



CONVENTION AND VISITORS AUTHORITY

Regular Meeting of the Board of Directors
Tuesday, June 13, 2006
Minutes

The Regular Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority (“LVCVA”) was held the 13th day of June 2006 in the Las Vegas Convention Center Board Room, 3150 Paradise Road, Las Vegas, Nevada. This meeting had been properly noticed and posted in compliance with the “Nevada Open Meeting Law”.

CALL TO ORDER Chair Oscar Goodman called the meeting to order at 9:00 a.m. On roll call the following Board members were present, constituting a quorum of the members thereof:

- | | |
|-----------------------------------|-------------------|
| Oscar Goodman, Chair | Tom Jenkin |
| James Gibson, Secretary/Treasurer | Michael Montandon |
| Keith Smith, Vice Chair | Bill Nicholes |
| Charles Bowling | Mike Pacini |
| Glenn Christenson | (Vacant) |
| Tom Collins | |

Absent at Roll Call Larry Brown
Yvonne Atkinson Gates
Kara KelleyEntered after roll call

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

Absent: Terry Jicinsky, Senior Vice President – Marketing Division

INVOCATION Father Larry Lentz - Guardian Angel Cathedral, presented the invocation.

FLAG SALUTE The Flag Salute followed the invocation.

MEMBER KARA KELLEY ENTERED THE MEETING

APPROVAL OF THE
AGENDA
and
APPROVAL OF THE
MINUTES

President/CEO Rossi Ralenkotter informed the Board that the June 13, 2006 Agenda, the Minutes of the May 9, 2006 Regular Meeting of the Board of Directors, and the Minutes of the May 18, 2006 Public Hearing on the Budget were in order for Board approval.

Member James Gibson moved to approve the June 13, 2006 Agenda, the Minutes of the May 9, 2006 Regular Meeting of the Board of Directors, and the Minutes of the May 18, 2006 Public Hearing on the Budget as presented. The motion carried by the following vote:

Charles Bowling	Aye	Keith Smith	Abstained
Glenn Christenson	Aye	Bill Nicholes	No vote cast
Tom Collins	Aye	Yvonne Atkinson Gates	Absent
James Gibson	Aye	Larry Brown	Absent
Oscar Goodman	Aye		
Tom Jenkin	Aye	(Vacant Seat)	
Kara Kelley	Aye		
Michael Montandon	Aye		
Mike Pacini	Aye		

PRESENTATIONS

NATIONAL
TOURISM WEEK
PRESENTATION
(Video)

May 13-24, 2006 was National Tourism Week and was celebrated throughout the industry. The Las Vegas Convention and Visitors Authority implemented a new outreach program to raise the awareness among the general public regarding the economic impact and accompanying benefits tourism has in Clark County. The outreach included a job shadowing initiative with current Board members and executives participating in frontline jobs in the hospitality industry. Staff presented a video capturing some of the experiences shared by the participants.

MOST VALUABLE
PLAYER PROGRAM

The Most Valuable Player ("MVP") program recognizes and rewards excellence in delivering on the Mission and the Brand promise, exemplifying the core values and/or providing above and beyond service to LVCVA internal and/or external customers. Vice President of Human Resources Mark Olson introduced **Mr. Eric Wiser - Call Center Agent** as the MVP for the month of May 2006.

Las Vegas City
Corporate Challenge
Games Award
(Announcement)

Vice President of Human Resources Mark Olson announced that the LVCVA placed second in the Las Vegas City Corporate Challenge Games. He noted that the LVCVA also placed first in five categories.

PRESENTATIONS (Continued)

BEST PLACE TO
WORK AWARD

The Southern Nevada Human Resource Association conducts an annual Best Place to Work competition. Outstanding workplaces that are known for their leadership, innovation, creative people practices, including learning and career development activities to work/life programs, from inventive pay plans to health and fitness promotions, are recognized. The LVCVA received the Second Place Award in its category for the Best Place to Work.

EMPLOYER OF THE
YEAR AWARD

The Employee Services Management ("ESM") Association is the only non-profit professional organization in the United States providing resources and education for employee programs. ESM's annual Employer of the Year Award recognizes CEO's who are leaders in the employee services industry and honors their companies as being employers of choice. Past winners include the CEO's of Universal Studios Hollywood, FedEx, and former Secretary of State Henry Kissinger, the only other government official ever honored with this award. Ms. Jennifer Morgan, National President of the Employee Services Management Association presented the award to President/CEO Rossi Ralenkotter.

OPERATIONS DIVISION

NEVADA
COMMISSION
ON TOURISM
Interlocal
Agreement
FY 2006/2007

The Nevada Commission on Tourism ("NCOT") will partner with the LVCVA for representation of the State of Nevada in Japan, United Kingdom and South Korea through the LVCVA representative offices in those countries. NCOT will contribute revenues to cover activities performed by the representative offices for fiscal year 2006/2007 as stipulated in the proposed Interlocal Agreement. Payments to the LVCVA in the amount of \$136,125 for Japan, \$136,125 for the United Kingdom, and \$100,000 for South Korea, are payable on July 1, 2006. Details and responsibilities of each international office are included in the Agreement.

Fiscal Impact:

FY 2006/2007 Estimated Revenue: \$372,250

Following a brief discussion, Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve an Interlocal Agreement to provide the Nevada Commission on Tourism with representation in Japan, the United Kingdom, and South Korea.

OPERATIONS DIVISION (Continued)

LAS VEGAS
EVENTS
Agreement
FY 2006/2007

The Las Vegas destination capitalizes on special events to drive visitor volume, media exposure, extend television and other media, and provide co-sponsorship and branding for Las Vegas and outlying areas. Laughlin and Mesquite also utilize these special events as part of their branding campaigns. The proposed Agreement between the Las Vegas Convention and Visitors Authority ("LVCVA") and Las Vegas Events ("LVE"), a non-profit Nevada corporation, is to enable LVE to promote special events within Clark County, Nevada, and authorizes the LVCVA to provide LVE with a grant for the funding of certain special events and other expenses.

Fiscal Impact:

FY 2006/2007 Estimated \$9,334,774 – General Fund

Member Mike Pacini moved and it was carried by unanimous vote of the members present to approve an Agreement with Las Vegas Events, Inc. for the period July 1, 2006 through June 30, 2007, and expenditures in the estimated amount of \$9,334,774.

MASTER PLAN
ENHANCEMENT
PROGRAM UPDATE
Early Construction
Overview

Mr. Mike Musgrave, MWH Consultant – Project Development, updated the Board of Directors on the progress of the Master Plan Enhancement Program. He discussed the focus group meetings that were held in May. He said there was an excellent turn-out.

Mr. Musgrave explained that they are entering the early construction phase of the project and will be refurbishing two meeting rooms, a pre-function area and a restroom incorporating the new design concept so the customers, Staff, and the Board of Directors can walk through these areas and present their suggestions and opinions.

Member Kara Kelley inquired as to the feedback from the focus groups so far, and asked about the schedule for working around shows in the building during the refurbishing of the mentioned areas.

Mr. Musgrave said that the feedback from the focus groups is very positive and they have expressed their gratitude that the LVCVA is taking their comments and suggestions into consideration.

He explained that the work on the designated areas will be done around the convention schedule, with no loss of revenue to the LVCVA, and within compliance of their bidding specifications with the Nevada Revised Statutes.

Mr. Musgrave stated that the rest of the project will be dependent on this early construction process. Once all the input is obtained, the new areas will be returned to inventory so they can be back in use in early 2007.

OPERATIONS DIVISION (Continued)

RESOLUTION TO
ESTABLISH A FUND
FOR CAPITAL
PROJECTS
RELATED TO THE
MASTER PLAN
ENHANCEMENT
PROGRAM

The Las Vegas Convention and Visitors Authority ("LVCVA") Master Plan Enhancement Program is funded primarily by the issuance of debt. Federal regulations require the LVCVA to account for the proceeds of debt, and the expenditures thereof, separate from the other LVCVA funds. The most efficient method of accomplishing this segregation of debt proceeds is by establishing a separate fund.

The Nevada Revised Statutes set forth the procedures and parameters to establish a fund for the construction of capital projects, requiring the Board of Directors to adopt a resolution.

Staff submitted the following Resolution:

RESOLUTION 2006-22

**A RESOLUTION ESTABLISHING A FUND
FOR CAPITAL PROJECTS RELATED TO THE
MASTER PLAN ENHANCEMENT PROGRAM.**

Member James Gibson moved and it was carried by unanimous vote of the members present to adopt Resolution 2006-22 authorizing the creation of a Master Plan Enhancement Program Capital Fund.

RATIFICATION OF
THE PURCHASE OF
TOILET TISSUE
(File #06-1520)

The Las Vegas Convention and Visitors Authority entered into an agreement with *Brady Industries, Inc.* for toilet tissue by joining the Clark County Department of Aviation's bid for an estimated amount of \$41,735, for the period July 1, 2005 through April 30, 2006.

LVCVA has purchased additional toilet tissue to take advantage of the current pricing due to a foreseeable price increase in the next contract period. The original agreement with *Brady Industries, Inc.* was for an estimated \$41,735, and did not require Board approval. With the recent purchase of additional stock, this purchase now exceeds \$50,000 and, therefore, requires Board approval.

Fiscal Impact:

FY 2006 - \$57,618.85 – General Fund

Member Mike Pacini moved and it was carried by unanimous vote of the members present to: 1) Ratify the purchase of toilet tissue in the amount of \$57,618.85 to *Brady Industries, Inc.*, for the period of July 1, 2005 through April 30, 2006; and, 2) Authorize the Director of Materials Management to execute the contract documents.

OPERATIONS DIVISION (Continued)

TOILET TISSUE
REQUIREMENTS
Contract Joinder
(File #06-1520)

The Clark County Department of Aviation ("CCDA") has a current contract with *Brady Industries, Inc., Las Vegas, Nevada*, ending in April 2007, with a one-year option to renew. *Brady Industries, Inc.* has offered to extend the same pricing through the CCDA's Bid to the LVCVA. Ten months and one-year extension remain on the CCDA's current contract term; therefore, the term of the LVCVA contract would coincide.

NRS 332.195(1) states that a governing body or its authorized representative and the State of Nevada may join or use the contracts of local governments located within or outside this State with the authorization of the contracting vendor.

Fiscal Impact:

FY 2006/2007 Estimated \$54,560 – General Fund

Member Glenn Christenson inquired as to whether the LVCVA could consolidate these types of purchases with other municipal groups.

Ms. Penny Marchell, Director of Materials Management, answered that the LVCVA is addressing this issue with the other governmental agencies, and is looking to do more cooperative bids in the future with the LVCVA being the lead in the bidding process.

Following the discussion, Member James Gibson moved and it was carried by unanimous vote of the members present to: 1) Approve the contract joinder with the Clark County Department of Aviation Bid # 05-293612, for LVCVA File #06-1520, for Toilet Tissue Requirements, to *Brady Industries, Inc., Las Vegas, Nevada*, in the estimated amount of \$54,560, for the period of June 13, 2006 through April 30, 2007; 2) Authorize the Director of Materials Management to execute the contract documents; and, 3) Authorize the Director of Materials Management to execute a one-year contract extension in accordance with the Clark County Department of Aviation's contract documents.

OPERATIONS DIVISION (Continued)

PURCHASE OF
OFFICE SUPPLIES
Contract Joinder
(File #06-1685)

The University of Nevada, Las Vegas ("UNLV") currently has a contract with *OfficeMax Enterprise Solutions* for office supplies with an estimated annual value of \$2,000,000 through April 30, 2007. *OfficeMax Enterprise Solutions* has agreed to extend the UNLV contract to the LVCVA. Ten months remain on this contract term, therefore, the term of the LVCVA contract would coincide.

NRS 332.195(1) state that a governing body or its authorized representative and the State of Nevada may join or use the contracts of local governments located within or outside this State with the authorization of the contracting vendor.

Fiscal Impact:

FY 2006/2007 Estimated \$100,000 – General Fund

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to: 1) Approve the contract joinder with the University of Nevada, Las Vegas, Contract #4044, for File #06-1685, for the Purchase of Office Supplies, to OfficeMax Enterprise Solutions, Las Vegas, Nevada, in the estimated amount of \$100,000, for the period of July 1, 2006 through April 30, 2007; and, 2) Authorize the Director of Materials Management to execute the contract documents.

PUBLICATION OF
DESTINATION
GUIDES
(File #06-1636)

The publication of destination guides includes printing of the Meeting Planner Guides and Official Visitor Guides. Both publications are distributed worldwide. The Meeting Planner Guide is prepared once a year, with a distribution of approximately 7,500 copies, and approximately 150,000 Official Visitors Guide are distributed twice a year.

Based on the specifications provided by the Marketing Division, three proposals were received, and all three proposals were judged independently by the Publication of Destination Guides Evaluation Committee members based on criteria set forth in the Request for Proposal Documents. *Weaver Las Vegas Publications, Inc.* earned the highest ratings from the evaluation committee members.

Fiscal Impact:

FY 2006/2007 Estimated Annual Revenue: \$250,000.

OPERATIONS DIVISION (Continued)

PUBLICATION OF
DESTINATION
GUIDES
(File #06-1636)
(Continued)

Member Charles Bowling asked why this is a two-year contract.

Senior Vice President Gans explained that the two-year contract provides a financial benefit to both parties.

Following the discussion, Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to: 1) Award RFP #06-1636, for the Publication of Destination Guides to Weaver Las Vegas Publications, Inc., Las Vegas, Nevada, for the period of June 13, 2006 through June 12, 2009; 2) Authorize the Director of Materials Management to execute the contract documents; and, 3) Authorize the Director of Materials Management to execute one additional two-year contract extension, if mutually agreed.

VIDEO
SURVEILLANCE
SYSTEM
(File #06-1686)

The LVCVA is in the process of a conversion to the *Axiom Technologies, Inc. Video Surveillance System*, which is approximately 40% complete. There is a need to expand the current video surveillance system to additional areas in order to create a more viable infrastructure for protection, response monitoring, and property loss management. Digital video recorders and close circuit television cameras will update the current systems at the Laughlin and Primm Visitor Information Centers. There are 70 cameras on the LVCVA properties at this time. Approval of this request would provide an additional 130 cameras, including cabling and equipment for these areas. It is anticipated that 500 cameras will be required to complete all existing areas where needed.

Per NRS 332.115(d), this equipment is exempt from competitive bidding, as it is compatible with existing equipment.

Electrical Systems Integration, Inc. ("ESI") is the only Certified Authorized Integrator and reseller of *Axiom Technologies, Inc.* products in the Las Vegas area. Staff has negotiated with ESI and they have offered competitive pricing on this project.

Fiscal Impact:

FY 2006/2007 Estimated \$433,259.27 – Capital Fund

Member Michael Montandon asked about the use of wireless cabling.

Mr. Gans explained that the LVCVA is in a transition between old technology and new technology, and caution has to be used with wireless cabling due to the computer, cell phones, etc, used by the customers during conventions in the building.

Following the discussion, Member James Gibson moved and it was carried by unanimous vote of the members present to: 1) Declare this purchase exempt from competitive bidding pursuant to NRS 332.115(d); 2) Award File #06-1686, for the Video Surveillance System to Electrical Systems Integration, Inc., Henderson, Nevada, in the estimated amount of \$433,259.27; and, 3) Authorize the Director of Materials Management to execute the contract documents.

OPERATIONS DIVISION (Continued)

TRANSFER OF
FUNDS
Interest Earned

Governmental entities use fund accounting to aid management in demonstrating compliance with financial, legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Funds segregate revenues and expenditures according to their intended purpose.

The General Fund is the primary operating fund of the Las Vegas Convention and Visitors Authority (LVCVA). The Capital Projects Fund is used to account for the acquisition of capital assets and the construction of new facilities. The Debt Service Funds account for the accumulation of resources to pay principal and interest payments on the LVCVA's outstanding debt issues. All resources in both the Capital and Debt Service Funds are derived from transfers from the General Fund. The only revenues attributable directly to the Capital and Debt Service Funds are interest earnings on investments, and budgetary policy requires those earnings be transferred to the General Fund.

During FY 2006, interest has been received for investments in the following funds and is pending transfer to the General Fund:

Capital Fund	\$ 433,856.88
1996 Bond Fund	66,661.15
1998A Bond Fund	26,741.26
1999 Bond Fund	28,461.74
2003 Bond Fund	210,012.54
2005 Bond Fund	<u>89,552.62</u>
TOTAL	<u>\$ 855,286.19</u>

Vice Chair Keith Smith moved and it was carried by unanimous vote of the members present to approve the transfer of interest earned in the amount of \$855,26.19

OPERATIONS DIVISION (Continued)

TRANSFER OF
FUNDS
Debt Service

Pursuant to the provisions in the 9/96, 1998A, 11/99, 5/03 and 4/05 bond covenants, the Las Vegas Convention and Visitors Authority (LVCVA) 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:

9/96 Series	\$ 4,156,320.00
1998A Series	1,880,731.26
11/99 Series	1,911,100.00
5/03 Series	9,880,500.00
4/05 Series	<u>6,125,637.50</u>
	<u>\$23,954,288.76</u>

Member Mike Pacini moved and it was carried by unanimous vote of the members present to approve the transfer of \$23,954,288.76 from the General Fund to the Debt Retirement Funds for FY 2006/2007 debt service requirements.

BUDGET
TRANSFER

An intra-fund budget transfer is necessary to provide for the semi-annual revision in the salaries and benefits budget to provide for personnel actions that have taken place since mid-year (i.e., filled positions, reclassifications, promotions, retirements, and transfers).

Fiscal Impact:
None

Member James Gibson moved and it was carried by unanimous vote of the members present to approve an intra-fund budget transfer in the amount of \$826,300 for the year-end revisions in the salaries and benefits budget.

LVCVA BUDGET
AND STATISTICAL
REPORT

The “Las Vegas Convention and Visitors Authority Budget and Statistical Report” for the period ending April 30, 2006 was presented to the Board of Directors for their information and review. There were no questions or concerns by the Board regarding this report.

This is an information item. No Board action required.

EXECUTIVE DIVISION

EXCESS WORKERS' COMPENSATION INSURANCE

On March 8, 2005, the LVCVA Board of Directors retained *Kaercher Campbell & Associates Insurance Brokers* as Broker of Record for Workers' Compensation Insurance. The annual renewal of Excess Workers' Compensation Insurance and Workers' Compensation coverage for the LVCVA's Washington, DC and Chicago offices for the proposed 13-month period of July 1, 2006 through August 1, 2007 is in response to the Public Agency Risk Management report, which recommended concurrent renewal of all LVCVA insurance policies.

Fiscal Impact:

FY 2006/2007 Estimated \$90,529

Following a brief discussion, Member Kara Kelley moved and it was carried by unanimous vote of the members present to: 1) Authorize the expenditure of an estimated amount of \$90,529.00 for the recommended coverages and bond for Excess Workers' Compensation Insurance and Workers' Compensation Insurance for the Washington, DC and Chicago offices offered by the Kaercher Campbell & Associates Insurance Brokers, for the period July 1, 2006 through August 1, 2007; and, 2) Authorize the President/CEO to execute the appropriate documents.

LEGAL COUNSEL'S REPORT

Legal Counsel Luke Puschnig reported that on May 25, 2006, the Las Vegas Convention and Visitors Authority was served with a law suit filed in the Eight Judicial District Court by Susan Lille. Ms. Lille alleges she was injured when she allegedly slipped and fell in a restroom at the Las Vegas Convention Center during the Aesthetics 2005 tradeshow. Mr. Puschnig said he tendered for the defense for the claim to the tradeshow's insurance company, however, the LVCVA's insurance company has accepted the tender, and has tendered Gloria Sturman of Wilson, Elser, Moskowitz, Edelman and Dicker to represent the LVCVA.

LAS VEGAS EVENTS' REPORT

Mr. Pat Christenson, President of Las Vegas Events, summarized upcoming events for June/July 2006.

DIRECTORS' RECOGNITION

Vice Chairman Keith Smith referenced the dollar amount of items on the agenda coming before the Board of Directors for approval. He noted that there is a Policy Committee meeting on June 29, 2006, and requested the Committee review and discuss the President/CEO's authority threshold, and possibly raising that threshold.

Chairman Oscar Goodman thanked the LVCVA for their assistance with the Conference of Mayors.

COMMENTS FROM THE FLOOR BY THE PUBLIC

There were no comments from the floor by the public.

ADJOURNMENT

The meeting was adjourned by Chair Oscar Goodman at 9:45 a.m.

Respectfully submitted,

Date Approved: July 11, 2006

(s)

Carol Fergen
Executive Assistant to the Board

(s)

Oscar Goodman
Chair of the Board of Directors