the October 14, 2008 Regular Meeting of the Board of Directors as presented.

CREATION OF AD-HOC COMMITTEE Board Officers Committee
Chair Oscar Goodman appointed Board Members Mike Pacini, Tom Collins, Kara Kelley and Susan Holecheck to an ad-hoc committee of the Board to review nominees for Officers of the Board of Directors, and present their recommendations to the full Board at the January 13, 2009 meeting.

This was not an agenda item. Chair appointments; no Board action required.

MEMBER TOM COLLINS LEFT THE MEETING.

PRESENTATION(S)

APPLIED ANALYSIS
"The Tax Contribution
of Southern Nevada
Visitors"

President/CEO Rossi Ralenkotter introduced Mr. Jeremy Aguero, Principal at *Applied Analysis*, who was retained by the Las Vegas Convention and Visitors Authority to review and analyze the impacts associated with its various operations and Southern Nevada's tourism industry. Mr. Aguero briefed the Board on the major tax contributions of Southern Nevada's annual visitors, and the economic impact of total visitor spending and combined value of visitors' state and local tax payments.
This was the first summary in a series of briefs by *Applied Analysis*.

This is an information item. No Board action required.

STAFF REPORTS

MARKETING DIVISION

MARKETING
STRATEGIES
UPDATE
- Fourth Quarter 2008

Senior Vice President Terry Jicinsky presented an overview of short-term marketing and advertising strategies in response to the current economic conditions. He discussed the recent decrease in visitor volume, occupancy, and average daily room rate, and summarized the 2008 year-end forecast and the LVCVA's proposed strategies addressing these decreases.

MEMBER JAMES GIBSON ENTERED THE MEETING.

Board Request

Member Charles Bowling requested that staff provide a post-report from the Fourth Quarter Sales Call program, detailing: 1) Feedback from meeting planners on their future booking intentions for Las Vegas; and 2) Any changes in the meetings industry related to local, regional and national convention booking patterns.

MESQUITE
TEACHER GAMES
(Las Vegas Events)

This item was withdrawn from the agenda.

NATIONAL
ASSOCIATION OF
PROFESSIONAL
BASEBALL
LEAGUES

Baseball Winter
Meetings and
Tradeshaw

The 107th Annual Baseball Winter Meetings and Tradeshaw will be held at the Las Vegas Convention Center December 8-11, 2008, consisting of more than 300 exhibiting companies, and attracting an estimated 2,400 attendees, approximately 200 representatives of Major League and Minor League Baseball clubs, leagues and organizations. Additionally, over 200 national and international press will cover player news, trade announcements and event activities.

The Bellagio and the Las Vegas Hilton will serve as the headquarter hotels. The LVCVA will exhibit at the tradeshow and sponsor the opening night reception for 1,000 attendees. For its sponsorship the LVCVA and the Las Vegas destination receives recognition as official sponsor of the Baseball Winter Meetings which includes excellent exposure for the Las Vegas destination, passports containing tickets for all events, badges to the tradeshow breakfast, and a list of e-mail addresses for clubs and leagues pre- and post-baseball tradeshow.

Fiscal Impact:

FY 2009

Estimated: \$134,680

Member James Gibson moved and it was carried by unanimous vote of the members present to approve an estimated expenditure of \$134,680 to host the opening night reception and to exhibit at the Baseball Winter Meetings and Tradeshaw held December 8-11, 2008, at the Las Vegas Convention Center in Las Vegas, Nevada.

MARKETING DIVISION (Continued)

INTERNATIONAL ASSOCIATION OF EXHIBITIONS AND EVENTS (IAEE)

Host City Agreement
for 2011 Annual
Meeting and Expo!
Expo!

The Las Vegas Convention and Visitors Authority successfully bid for Las Vegas to serve as the host city of the 2011 International Association of Exhibitions and Events ("IAEE") Annual Meeting and Expo! Expo! The event will be held at the Las Vegas Convention Center, December 6-8, 2011. The IAEE Annual Meeting and Expo! Expo! is the premier exposition in the tradeshow industry and attracts more than 2,800 key decision-makers from the planning community.

Fiscal Impact:

FY 2010 Estimated Expenditure:	\$ 150,000
FY 2011 Estimated Expenditure:	500,000
Estimated Sponsorship Revenue:	(180,000)
Total Estimated Net Expenditure:	<u>\$ 470,000</u>

Member James Gibson moved and it was carried by unanimous vote of the members present to approve the Las Vegas Convention and Visitors Authority enter into an agreement with the International Association of Exhibitions and Events for Las Vegas to serve as the host city for the 2011 International Association of Exhibitions and Events Annual Meeting and Expo! Expo!

OPERATIONS DIVISION

CONVENTION CENTER AREA COMMAND

(Metro Substation)
- Acknowledgements

President/CEO gave special recognition to *Clark Sullivan Construction, Inc.*; *Arrington Watkins Architects*; and *KGA Architects*, for their outstanding efforts in the design and construction of the Convention Center Area Command (Metro Substation).

PRE- CONSTRUCTION SERVICES CONTRACT FOR FACILITIES UPGRADE AND RENOVATIONS

(MPEP)
RFFP #09-2128
PWP-CL-2008-273

The Facilities Upgrade and Renovation Project has been identified as an ideal project to be constructed under the Construction Manager-At-Risk ("CMAR") procurement model. This project is the first phase of the three phases of the Master Plan Enhancement Program.

Staff has followed an expedited negotiation process to contract with a CMAR for pre-construction services to provide sufficient time to integrate maximum contractor input in the design to minimize costs due to constructability issues. By engaging the contractor prior to the completion of the design process, valuable collaboration can occur between the contractor and the architect.

In accordance with the Nevada Revised Statutes governing the Construction Manager-At-Risk selection process, the President/CEO accepted the evaluation committee short-list recommendations and selected the top three of the five short-listed firms for further consideration. The CMAR will be engaged in cost analysis, value engineering, constructability reviews and exploratory work during the Construction Document Phase. Based on the evaluation and recommendation of the evaluation committee, *Turner Construction Company, Henderson, Nevada*, received the top ranking.

Fiscal Impact:

FY 2009 Estimated:	\$2,499,670	(MPEP Capital Fund)
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Following a brief discussion, Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to: Award a Construction Manager-At-Risk Agreement for Pre-Construction Services for Facilities Upgrade and Renovations (RFFP #09-2128) to Turner Construction, Henderson, Nevada in the estimated amount of \$2,499,670 for the period December 1, 2008 through September 30, 2009; and 2) Authorize the President/CEO to execute the contract documents.

OPERATIONS DIVISION (Continued)

DISTRIBUTION OF
 TAX COLLECTION
 ALLOCATION
 Fourth 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 June, July and August (Associated room tax received by the LVCVA in August, September and October) in fiscal year 2009 is 5.3% lower than the same quarter last year.

	Rate %	FY 09 First Quarter Amount	FY 08 First Quarter Amount
Clark County	41.11	\$ 1,999,657.00	\$ 2,110,470.25
City of Las Vegas	30.93	1,473,354.68	1,555,002.28
City of North Las Vegas	9.58	465,986.73	491,809.90
City of Henderson	12.82	623,585.57	658,142.26
Boulder City	2.20	107,011.57	112,941.73
City of Mesquite	4.0	194,566.49	205,348.60
		<u>\$ 4,864,162.04</u>	<u>\$ 5,133,715.02</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 first quarter of fiscal year 2009 in the total amount of \$4,864,162.04.

BUDGET TRANSFER
 - Executive Division
 (Intra-Fund)

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

A change to the organizational structure resulted in a realignment of the Finance and Purchasing departments from the Operations Division to report directly to the President. The combined budgets of both Finance and Purchasing will be transferred from Operations to General government to facilitate the new reporting order.

Fiscal Impact:

Fiscal year 2009 appropriations totaling \$6,020,500 will be transferred from the function of Operations to General Government.

This is an information item. No Board action required.

OPERATIONS DIVISION (Continued)

COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
FY Ended 6/30/08

Nevada Revised Statute 354.624 requires that each local government provide for an annual independent audit of all of its funds and account groups. The report of the audit must be submitted to the governing body within five months after the close of the fiscal year, unless an application for extension of time is made to the Department of Taxation.

Staff presented a PowerPoint overview of the Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2008, highlighting specific points of interest concerning the current economic conditions.

Ms. Martha Ford, from the firm of *Piercy, Bowler, Taylor & Kern*, informed the Board that *Piercy, Bowler, Taylor & Kern* had completed its audit and had issued an unqualified opinion on the financial statements. She noted that there were no findings that required to be read into the record.

Member James Gibson moved and it was carried by unanimous vote of the Board members present to accept the Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2008, including the independent auditors' reports.

BUDGET TRANSFER
- Marketing Division
(Intra-Fund)
PowerPoint

Due to the current national economic situation, the LVCVA has launched several initiatives to drive visitation to the Las Vegas destination, and will launch Winter television spots and sales blitz as well. An additional \$4 million is being re-allocated to the advertising budget from within the existing appropriations of other LVCVA functions.

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

Fiscal Impact:

Fiscal year 2009 appropriations totaling \$4 million will be transferred from the functions of General Government, Marketing, Operations and Community Support to Advertising.

This is an information item. No Board action required.

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OPERATIONS DIVISION (Continued)

VEGAS UNCORK'D
 SPECIAL REVENUE
 FUND
 (Resolution #2008-40)

Vegas Uncork'd held its inaugural event in May 2007 as a partnership between the Las Vegas Convention and Visitors Authority and *Bon Appétit* magazine with the goal of promoting and adding credibility to Las Vegas' culinary scene. The event is a platform for Las Vegas resort partners to showcase their restaurants, celebrity chefs, nightclubs and property amenities.

In accordance with the Nevada Revised Statutes, the LVCVA is authorized to maintain, according to its needs, various governmental funds, including Special Revenue Funds. NRS 354.570 defines a Special Revenue Fund as "...a fund to account for specific revenue sources, other than sources for major capital projects..." NRS 354.612 authorized the establishment of such funds by resolution. LVCVA Resolution 2008-40 establishes a special revenue fund for special event marketing programs.

An Inter-Fund Budget Transfer transfers appropriations within the General Fund from the Marketing Division to an operating transfer to the Special Revenue Fund in the amount of \$800,000.

Fiscal Impact:

Fiscal year 2009 proposed budget:

Beginning Fund Balance:	\$	0
Revenue Sources:		1,990,000
Uses of Funds:		1,987,000
Ending Fund Balance:		3,000

\$800,000 of the proposed revenues and expenditures are funded through an Inter-Fund Budget Transfer from the Marketing Division current appropriations for Vegas Uncork'd.

Following the discussion, Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to: 1) Authorize the Las Vegas Convention and Visitors Authority to assume the lead production responsibility and ownership of Vegas Uncork'd; 2) Adopt Resolution No. 2008-40 to establish a Special Revenue Fund to accumulate revenues and control expenditures for the Vegas Uncork'd event; 3) Approve an Inter-Fund Budget Transfer in the amount of \$800,000; 4) Adopt the Vegas Uncork'd fiscal year 2009 budget as presented; and 5) Approve the expenditures exceeding \$100,000 as presented.

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

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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 September 30, 2008* was presented to the Board for their review.

LVCVA Vice President of Finance Brenda Siddall highlighted the following key issues:

- Room tax revenues for September were comparable to the same period last year.
- Room tax revenues are down 5.3% as compared to fiscal year 2008, slightly better than the 7.9% decline reflected in August.
- Year-to-date room tax revenues are 5.9% less than budgeted projections.
- The average daily room rate of \$83.99 for September is par with the prior year. (The average daily room rate continues to reflect a decline of 3.9% year-to-date.)

This is an information item. No Board action required.

Board Request

Vice Chair Keith Smith requested that every three-four months the Board of Directors receive an update on the status of the Las Vegas Convention and Visitors Authority's investments and securities and the status of their banking relationships.

CLARK COUNTY
SELF-FUNDED
HEALTH BENEFITS
PLAN

- Amendments to the
Interlocal Agreement

Amendments to the Interlocal Agreement, as submitted by Clark County Risk Management, will set new premium rates and make modifications to the Clark County Self-Funded Health Benefits Plan. The changes will become effective January 1, 2009, and represent a premium rate increase of approximately 4.5%.

Fiscal Impact:

FY 2009 Estimated: \$2,835,463

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve the two Amendments to the Interlocal Agreement as submitted by Clark County Risk Management for the Self-Funded Health Benefits Plan.

LEGAL COUNSEL'S
REPORT

Legal Counsel Luke Puschnig reported that on August 29, 2008, the Las Vegas Convention and Visitors Authority was sued by Mr. Cesar Fernandez for alleged personal injuries as a result of an alleged incident involving an electric cart on September 1, 2006. Mr. Fernandez sued both the LVCVA and *GES Exhibition Services*. This is the companion case to the King lawsuit which was reported to the Board of Directors in September of this year.

This case has been tendered to the *MAGIC Tradeshow*, and *MAGIC's* insurance company has accepted the tender. The LVCVA will aggressively defend itself in this case.

On September 16, 2008, the Las Vegas Convention and Visitors Authority was sued by Ms. Esperanza Tafallo for alleged personal injuries as a result of an alleged incident involving a fork lift on August 1, 2007. Ms. Tafallo sued both the LVCVA and *GES Exhibition Services*.

The case has been tendered to *GES*, and *GES* accepted the tender. The LVCVA will aggressively defend itself in this case.

On October 20, 2008, the LVCVA was sued by Ms. Linda Donato for alleged personal injuries as a result of a trip-and-fall at the *SEMA Tradeshow* in October 2006. Ms. Donato sued the LVCVA, *SEMA* and *Freeman Decorating Company*.

This case has been tendered to the insurance companies for *SEMA* and *Freeman Decorating Company*. The LVCVA will aggressively defend itself in this case.

This is an information item. No Board action required.

DIRECTORS' COMMENTS

Member Susan Holecheck presented photographs of the Mesquite Regional Park to the Board of Directors and updated them on the progress of the Park. She thanked the LVCVA for their support.

Chair Oscar Goodman extended a welcome to Branch Rickey, President of the Pacific Coast League, stating that 'they were really the cause of all the great things that happened in baseball and what this country is all about. They fought and succeeded in giving Jackie Robinson the opportunity to play Major League Baseball, and it is an honor and privilege to have him in attendance at the meeting'.

COMMENTS FROM THE FLOOR BY THE PUBLIC

Jon Aster White, President of the *National Las Vegas Entertainment Hall of Fame Association*, informed the Board that the "Vegas Star Awards" will be held February 27 – March 1, 2009 at the Las Vegas Hilton Event Center. This is a change from the previously scheduled December date.

Ted Russell, Resident of Las Vegas, gave his opinion on the recent Presidential Elections as well as various other topics.

ADJOURNMENT

There being no further business to come before the Board of Directors, Chair Oscar Goodman adjourned the meeting at 10:21 a.m.

Respectfully submitted,

Date Approved: December 9, 2008

(s)
Carol Fergen
Executive Assistant to the Board

(s)
Oscar Goodman
Chair