



CONVENTION AND VISITORS AUTHORITY

Regular Meeting of the Board of Directors
Tuesday, September 12, 2006
Minutes

The Regular Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority ("LVCVA") was held the 12th day of September 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 Collins |
| Keith Smith, Vice Chair | Kara Kelley |
| James Gibson, Secretary/Treasurer | Michael Montandon |
| Glenn Christenson | Bill Nicholes |

Absent at Roll Call

Larry Brown	.....	Entered after roll call
Yvonne Atkinson Gates	.....	Entered after roll call
Mike Pacini	.....	Entered after roll call
Andrew Pascal	.....	Entered after roll call

Charles Bowling
Tom Jenkin

LVCVA Executive Staff in Attendance

Rossi Ralenkotter, President/CEO	
Luke Puschnig, Legal Counsel	
E. James Gans, Senior Vice President – Operations Division	.....
	..... Entered after roll call

Absent Terry Jicinsky, Senior Vice President – Marketing Division

INVOCATION Rabbi Mel Hecht - Temple Beth Am, presented the invocation.
FLAG SALUTE The Flag Salute followed the invocation.

APPROVAL OF THE AGENDA and APPROVAL OF THE MINUTES President/CEO Rossi Ralenkotter informed the Board that the September 12, 2006 Agenda, as well as the Minutes of the August 8, 2006 Regular Meeting of the Board of Directors were in order for Board approval as presented.

Member Kara Kelley moved and it was carried by unanimous vote of the members present to approve the September 12, 2006 Agenda and the Minutes of the August 8, 2006 Regular Meeting of the Board of Directors as presented.

PRESENTATIONS

**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. Allen (Glenn) Austin Groundskeeper, as the MVP for the month of July 2006, and Mr. Charles Harbin, Voice Systems Coordinator, as the MVP for the month of August 2006.**

MEMBER YVONNE ATKINSON GATES ENTERED THE MEETING

MEMBER ANDREW PASCAL ENTERED THE MEETING

MEMBER MIKE PACINI ENTERED THE MEETING

MEMBER LARRY BROWN ENTERED THE MEETING

**INFORMATIONAL
REPORT
REGARDING
“DEVORE 2” ROAD
CONSTRUCTION IN
SOUTHERN
CALIFORNIA AT
INTERSTATE-215
AND
INTERSTATE-15**

Mr. Tom Skancke, President of The Skancke Company, presented a brief update on the Devore 2 road construction project along the Interstate-215 and the Interstate-15 highways. He said he was happy to report that the original nine weekends of anticipated road closures along Interstate-15 have been reduced to only four weekends in October. This reduction in road closure time is the result of negotiations with Caltrans, the contractor, and the local government agencies. Mr. Skancke said he discussed the new road closure dates with the Las Vegas resort partners at Mandalay Bay, and they don’t anticipate a significant impact on room occupancy during the proposed road closure dates, based on the Public Relations Plan to get the information to the public in advance of the road closures.

SENIOR VICE PRESIDENT OF OPERATIONS E. JAMES GANS ENTERED THE MEETING

MARKETING DIVISION

**WORLD TRAVEL
MARKET**

The United Kingdom is Las Vegas’ second largest international market. The World Travel Market is the premier annual travel trade show in the United Kingdom. The estimated cost for the LVCVA to exhibit at this year’s event, which will be held November 6-9, 2006, is \$170,000. The Nevada Commission on Tourism will contribute \$60,000 for this event, for an estimated net expenditure of \$110,000.

Fiscal Impact:

FY 2006/2007	Estimated Expenditure:	\$170,000
	Estimated revenue from NCOT Contributions:	<u>(60,000)</u>
	Estimated net expenditure to LVCVA:	<u>\$110,000</u>

**WORLD TRAVEL
MARKET**

Member Yvonne Atkinson Gates moved and it was carried by unanimous vote of the members present to approve an estimated expenditure of \$170,000 for expenses associated with the Las Vegas Convention and Visitors Authority exhibiting at the World Travel Market, to be held November 6-9, 2006, in London, United Kingdom.

MARKETING DIVISION (Continued)

ANNUAL LAS
VEGAS TERRITORY
MATCHING GRANT
APPLICATIONS

The Las Vegas Convention and Visitors Authority ("LVCVA") has appropriated funds to be utilized as matching grant funds for fiscal year 2006/2007. These funds will be distributed to not-for-profit organizations for events that promote and improve tourism to and within Clark County, Nevada. Grant funds may be used for no other purpose and must be obligated and spent within the same fiscal year as awarded. Each grant recipient must contribute dollar-for-dollar matching funds for the specified promotion or event. The public notice to submit applications was posted in the Las Vegas Review Journal on June 1-3, 2006, with a closing date of June 30, 2006 for application submission.

This year's matching grant application process was based on existing guidelines.

Member Glenn Christenson requested to abstain from voting on Requested Grant Number 9, page 54 in the back-up documentation, (Henderson Chamber Of Commerce Fall Showcase, National Treasure Awards, Fall Carnival and Spring Carnival) because it will be held at the Fiesta Casino. He will be voting on this item, minus that particular request.

Fiscal Impact:

FY 2006/2007 - Estimated Expenditure: \$147,000.

Following a brief discussion, Member James Gibson moved and it was carried by unanimous vote of the members present to approve an estimated expenditure of \$147,000 for the fiscal year 2006/2007 annual Las Vegas Territory Matching Grants, with Member Christenson abstaining on Requested Grant Number 9, page 54 in the back-up documentation: Henderson Chamber of Commerce Fall Showcase, National Treasure Awards, Fall Carnival and Spring Carnival.

OPERATIONS DIVISION

MASTER PLAN
ENHANCEMENT
PROGRAM
- UPDATE

Mr. Mike Musgrave, MWH Consultant – Project Development, updated the Board of Directors on the progress of the Master Plan Enhancement Program. He presented a PowerPoint overview of the Program Financial Summary and Schedule to date; Goals and Accomplishments; and a brief update on the Metro Patrol Substation.

This is an information item. No Board action is required.

OPERATIONS DIVISION (Continued)

PUBLIC HEARING:
LEASE FOR CLARK
COUNTY
Clark County Fire
Department
File #07-1591

On August 8, 2006, the Board of Directors adopted Resolution #2006-24. This Resolution was adopted pursuant to Nevada Revised Statute 277.050 for the Las Vegas Convention and Visitors Authority ("LVCVA") to lease real property to Clark County – Clark County Fire Department. The resolution set the date of September 12, 2006 for the Board of Directors to discuss the terms of the Lease.

The proposed lease was a thirty 30-year lease of vacant LVCVA-owned property with Clark County – Clark County Fire Department (CCFD) to build a new fire station. The property in consideration is approximately 1.57 acres and located at 901 E. Desert Inn. During construction, the CCFD may use the piece of property located approximately 50 feet to the east.

Clark County Fire Chief Steve Smith addressed the Board, and said that a Fire Station at the proposed location could provide optimum safety and security for the resort corridor, as well as for conventions, tradeshows and all who visit and/or do business at the LVCC.

Consistent with Homeland Defense, the LVCVA has negotiated with the CCFD to initially house two specialized response vehicles at the proposed fire station: The first vehicle is a Chemical, Biological, Radiological, Nuclear and Explosive detection device vehicle (known as CBRNE), and will be one of four (4) in the country. The second is an All hazards, Regional, Multi-agency, Operations and Response vehicle (known as ARMOR) primarily used for bomb threat response and detection. These "enhanced" fire services will be available for not only the LVCC, but for the tourism corridor and the entire Las Vegas Valley.

Member Yvonne Atkinson Gates said she supports this lease with the Clark County Fire Department, and noted that the County will be spending over \$11 million on this facility, as well as the cost for staffing it. That being said, she expressed great concern about the length of the proposed lease. She requested that the lease be approved at this meeting as a 50-year lease, and that Staff bring back an amendment to increase the term of the lease to a total of up to 99 years, and that there be language added to allow flexibility in the future as to the location of the Fire Department Station on the LVCVA property.

Chairman Oscar Goodman asked that the Clark County Fire Department meet with the Program Management/Construction Management Team of the Master Plan Enhancement Program to coordinate the architectural design of the new Fire Station in compliance with the design of the LVCC facility.

Chairman Oscar Goodman opened the meeting for public comment. There were no comments from the floor by the public.

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OPERATIONS DIVISION (Continued)

PUBLIC HEARING:
LEASE FOR CLARK
COUNTY
Clark County Fire
Department
File #07-1591
(Continued)

Following the discussion, Member Yvonne Atkinson Gates moved and it was carried by unanimous vote of the members present to: 1) Approve a 50-year lease with Clark County - Clark County Fire Department, with the stipulation that Staff will bring an amendment back to the Board for approval with the requested term of the lease to be increased to up to a total of 99 years, and that language be added to allow flexibility for the location of the Fire Department Station on the Las Vegas Convention and Visitors Authority campus into the future; and, 2) Authorize the President/CEO to execute the lease and all related documents.

INTERNATIONAL
MAIL DELIVERY
RFP #07-1709

During the fiscal year 2005/2006, LVCVA processed over 23,000 pounds of international mail to prospective visitors. The informational items being mailed around the world include the Las Vegas Official Visitors Guides, Las Vegas Show Guide, and the Las Vegas Area Map, which is available in nine languages.

Based on the specifications provided by the Operations Division, invitations to submit proposals were sent to six companies. Two companies attended the pre-proposal meeting, and four companies submitted proposals. These proposals were judged independently by members of the International Mail Evaluation Committee. *Express Postal Options International, LLC*, earned the highest total score from this committee.

Fiscal Impact:

FY 2006/2007: November 1, 2006-June 30, 2007 Estimated: \$100,000 (General Fund)
FY 2007/2008: July 1, 2007-October 31, 2007 Estimated: \$ 50,000 (General Fund)

Member Yvonne Atkinson Gates moved and it was carried by unanimous vote of the members present to: 1) Reject the proposal from DHL Global Mail, Weston, Florida as non-responsive and non-responsive; 2) Award RFP #07-1709 for International Mail Delivery to Express Postal Options International, LLC, Torrance, California, in the estimated annual amount of \$150,000 for the period of November 1, 2006 through October 31, 2007; 3) Authorize the Director of Materials Management to execute the contract documents; and, 4) Authority the Director of Materials Management to execute three additional 1-year contract extensions.

OPERATIONS DIVISION (Continued)

**CHAIR OSCAR GOODMAN LEFT THE MEETING
VICE CHAIR KEITH SMITH ASSUMED THE CHAIR.**

MEMBER YVONNE ATKINSON GATES LEFT THE MEETING

LVCVA BUDGET
AND STATISTICAL
REPORT

LVCVA Vice President of Finance Brenda Siddall reviewed the minor changes recently made to the “**Las Vegas Convention and Visitors Authority Budget and Statistical Report**”. The Board members had been provided this report, for the period ending July 31, 2006, in their back-up documentation. There were no questions or concerns by the Board regarding this report.

This is an information item. No Board action required.

EXECUTIVE DIVISION

WORKERS'
COMPENSATION
REPORT

Vice President of Human Resources Mark Olson advised the Board of Directors that during fiscal year 2005/2006 the LVCVA experienced 29 reportable incidents, compared to 36 in the previous year. The total expenses for this program was \$280,939.43, which includes all claims costs, fees for Third Party Administrator, bond and excess Workers' Compensation premium, and all State of Nevada fees and assessments. Claims-only costs were \$189,604.29, compared to \$294,443 in the previous year. Permanent Partial Disability payments dropped from \$149,022.44 fiscal year 2004/2005, to \$65,999.53 in fiscal year 2005/2006.

This is an information item. No Board action is required.

MEMBER YVONNE ATKINSON GATES RETURNED TO THE MEETING

WORKFORCE
BRANDING
PROGRAM

Vice President of Human Resources Mark Olson reported that one of the President/CEO's goals for the current fiscal year, as approved by the Board of Directors, is to establish a program that addresses the “Living the Brand” initiative.

It is imperative that a branding and culture process for employees be established, and the proposed workforce branding program would provide a comprehensive change management and customer service and experience standards program to ensure the brand produces measurable results.

The scope of the proposed program extends to all LVCVA employees and internal business partners, including ARAMARK, SmartCity and Encore, and will ultimately extend to other LVCVA service element employees, such as decorating companies, Convention Center and Cashman Center labor unions, and contract security.

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WORKFORCE
BRANDING
PROGRAM
(Continued)

Of the several consultants evaluated, *Integrity Arts and Technology, Incorporated* is a unique company that specialized in destination brand marketing and has had an impressive portfolio of clients, including both cutting edge emergency organizations, Fortune 500 companies, and government agencies.

The negotiated project cost is an estimated \$304,000, which comprises of a fixed fee for service over two fiscal years, and an estimated \$25,080 for reimbursable travel, lodging and per diem, for a total estimated cost of \$329,080.

Fiscal Impact:

FY 2006/2007 - Estimated Expenditure: \$293,080

FY 2007/2008 - Estimated Expenditure: \$ 36,000

Following a brief discussion, Member James Gibson moved and it was carried by unanimous vote of the members present to: 1) Approve a wide-range program to create internal and external workforce brand marketing tools; and, 2) Authorize the President/CEO to execute the contract documents with *Integrity Arts and Technology, Inc.* in the estimated total amount of \$329,080.

LEGAL COUNSEL'S
REPORT

Kevin Casey

Legal Counsel Luke Puschnig reported that on or about August 23, 2006, the LVCVA was served with a complaint filed in the Eighth Judicial District Court, by Kevin Casey as a result of an alleged slip-and-fall at the Las Vegas Convention Center in August of 2004. Mr. Casey alleges that he fell as a result of water on the floor of the restroom during the August 2004 MAGIC tradeshow. The LVCVA has tendered the defense of this action to the insurance company from the MAGIC tradeshow, and the insurance company has accepted the tender of defense. The law firm of Cisneros and Associates will be handling the defense in this matter.

Susan Lille

On or about May 3, 2006, Susan Lillie filed a lawsuit against the LVCVA seeking damages for an alleged slip-and-fall at the Las Vegas Convention Center. Ms. Lillie alleged that she slipped and fell in a restroom during the Esthetics 2004 tradeshow. The Lillie litigation was dismissed by the Eighth Judicial District Court, Department 13, last month. The LVCVA's Rule 12(b) Motion to Dismiss was granted for the lack of jurisdiction. The LVCVA may have to expend a very small amount to pay for the attorney's fees hired by the LVCVA's insurance company related to the action. Mr. Puschnig said that was a very successful outcome to this particular action.

EXECUTIVE DIVISION (Continued)

LEGAL COUNSEL'S
REPORT
(Continued)

Vice Chairman Keith Smith requested that Legal Counsel report on the Samaritan and Tovar cases:

Samaritan

Mr. Puschnig reported that the Samaritan matter was filed with the United States Patent and Trademark office. The LVCVA received a Scheduling Order. Most of the action will occur in 2007, as Samaritan has to file a response to the LVCVA's objection. The LVCVA made all attempts to get this matter resolved before the filing of that opposition, however, Samaritan did not respond.

Tovar

Regarding the Tovar matter, the LVCVA won the Motion for Summary Judgment. Mr. Puschnig said this was a very big victory of the LVCVA and the LVCVA is attempting to work with the defendant in the cast to see if a resolution that is satisfactory to the LVCVA can be reached. So far, all attempts have been rebuffed. Legal Counsel advised that the LVCVA may have to take the case to what he called a "mini-trial", on damages, and to force the issue.

Mr. Puschnig added that "the victory on the Motion for Summary Judgment is huge because what it does is it provides to the LVCVA an ability to tell other infringers that [the LVCVA] is serious and will come after you."

LAS VEGAS
EVENTS'
REPORT

Mr. Pat Christenson, President of Las Vegas Events, reported on the *Las Vegas SCORE Off-Road Race*, which was held in July. He also listed upcoming events for September-October 2006.

This is an information item. No Board action was required.

COMMITTEE
REPORTS
Audit
Committee

The Audit Committee met on August 8, 2006 to discuss the Internal Audit Plan, which was carried forward from the July 11, 2006 Audit Committee meeting for further review by the committee members.

- Internal Audit Plan
- Addition of Fourth Auditor

Committee Chair Keith Smith presented a verbal report regarding the discussion and action taken by the Committee on this item. He said that the Committee had approved the Internal Audit Plan, as well as the addition of a fourth Auditor.

No Board action was required on this item.

DIRECTORS' RECOGNITION

There were no additional comments from the Board of Directors.

COMMENTS FROM THE FLOOR BY THE PUBLIC

There were no comments from the floor by the public.

ADJOURNMENT

The meeting was adjourned by Vice Chairman Keith Smith at 9:47 a.m.

Respectfully submitted,

Date Approved: October 10, 2006

(s)

Carol Fergen
Executive Assistant to the Board

(s)

Keith Smith
Vice Chair of the Board of Directors