



CONVENTION AND VISITORS AUTHORITY

Board of Directors' Meeting
Tuesday, September 13, 2005
Minutes

The regular meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority was held the 13th day of September 2005 in the Board Room at the Las Vegas Convention Center located at 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 members were present constituting a quorum of the members thereof:

- Oscar Goodman, Chair
- Yvonne Atkinson Gates Arrived after roll call
- James Gibson
- Chuck Bowling
- Larry Brown
- Glenn Christenson
- Tom Collins
- Tom Jenkin
- Kara Kelley
- Kevin Kelley
- Michael Montandon
- Bill Nicholes
- Mike Pacini
- Keith Smith

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

INVOCATION and FLAG SALUTE: Reverend Delaney Armstead - Christ Episcopal Church presented the invocation.

The invocation was followed by the flag salute.

APPROVAL OF THE AGENDA and APPROVAL OF THE MINUTES President Rossi Ralenkotter informed the Board that there were no items to be taken from the table or reconsidered, accordingly, the September 13, 2005 Agenda was in order, as were the Amended Minutes of the August 9, 2005 Regular Meeting of the Board of Directors.

Member James Gibson moved and it was carried by unanimous vote of the members present to approve the September 13, 2005 Agenda and the Amended Minutes of the August 9, 2005 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 recognized Chuck Bscherer for the month of July and Julian Dugas for the month of August as the MVP recipients.

SAFETY AWARD FOR FISCAL YEAR 2005

Vice President of Human Resources Mark Olson presented the Communications Department the Fiscal Year 2005 Safety Award. This is presented to the Department that has demonstrated safety awareness and the least amount of hours lost due to workers compensation injuries during the year. The Communications’ Department has received this award for the past five consecutive years. Supervisor Greg McDermott accepted the award on behalf of the Department.

MARKETING DIVISION

ASSOCIATION FORUM OF CHICAGOLAND HOLIDAY SHOWCASE

The Marketing Division is requesting Board approval of an estimated expenditure of \$80,000 for expenses associated with the Las Vegas Convention and Visitors Authority exhibiting at the Association Forum of Chicagoland’s Holiday Showcase in Chicago, Illinois on December 13, 2005.

Member James Gibson moved and it was carried by unanimous vote of the members present to approve an estimated expenditure of \$80,000 to exhibit at the Association Forum of Chicagoland Holiday Showcase in 2005.

WORLD TRAVEL MARKET LONDON, UNITED KINGDOM

The Marketing Division is requesting Board approval of an estimated expenditure of \$159,450 for expenses associated with the Las Vegas Convention and Visitors Authority exhibiting at World Travel Market, to be held November 14-17, 2005, in London, United Kingdom.

Member James Gibson moved and it was carried by unanimous vote of the members present to approve an estimated expenditure of \$159,450 to exhibit at the 2005 World Travel Market.

EVENT FUNDING – 2006 Prep Basketball Easter Classic Tournament

The Marketing Division is requesting Board approval for the disbursement of funds to Las Vegas Events in the estimated amount of \$25,000 for the sponsorship of the 2006 Prep Basketball Easter Classic Tournament. The event will be held from April 12-16, 2006 at the Cox Pavilion. This event expects to draw 400 teams and estimates 8,500 participants and out-of-town visitors.

Member Keith Smith moved and it was carried by unanimous vote of the members present to approve the disbursement of funds in the estimated amount of \$25,000 for the 2006 Prep Basketball Easter Classic Tournament.

MARKETING DIVISION (Continued)

ASSOCIATION OF
TRAVEL
MARKETING
EXECUTIVES
SUSTAINING
MEMBERSHIP
AGREEMENT AND
ANNUAL
CONFERENCE

The Marketing Division is requesting Board approval of a total estimated expenditure of \$200,000 for the Las Vegas Convention and Visitors Authority to participate in a 4-year program with the Association of Travel Marketing Executives (ATME). This is a sponsorship of the annual conference for the next four years, 2006-2009, which will be held in Las Vegas, and a Sustaining Membership Agreement with ATME for 2006-2009. This conference draws approximately 500 attendees from worldwide destinations.

Member Keith Smith moved and it was carried by unanimous vote of the members present to approve a total estimated expenditure of \$200,000 for the Las Vegas Convention and Visitors Authority sponsorship of the ATME conferences and the Sustaining Membership Agreement for 2006-2009.

MEMBER YVONNE ATKINSON GATES ENTERED THE MEETING.

PRESENTATION
OF WEBSITE
STRATEGY

Kevin Bagger, Director of Internet Marketing and Research, and Dianne Wilkins, Managing Director of Critical Mass, LVCVA's partner in website development, presented a video and PowerPoint presentation regarding the Las Vegas Convention and Visitors Authority's current website strategy to market Las Vegas. The LVCVA currently utilizes 4 websites to market the destinations of southern Nevada. The Authority's primary "business" website is lvcva.com and targets Meeting Planners, Travel Trade, Press, gaming analysts and other business and community audiences. The LVCVA's websites devoted to the consumer segment are VisitLaughlin.com; VisitMesquite.com and the new site, VisitLasVegas.com, launched in March 2005. Guided by the core elements of the Authority's Vision Plan, specifically "Growing the Brand," and "Being the Authority", the new site consists of immersive interactive content provided in the way only Las Vegas can. The primary objective of the new site is to drive qualified referrals to Las Vegas properties with direct links to the booking engines of the LVCVA's resort partners. The other key objectives are to bridge the gap between emotional and rational product planning information and build customer relationships for repeat visitation. The website strategy and design integrates industry's best practices in internet site development to create online advertising, e-mail programs, database programs, partnerships, promotions and contests for the future.

OPERATIONS DIVISION

**PURCHASING
 ITEMS**

Member Kara Kelley moved and it was carried by unanimous vote to approve the Purchasing Items as follows:

Color Copier For
 Print Shop, Change
 Order
 (Bid #04-1317)

The Operations Division is requesting the Board of Directors:
 1) Authorize the additional expenditure of an estimated amount of \$46,800.00, for the period of July 1, 2005 through July 27, 2007, to Alternative Office Systems, Las Vegas, Nevada; and,
 2) Authorize the Director of Materials Management to execute the contract documents.

Fiscal Impact - FY 2006/2007: Estimated \$46,800.00 (General Fund)

International Mail
 Delivery
 (RFP #02-860)

The Operations Division is requesting the Board of Directors:
 1) Authorize staff to expend an estimated additional amount of \$65,000.00 for RFP #02-860, International Mail Delivery, for the period of November 1, 2004 through October 31, 2005 to Deutsche Post Global Mail, North Salt Lake City, Utah;
 2) Authorize the increase of an estimated \$65,000.00 for the next contract period of November 1, 2005 through October 31, 2006; and,
 3) Authorize the Director of Materials Management to execute the contract documents.

Fiscal Impact - FY 2005/2006: Estimated \$65,000.00 (General Fund)

STARS LAS
 VEGAS, L.L.C.
 (LAS VEGAS 51s) –
 Contract Extension

The Stars Las Vegas, L.L.C. have requested a four year extension to their current agreement. This extension begins on January 1, 2007 and ends on December 31, 2010. This extension includes a yearly increase of 7% in the base rent and a yearly contribution of \$25,000 for capital reserve for Cashman Field. The Las Vegas Convention and Visitors Authority will match the annual contribution of \$25,000 for capital reserve.

Member Larry Brown abstained from voting because he is an employee of the Las Vegas 51's.

Member Mike Pacini moved to 1) Approve a lease extension with Stars Las Vegas, L.L.C. (Las Vegas 51s) for the period beginning January 1, 2007 through December 31, 2010; and, 2) Authorize the President/CEO to execute the extension document and the motion carried by the vote of the Board members as follows:

Charles Bowling	Aye	Kevin Kelley	Aye
Glenn Christenson	Aye	Michael Montandon	Aye
Tom Collins	Aye	Bill Nicholes	Aye
Yvonne Atkinson Gates	Aye	Mike Pacini	Aye
James Gibson	Aye	Keith Smith	Aye
Oscar Goodman	Aye		
Tom Jenkin	Aye	Larry Brown	Abstain
Kara Kelley	Aye		

OPERATIONS DIVISION (Continued)

DISBURSEMENT
OF RECREATION
GRANTS

The distribution of recreation grants commenced in 1965. The Nevada Revised Statutes allows the Board to provide recreation grants to the incorporated municipal entities of Clark County. The grants are used for capital improvements to recreational facilities. The Board approved \$1,000,000 in the budget which is dispersed starting at a \$30,000 base amount plus a percentage presently based upon the 2000 U.S. census. The U.S. census will change in 2010. Mayor Bill Nicholas suggested using the state demographer's figures for a more updated percentage calculation. Kara Kelley suggested a standardization of the requests for ease of comparison and explanation of specifics. Jim Gans, Vice President of Operations, pointed out that the LVCVA Guidelines for Expenditure of Recreation Grants should also be updated to include using the funds to leverage bonds for capital improvements to recreational facilities.

The Board requested that changes to the guidelines be researched for presentation to the Board at a later date.

Member James Gibson moved and it was carried by unanimous vote to approve and authorize the disbursement of recreation grants for FY 2006 in the amount of \$1,000,000 for recreation facility capital improvements.

MASTER PLAN
PROGRAM
UPDATE & FOCUS
GROUP SUMMARY

Vice President of Operations Jim Gans explained that during the first six months of this program, the Program Management Team (PMT) has obtained internal and external customer input through focus groups. These focus groups have complimented the Board in its efforts to obtain information from exhibitors and show managers.

Michael Musgrave, Program Manager with MWH, elaborated on the results of the discussions with customers and service providers while explaining the direction of the program. The Phase I effort involves developing a building program, design criteria and site master plan. A PowerPoint presentation focused on the project goals of "future proofing", facility assessment, business impact, functionality and constraints. The highest priorities are the Metro substation, general session space addition, South Hall improvements and a North/Central/South Hall connecting lobby.

In December, the Master Plan, proposed budget, schedule and phasing plan will be brought before the Board.

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

OPERATIONS DIVISION (Continued)

LVCVA BUDGET
AND STATISTICAL
REPORT
- July 2005

The "Las Vegas Convention and Visitors Authority Budget and Statistical Report" for the period ending July 31, 2005 was presented to the Board for their review.

Brenda Siddall, Director of Finance, in response to Member Christenson, explained the Revenues - Sources of Funds decrease at both the Convention Center and Cashman as possibly a result of month-end shows which were not billed until August.

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

EXECUTIVE DIVISION

THE SKANCKE
COMPANY, LTD.
I-15 CORRIDOR
TRANSPORTATION
AGREEMENT

President/CEO Rossi Ralenkotter requested this item to be tabled until the October 11, 2005 Board Meeting. Due to requests by the County and Governor, the lobbying efforts of The Skancke Company may be redirected.

Chair Oscar Goodman moved and it was carried by unanimous vote to hold Item 11. the extension with The Skancke Company, Ltd. I-15 Corridor Transportation Agreement until the October 11, 2005 Board of Directors meeting.

REPORT ON
WORKERS'
COMPENSATION
FOR FY 2005

Vice President of Human Resources, Mark Olson presented the end of year Workers' Compensation Report. For the last three years, LVCVA has been a self-insured entity. A transitional duty program and a post-accident drug testing program have saved over two and a half million dollars. The first State Department of Industrial Relations inspection revealed minimal adverse findings, but a second inspection noted no negative findings in regard to the Workers' Compensation Program.

The annual Permanent Partial Disability payment list for FY 2005 was presented for information only.

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

RETENTION OF
LOBBYIST FOR
INTERIM
LEGISLATIVE
SESSION-
JONES VARGAS -
TONY SANCHEZ

Executive staff requested the retention of the law firm Jones Vargas, specifically Tony Sanchez, to serve as the LVCVA's legislative lobbyist for the 2005-2006 interim session and to prepare for the 2007 legislative session. Legal Counsel Luke Puschnig explained that staff believes pro-active lobbying activities will be required to effectively represent the Las Vegas Convention and Visitors Authority's interests. There are a number of room tax issues and staff would like to institute a pro-active legislator program to provide information to the legislators on what the LVCVA does and why.

EXECUTIVE DIVISION (Continued)

During the last legislative session, Mr. Sanchez and his co-workers did an outstanding job for the LVCVA in the Nevada State Legislature and staff would like to continue this relationship.

Mr. Sanchez stated that during the last legislative session they were able to concentrate their efforts on room tax issues with emphasis on the transient taxes on timeshares. which also included the tax impact on education.

Members Charles Bowling requested quarterly updates on key issues to understand their involvement and efforts during the interim session. Member James Gibson requested more frequent updates during the legislative session.

Member James Gibson moved and it was carried by unanimous vote to approve the contract for Jones Vargas (Tony Sanchez) to conduct lobbying activities for the Las Vegas Convention and Visitors Authority for the interim legislative session and to expend approximately \$56,000 for such services.

REAL PROPERTY
ACQUISITION –
750 SIERRA VISTA
DRIVE

Legal Counsel Luke Puschnig explained that on March 8, 2005, the Board of Directors adopted a revised Master Plan in order to establish a strategy to improve and enhance the Las Vegas Convention Center. One of the recommendations of the Master Plan was to acquire contiguous real property that will provide passenger vehicle and truck circulation, additional customer parking, outdoor exhibit space and event attendee ingress/egress to and from the Las Vegas Convention Center and possible future Las Vegas Convention Center expansion. The property at 750 Sierra Vista Drive is approximately 2.13 acres and is directly adjacent to the South Hall and will provide substantial support for the South Hall. This property is very important to the implementation of the Master Plan and close proximity to the South Hall.

In response to Member Kara Kelley, President/CEO Rossi Ralenkotter suggested that this could be a potential site for the Metro substation. It is the intention that the Board will vote on a Metro substation in December.

Member Yvonne Atkinson Gates moved and it was carried by unanimous vote to authorize an estimated expenditure of \$10,150,000.00 to acquire a fee interest in Assessor Parcel Number 162-15-101-028, authorize the transfer of \$10,150,000.00 from the capital reserve account to the land account and authorize the President/CEO to execute the appropriate documents.

EXECUTIVE DIVISION (Continued)

LAS VEGAS EVENTS' MONTHLY REPORT

Pat Christenson, President of Las Vegas Events, complimented the web team on the revamping of the website so that now interested guests can be linked to sites which market Las Vegas. The mission of Las Vegas Events is to attract neutral site events that all properties can share.

September events included Bikefest, USSSA Slow Pitch Softball, Las Vegas LaCrosse Festival and Double Down in the Desert. Upcoming events for Las Vegas include the Las Vegas World Invitational, Las Vegas National NHRA Drag Races and VEGOOSE music festival.

The Laughlin PBR Invitational and Viva Laughlin will be held in Laughlin during October. Primm hosted the Primm 300 Off-Road Race in September. Mesquite will host the RE/MAX World Long Drive Championship in October.

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

COMMITTEES

COMPENSATION COMMITTEE REPORT

President's Annual Evaluation

James Gibson, Chair of the Compensation Committee, reported on the August 31, 2005 Compensation Committee meeting during which LVCVA President/CEO Rossi Ralenkotter reported on his goals and achieved results along with the awards received during the applicable fiscal year. Updated CEO salary information which was reviewed and was followed by a lengthy discussion of Mr. Ralenkotter's performance as well as present and future challenges. Industry's average salary for this position is, with all cash compensation, \$276,000. A larger percentage of the compensation for CEO's is bonus, the average bonus being \$54,000. The Committee felt the President/CEO's performance justified bringing his salary to industry's average salary of \$276,000. Therefore the Compensation Committee recommended a 5% merit increase to the base salary plus a \$40,000 performance bonus retroactive to July 3, 2005.

Historically, the President/CEO had been evaluated in January but this review had been delayed in order to obtain updated information. The Committee tasked Mark Olson, Vice President of Human Resources, to review the process and goals presently used to evaluate the President/CEO and make recommendations which include more measurable goals and standards in order to determine the compensation and performance bonus for the President/CEO position in the future.

Following further discussion by the Board, Member James Gibson summarized saying the "pay for performance" philosophy should be extended throughout the organization to retain the highly trained and motivated employees who generate the desired results.

COMMITTEES (Continued)

COMPENSATION COMMITTEE REPORT
Chair Oscar Goodman requested Mr. Olson make a presentation regarding the compensation strategy and goals for the President/CEO at the next Compensation Committee meeting prior to the October 11, 2005 Board meeting.

President's Annual Evaluation

(Continued)

Member Keith Smith moved and it was carried by unanimous vote to approve a 5% merit increase to the base salary plus a \$40,000 performance bonus for a total cash compensation of \$276,000 retroactive to July 3, 2005 for Rossi Ralenkotter, President/CEO.

President/CEO Rossi Ralenkotter thanked the Board for their support but stressed to the members of the Board that it is a team effort. The awards and accolades received in the last fiscal year point to the fact that the Las Vegas Convention and Visitors Authority is the best in the United States and the world due to its employees who are dedicated to marketing Las Vegas.

LEGAL COUNSEL'S REPORT
Legal Counsel Luke Puschnig reported that there were no new legal items for this meeting.

SPECIAL COMMITTEE REPORT

Report Concerning Special Committee On Board Policies

Chair Oscar Goodman reported that at the August 9, 2005 Board Meeting, the law firm of Morrison and Foerster presented its Report and Recommendations concerning the "What Happens Here Stays Here" mark. The Board accepted their report and established a Special Committee. The Special Committee was charged to consider the recommendations made in this report and other actions that may seem appropriate in light of the report and propose specific revisions to the Las Vegas Convention and Visitors Authority's current Board Policies for deliberation and adoption by the full Board.

The Special Committee met on September 6, 2005. The Committee consisted of Mayor James Gibson, Chuck Bowling, Tom Jenkins and Oscar Goodman for the purpose of discussing the principle options for the proposed policy revisions and developing related recommendations for presentation to the full Board at this meeting.

Chair Oscar Goodman reported that the Special Committee had reviewed and approved 'best practices' for Board Policy changes. The Board was briefed on each specific policy change requested in the areas of: Intellectual Property Management, Acquisition and Disposition of Property, Procurement of Goods and Services, Public Works Projects, Conflict of Interests and Powers and Functions of Legal Counsel.

COMMITTEES (Continued)

SPECIAL COMMITTEE REPORT	Member Keith Smith expressed his opposition to the policy of Legal Counsel reporting to the Board. Therefore, the Board requested additional research be conducted on the “best practices” regarding hiring, firing and the reporting relationship of Legal Counsel.
Report Concerning Special Committee On Board Policies	The formal policy language will be presented to the Special Committee at its October 6, 2006 meeting and then the approved language will be presented for approval at the October 11, 2005 regular Board of Directors meeting.
(Continued)	

DIRECTOR’S COMMENTS

Rossi Ralenkotter reported that LVCVA has been working with Clark County Emergency Management to help with the arrival of the evacuees in Las Vegas. LVCVA is providing meeting rooms for the next 90 days to the Red Cross for Disaster Relief Training and warehouse storage space to Catholic Charities of Southern Nevada. The New Orleans Convention Visitors Bureau had no access to their client base information, so their staff has reached out to LVCVA for help. LVCVA staff is providing information so they can contact their clients with updates on the situation in New Orleans. Donation boxes have been placed throughout LVCVA facilities during the G2E and MAGIC shows as well as at the Las Vegas 51’s last home stand. In addition, LVCVA employees have organized fundraisers to provide relief funds. LVCVA has added a link on the website for different relief funds while working with several national organizations such as TIA, Destination Marketing Association International and Travel Roundtable as well as a variety of other organizations with whom LVCVA is a member to provide information. LVCVA will continue to monitor this situation and provide assistance wherever possible as our hearts go out to all those affected by this disaster.

Mayor Goodman pointed out that the second group of first responders would be arriving that evening and that the “very gracious” hotels and casinos would be providing housing, food and entertainment. The response from our industry has been “remarkable”.

COMMENTS FROM THE FLOOR BY THE PUBLIC

There were no comments from the floor by the public.

ADJOURNMENT

There being no further business to come before the Board, Chair Oscar Goodman adjourned the meeting at 10:54 a.m.

Respectfully submitted,

(s)

Ginger Norton
Executive Assistant to Legal Counsel

APPROVED: *October 11, 2005*

(s)

Oscar Goodman
Chair

(s)

James Gibson
Secretary/Treasurer