



CONVENTION AND VISITORS AUTHORITY

REGULAR MEETING OF THE BOARD OF DIRECTORS
SEPTEMBER 9, 2008
MINUTES

The Regular Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority was held the 9th day of September 2008 at the Las Vegas Convention Center, 3150 Paradise Road – Las 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 9:03 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. Entered after Roll Call

Mr. Charles Bowling

Councilman Larry Brown

Commissioner Tom Collins

Mayor Susan Holecheck

Mr. Tom Jenkin Absent

Ms. Kara Kelley

Mayor Michael Montandon Entered after Roll Call

Mr. Scott Nielson Entered after Roll Call

Councilman Mike Pacini

Mr. Andrew Pascal..... Absent

Commissioner Rory Reid

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, Legal Counsel

INVOCATION
FLAG SALUTE

Reverend Jesse D. Scott presented the invocation.

The Flag Salute followed the invocation.

[MEMBER SCOTT NIELSON ENTERED THE MEETING]
[MEMBER MICHAEL MONTANDON ENTERED THE MEETING]

APPROVAL OF THE AGENDA / MINUTES

APPROVAL OF
THE AGENDA
and
APPROVAL OF
THE MINUTES

President Rossi Ralenkotter informed the Board that the September 9, 2008 Agenda was in order for approval as well as the minutes of the August 12, 2008 Regular Meeting of the Board of Directors.

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve the September 9, 2008 Agenda and the minutes of the August 12, 2008 Regular Meeting of the Board of Directors as presented.

PRESENTATIONS

MONORAIL - PRESENTATION

The Board of Directors had previously requested an update on the Las Vegas Monorail. Mr. Curtis Myles, President of the *Las Vegas Monorail Company*, presented a PowerPoint overview of: The Las Vegas transportation challenges and limited viable alternatives; Transit System/Agency rankings; Monorail reliability; Growing numbers of ridership; Air quality and mobility benefits; and, the necessity of the proposed extension of the McCarran International Airport-to-the-Strip connection.

[MEMBER JAMES GIBSON ENTERED THE MEETING]

MONORAIL - PRESENTATION (Continued)

In answer to a question from Vice Chair Keith Smith regarding the funding mechanism for this project, Mr. Myles explained that *Las Vegas Monorail Company* has hired an outside consultant who is currently putting together a model of how the system would be funded. Once that model is refined, Mr. Myles will bring this item back before the LVCVA Board of Directors for consideration and possible action. This is an information item. No Board action required.

MARKET ANALYSIS OF ECONOMIC CONDITIONS AND ACCOMPANYING STRATEGIES - PRESENTATION

Staff addressed the Board of Directors on the LVCVA's strategic approach to the current economic environment:

President/CEO Rossi Ralenkotter reviewed the current economic environment and market conditions and the key factors impacting visitation, which include: Fuel prices; housing and credit crisis; inflation and unemployment; Stock market conditions; airline seat reduction to the destination; and the effect that all of these factors are having on consumer confidence throughout the industry.

[MEMBER TOM COLLINS LEFT THE MEETING]

Vice President of Finance Brenda Siddall summarized the LVCVA's approach to handling the financial impacts, including: Budgetary controls and conservative budgeting; Flexible expenses; and, Monthly reviews. She explained that the Commercial Paper program, Converting long-term debt, and the Master Plan Enhancement Program phasing have all aided in managing expenses.

Mr. Terry Miller, President/CEO of *HNTB Architecture*, detailed the Master Plan Enhancement Program phasing approach. The project will be completed in three phases: Phase One – Existing Facility Renovation; Phase Two – South Hall Meeting Rooms and Renovation; and, Phase Three – North South Connector/Transit Center.

[MEMBER TOM COLLINS RETURNED TO THE MEETING]

Vice President of Convention Sales Chris Meyer reported on the current sales programs and promotions, which include: Customer feedback; International marketing in 75 countries; and, Diversity initiatives.

Senior Vice President Terry Jicinsky discussed staff's strategic plan to reach potential visitors by focusing on a cooperative partnership with McCarran International Airport. Additionally, staff is concentrating on the advertising campaigns with continued focus on television coverage, which includes the "What Happens Here, Stays Here", "Your Vegas is Showing", and "Do It Now" television spots, as well as the "Vegas Right Now" web banners and the new "Crazy Times Call for Crazy Fun" newsletters. Mr. Jicinsky talked about the branding promotions for the extended destinations of Mesquite, Boulder City, Primm and Laughlin. Staff presented video of the current television/media advertising campaigns.

[MEMBER CHARLES BOWLING LEFT THE MEETING]

STAFF REPORTS

MARKETING DIVISION

INTERNATIONAL
ASSOCIATION OF
EXHIBITIONS &
EVENTS (IAEE)
ANNUAL MEETING
AND EXPO! EXPO!

The International Association for Exhibitions and Events (“IAEE”) annual meeting and Expo! Expo! has become the premier exposition in the tradeshow industry. This year’s event will be held December 9-11, 2008 in Miami Beach, Florida. Las Vegas was the host community for this tradeshow last year, and with IAEE moving to Miami this year the Las Vegas Convention and Visitors Authority will be able to utilize last year’s exposure. In addition to the tradeshow, staff is proposing the LVCVA sponsor three special events: The Southwest Chapter of the IAEE Reception; An industry press event to educate the press on what’s new in Las Vegas and the value proposition opportunities on the tradeshow side; and, a VIP Client event.

Fiscal Impact:

FY 2009 Estimated: \$120,000

Member James Gibson moved and it was carried by unanimous vote of the members present to approve an estimated expenditure of \$120,000 to sponsor and exhibit at the International Association of Exhibitions & Events Expo! Expo! to be held in Miami Beach, Florida, December 9-11, 2008, and to host three additional events: the Southwest Chapter of IAEE Reception, an industry press event, and a VIP Client Event.

OPERATIONS DIVISION

BUDGET TRANSFER
(INTRA-FUND)

The Smart City contract that the Board of Directors approved on March 11, 2008, includes a provision to simplify the telephone billing by changing from detailed statements per-phone, to a flat monthly fee. This change is effective for fiscal year 2009.

A total of \$168,000 was budgeted in 35 departmental cost centers for office telephone expenses in the fiscal year 2009 budget. Those appropriations are being transferred to a single account, which will be used to comprise all LVCVA telephone service. There is no budget impact and no action is required by the Board of Directors.

Fiscal Impact:

Intra-Fund Budget Transfer in the amount of \$168,000

This is an information item. No Board action required.

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

This is an information item. No Board action required.

EXECUTIVE DIVISION

LEGAL COUNSEL'S REPORT

LVCVA
vs.
Mr. Thomas King

Legal Counsel Luke Puschnig reported that on or about August 28, 2008, the LVCVA was sued by Mr. Thomas King for alleged personal injuries as a result of an electric cart/pedestrian incident on September 1, 2006. The case has been tendered to the MAGIC Tradeshaw and the LVCVA will aggressively defend itself in this case.

LVCVA
and
Golo Entertainment
vs.
Patrick Potter

On or about October 5, 2006, the LVCVA and one of the LVCVA's Cashman Center lessees: *Golo Entertainment*, were sued by Mr. Patrick Potter. Mr. Potter claimed personal injuries as a result of an incident when he fell off of his scooter at Cashman Center during the *Golo Entertainment* show. *Golo Entertainment's* insurance carrier initially declined coverage but in the end result accepted the LVCVA's tender of defense. On August 14, 2008, Eighth Judicial District Court Judge Sally Loeher granted the LVCVA's Motion for Summary Judgment on the issue of immunity. No LVCVA funds were expended in defense of this action and the LVCVA is dismissed from this action.

[MEMBER CHARLES BOWLING RETURNED TO THE MEETING]

McCarran
International Airport
and Clark County
vs.
STT Land, LLC

On October 9, 2007, Eighth Judicial District Court Judge Douglas Herndon granted a Motion for Summary Judgment in favor of McCarran International Airport and Clark County in the case of STT Land, LLC versus McCarran International Airport and Clark County. This case is an inverse condemnation action filed by *STT Land, LLC* seeking damages because the County imposed height restrictions on construction on certain parcels of property near McCarran Airport.

STT Land, LLC has filed an Appeal to the Nevada Supreme Court seeking to overturn Judge Herndon's Judgment arguing that the Statute of Limitations should not be applied in this case.

McCarran International Airport and Clark County have asked that the LVCVA file an Amicus Brief, or friend of the court brief, with the Nevada Supreme Court in support of *McCarran International Airport's* position and also in support of Judge Herndon's Judgment in this case. The rejection of the Statute of Limitations in this case could have a serious effect on *McCarran International Airport*, Clark County and tourism in general. If the decision is overturned, *McCarran International Airport* officials have informed the LVCVA that future expansion projects and Ivanpah would be jeopardized. Moreover, the effect of future judgments could lead to substantial increases in airline costs and expenses, which could damage the Las Vegas tourism industry.

The LVCVA has engaged the law firm of *Brownstein, Hyatt, Farber and Schreck* to help draft and file the Amicus Brief.

Room Tax Initiatives
(Nevada Supreme
Court Decision)

On February 29, 2008, two initiatives were filed seeking to reallocate some of the LVCVA's revenue for various other purposes.

After a significant amount of litigation, on September 4, 2008, the Nevada Supreme Court unanimously held that the LVCVA has standing to challenge initiatives in court and that the initiatives were legally deficient and could not qualify to be placed on the ballot.

Legal Counsel acknowledged the work of Todd Bice, Jarrod Rickard and Nathan Lloyd of *Schreck* law firm on this matter.

COMMITTEE REPORTS

AUDIT COMMITTEE REPORT

Committee Chair Keith Smith reported that the Audit Committee met on August 12, 2008. The committee received a report from the Director of Internal Audit covering internal audit activities since the previous Audit Committee meeting. Mr. Smith said there was nothing unusual or significant to report to the Board of Directors on this item.

The committee had also reviewed the Internal Audit Plan for fiscal year 2009, and unanimously approved it as presented.

There is no Board action required on any items of the August 2008 Audit Committee meeting.

COMPENSATION COMMITTEE MEETING REPORT

Committee Chair James Gibson reported that the Compensation Committee, and Chair Oscar Goodman as Ex-Officio, met on August 26, 2008 for the purpose of the President/CEO's Annual Evaluation and Compensation, and Legal Counsel's Annual Evaluation and Compensation.

Member Gibson said that it was clear that over the past year, both of these individuals had achieved a high level of performance on behalf of the LVCVA and that the Executive Team had also performed admirably, particularly in light of the existing financial conditions throughout the industry.

During the Compensation Committee meeting, it was the recommend by President Rossi Ralenkotter, and personally supported by Legal Counsel, that the LVCVA Executive Team not receive a base-pay increase. That they would be eligible to receive performance incentives based upon the goals that they achieved, but the total performance incentives would not take them to a level higher than their compensation package for the pervious year. The recommendation from the Mr. Ralenkotter was that the total cash compensation be flat-lined to last year's level.

Mayor Gibson reported that after a considerable discussion, the Committee determined that it was appropriate to follow President/CEO Rossi Ralenkotter's recommendation.

Member James Gibson moved and it was carried by unanimous vote of the Board members present to approve the Committee's recommendation that the President/CEO and Legal Counsel be compensated at the same cash compensation level as received in the last period.

DIRECTORS' COMMENTS

Member Mike Pacini briefly discussed Boulder City's *Bootleg Canyon Flightlines*. He explained that it is a 2-mile aerial trail that takes you across the canyon, from 10' to over 200' above the canyon floor. He showed a couple of photos of himself and LVCVA staff on the flightline swooping across the canyon. Mr. Pacini invited everyone to come to Boulder City and experience this new adventure.

Member Kara Kelley said she recently had the pleasure of accompanying the LVCVA Marketing staff to the *American Society of Association Executives Annual Meeting and Exposition*, and wanted to compliment Chris Meyer, Marla Laughlin, and their staff on how professionally they represent Las Vegas and the LVCVA.

COMMENTS FROM THE FLOOR BY THE PUBLIC

Mr. Frank Perna, Veterans' Representative in *Southern Nevada Advocates For Homeless People*, addressed the Board on the hardships the American Veterans face when returning home from serving our country. He said he was appealing to the LVCVA Board of Directors to work closely with the Southern Nevada Regional Planning Coalition Homeless Committee and Executive Board to provide funding and expertise for drop-in centers, economical and innovative housing, and employment opportunities. He said the voice of the Board of Directors along with the City and County elected officials would encourage the Congressional Delegation's support.

Mr. Ted Russell, Las Vegas resident, gave his opinion on the advertising campaigns; monorail; luggage situation and the use of Federal Express/DHL/UPS; Trials of the past year; and, LVCVA's target nations.

Mr. Sherman Rutledge, Jr., Executive Director of *Strengthening America's Communities*, said he wanted to solicit the Board's support of an initiative in the Clark County School District called S.T.E.M. (Science-Technology-Engineering-Mathematics) and to bring a national S.T.E.M. conference for students on the Western Hemisphere to Las Vegas next year.

ADJOURNMENT

There being no further business to come before the Board of Directors, Chair Oscar Goodman adjourned the meeting at 10:56 a.m.

Respectfully submitted,

Date Approved: October 14, 2008

(s)
Carol Fergen
Executive Assistant to the Board

(s)
Oscar Goodman
Chair