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**Reno-Sparks Convention & Visitors Authority
Board of Directors Meeting & Retreat
Minutes
December 6, 2018**

The Regular Meeting and Board Retreat of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 8:00 a.m., December 6, 2018, at the Reno-Sparks Convention Center, 4590 S. Virginia Street, Reno, NV. The meeting was properly noticed and posted in compliance with the Nevada Open Meeting Law.

A. OPENING CEREMONIES

Call to Order

Chairman Bob Lucey called the meeting to order at 8:07 a.m.

Pledge of Allegiance led by Vick Wowo

Board Members Present:

Nat Carasali
Lee Dillard
Councilman Ed Lawson
Commissioner Bob Lucey
Rick Murdock
Mayor Hillary Schieve
Mark Sterbens
Vick Wowo
Bill Wood

Board Members Absent:

RSCVA Executive Staff Present:

Phil DeLone, President/Chief Executive Officer
Jennifer Cunningham, Executive Vice President
Michael Larragueta, Vice President of Sales
Robert Chisel, Director of Finance
Sheri Nill, Director of Human Resources
Esther Isaac, Director of Marketing
Ben Kennedy, Legal Counsel
Molly Rezac, Legal Counsel

RSCVA Executive Staff Absent:

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

Andy Chapman, Director & CEO, IVCBVB, thanked the board for their consideration on item G3 on the agenda, the lease renewal with the Incline Village General Improvement District at 969 Tahoe Boulevard, Incline Village.

John Silver, Head Coach Sierra Youth Football League and the Reed Raider Maverick Football team, asked the board and members of the audience to consider donating to assist the teams' efforts to represent the Biggest Little City in the World Youth Football.

C. APPROVAL OF THE AGENDA

MOTION: Member Rick Murdock made a motion to approve the changes to the December 6, 2018 agenda. Seconded by Member Ed Lawson. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF OCTOBER 25, 2018 REGULAR MEETING

MOTION: Mayor Hillary Schieve made a motion to approve the Minutes of October 25, 2018 Regular Meeting. Seconded by Member Lee Dillard. **Motion carried unanimously.**

E. PRESENTATIONS

E1. RSCVA Staff Update

Phil DeLone, President/CEO announced that the National Guard Association of the United States (NGAUS) Board of Directors, acting on the recommendation of the Convention Committee, affirmed Reno Tahoe for the organization's annual 2023 convention. Beating out cities such as Honolulu, and Nashville. Mr. DeLone added that the Safari Club International pre-convention room pick-up is excellent. He stated that advanced reservations stand at 17,014 room nights with over a month to go to add additional reservations. Mr. DeLone finished by discussing the National Agricultural Aviation Association's annual convention. He stated that the event included ten full sized aircraft from around the country that were taxied down Peckham Lane from the airport last Sunday morning and returned to the airport at 4:30 am this morning. Mr. DeLone asked that Mayor Schieve pass along the RSCVA's sincere "thank you" to the men and women of the Reno Police Department and Chief Soto for their escort and Marily Mora and her team from the Reno Tahoe International Airport for their collaboration.

Ms. Jennifer Cunningham, Executive Vice President, presented an update on the RSCVA Corporate Scorecard. She stated that the RSCVA website saw an 8.7% increase in overall web traffic for September 2018, versus the prior year and that overall occupancy dipped to 74%. However, ADR had a healthy increase of 11.2% and was just under \$127. This brought Taxable Revenue to \$42.5 million, a 2% overall increase over September 2017. Ms. Cunningham added that there was a 5% increase over last year in Air Passengers. She finished by stating the RSCVA website recently received the Communicator Award, beating out California, Tahiti, Belize and Rhode Island.

Mike Larragueta, Vice President of Sales, discussed two major convention programs coming to our area. First, the US Department of Education's Federal Student Aid Training Conference will be held November 29th through December 8th, 2019. The conference will have an attendance of 6,000 with total contracted room nights of 15,330 and 3,600 on their peak night. The second convention is the National Guard Association of the United States (NGAUS). NGAUS will hold their conference in Reno August 16th through August 26th, 2023. The conference will have an attendance of 4,000 with total contracted room nights of 9,835 and 2,000 on their peak night. Mr. Larragueta added that these two groups represent 25,165 contracted room nights. He went on to congratulate to the entire RSCVA sales, marketing and SMG facilities teams, specifically sales team members Aleta Barrett and Robyn Nichols and our participating hotel partners for their efforts in the bid process. Mr. Larragueta finished by announcing a new addition to the RSCVA Sales team. He stated that Rhonda Leach has joined the RSCVA sales team as the Director of Equestrian and Sports Sales. Rhonda will report to Director of Sports Development, Shelli Fine. Rhonda's experience and professional and personal relationships will provide the RSCVA the opportunity to attract new equine and equine competition events and focus on having groups return to Reno.

Mr. Art Jimenez, Executive Director of Tourism Sales, gave the board an update on tourism sales. He stated that Septembers total room nights reported were 77,109 and that is 93% to target of 82,333. He went on to say that year to date recorded total room nights of 233,576 is running 2,988 room nights behind last year-to-date and puts us at 27% of the annual tourism goal target of 863,468.

Mr. Robert Chisel, Director of Finance, drew the boards attention to the financial report provided in the board packet. He stated that room tax collections were down 1.3% and that the tourism surcharge down 5.5%, but overall revenues were up a little over 1%. He finished by saying that expenditures are below budget.

F. FINANCIAL DIVISION

F1. Discussion and potential direction from the Board in the matter of the demolition of the Reno-Sparks Livestock Events Center Exhibit Hall

Mr. Robert Chisel, Director of Finance, stated that the RSCVA Finance Committee is recommending the demolition of the Reno-Sparks Livestock Events Center Exhibit Hall with an attempt to salvage the existing bathrooms as a stand-alone facility. In the event the bathrooms are unable to be salvaged due to cost, the recommendation is to demolish the entire Reno-Sparks Livestock Events Center Exhibit Hall. The Board of Directors is being asked to consider the recommendation of the Finance Committee.

MOTION: Member Nat Carasali made a motion to approve. Seconded by Member Vick Wowo.
Motion carried unanimously.

F2. Discussion and potential direction from the Board in the matter of the demolition of the Armory Building located at the Reno-Sparks Livestock Events Center (RSLEC)

Mr. Robert Chisel, Director of Finance, asked the Board of Directors to discuss and give direction to staff regarding the possible demolition of the Armory Building located at the Reno-Sparks Livestock Events Center.

Ms. Rhonda Leach, Director of Equestrian and Sports Sales and former Assistant General Manager of the Livestock Event Center, added that the removal of the Armory would provide much need additional space at the RSLEC.

Mr. Phil DeLone asked for the record if the RSLEC retains control the use of the property once the Armory is torn down.

Chairman Lucey, Washoe County Commissioner, answered by saying that hopefully that portion of the property will be paved and that the RSLEC will retain control of the use of that space.

MOTION: Member Rick Murdock made a motion to approve. Seconded by Member Vick Wowo.
Motion carried unanimously.

F3. Presentation of the Opinion and Findings of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018, containing the Auditor's Required Communications Letter

Mr. Robert Chisel, Director of Finance, presented findings of the Comprehensive Annual Financial Report (CAFR) developed in accordance with guidelines from the Government Finance Officers Association. He stated that an annual audit of a Nevada local government's financial statements is required by law, and the results of such audit must be submitted to the Board within five months of the close of the fiscal year. The Authority's FY 2017/18 CAFR has been completed and has received an unqualified (clean) opinion from the City's external auditors, Eide Bailly, LLP. Mr. Chisel asked the board to review and approve the CAFR findings.

MOTION: Member Lee Dillard made a motion to approve. Seconded by Member Rick Murdock.
Motion carried unanimously.

G. CONTRACT RENEWALS

G1. Review, discussion and possible action for renewal of the contract for professional research services with EMC Research, the existing research vendor

Ms. Esther Isaac, Director of Marketing, asked the board to review, discuss and approve the renewal of the contract with EMC Research, Inc. for research services for the next two years (January 2019 through December 2020) not to exceed \$168,000.

MOTION: Member Vick Wowo made a motion to approve. Seconded by Member Rick Murdock.
Motion carried unanimously.

G2. Review, discussion and possible action to approve exercise by the RSCVA of its option to renew the lease with the Incline Village General Improvement District for property located at 969 Tahoe Boulevard, Incline Village, Nevada

Mr. Robert Chisel, Director of Finance, asked the board to review, discuss and approve the lease renewal with the Incline Village General Improvement District located at 969 Tahoe Boulevard, Incline Village, Nevada, for an additional term of thirty-five years, at a lease rate of one dollar (\$1.00) per year.

Andy Chapman, Director & CEO-IVCBVB, added that the IVCBVB is responsible for the maintenance of the building and parking lot, however, IVGID remains responsible for the surrounding park.

MOTION: Member Bill Wood made a motion to approve. Seconded by Member Rick Murdock.
Motion carried unanimously.

H. BOARD RETREAT/STRATEGIC PLAN UPDATE WORKSHOP

H1. Board Retreat Consisting of a Review, Discussion, and Possible Direction to Staff and/or RSCVA Strategic Planning Consultants and Possible Action on the Five Year Strategic Plan Update for the RSCVA

Chairman Bob Lucey thanked everyone from the board, RSCVA and SMG staff and members of the community for attending the 2018 RSCVA Board Retreat. He stated that the meeting would center on the strategic plan for the RSCVA. He also added that he wanted to make sure that this meeting was interactive and that everyone would have a chance to be heard and speak to the information presented today. Chairman Lucey stated that this area has seen tremendous growth and continues to expand and with that we as a community need to continue to work together to meet the demand. Mr. Lucey turned the meeting over to Phil DeLone, President & CEO of the RSCVA

Phil DeLone, RSCVA President & CEO, thanked the community leaders for attending this year's retreat. He asked the group to be engaged, ask questions and provide commentary to help the RSCVA better serve the need of our customers. Mr. DeLone stated that the RSCVA has come a long way. He thanked Art Jimenez and Michael Larragueta and the entire sales team, including eight National Sales Managers around the country for their efforts in bringing room nights to the area. Mr. DeLone went on to say that the new branding campaign, headed by Esther Isaac and Jennifer Cunningham, is the best the organization has ever seen. He went on to discuss the four facilities that the RSCVA operates and the decision to engage with SMG to manage the day-to-day operations. Mr. DeLone finished by stating that the group would hear from SMG later in the retreat. Mr. DeLone turned the meeting over to Erica Olsen, COO and co-founder of OnStrategy.

Erica Olsen, COO and co-founder of OnStrategy, started by taking the group through the plan for the afternoon, including the RSCVA's core purpose, current state, future state, financial forecast and facilities management. Ms. Olsen went on to say that the group would also hear from the sales and marketing teams on destination awareness & room night growth and finally the RSCVA's investment direction. She reminded the group to please jump in with questions and comments at any point. Ms. Olsen referred to the original Strategic Plan that was created by the board in 2015. She reviewed the RSCVA mission statement and discussed the target vs. actual occupancy data that the board devised in the original plan. She also reviewed the occupancy target vs. actual and ADR forecast vs. target numbers. Ms. Olsen asked the board for their input on the information presented.

Chairman Lucey asked Mayor Schieve for her opinion on the direction of the RSCVA and the strategic plan as its written.

Mayor Schieve stated that she is very proud of the hard work that the board put in to plan for the RSCVA. She thanked Jennifer Cunningham and her team for taking bold steps to bring the marketing for the RSCVA to the forefront of the industry. She added that she would like to continue to see the RSCVA go after new markets, for example the LGBTQ community, and broadening what we do as an organization.

Chairman Lucey agreed that the board should continue to look outside the box for business. He asked Rick Murdock, Vice President of Sales and Marketing for Eldorado Resorts, to add to the conversation.

Board member, Rick Murdock, stated that he has seen a real change in average daily rate (ADR). He added that, as a community, we have taken the step to start raising the room rates to what they should be for the area.

Chairman Lucey stated that our hotel community has put a great deal of money into improvements over the past five years and through the strategic plan and with the boards direction, the RSCVA will continue to help elevate that business, drive compression and sales goals.

Rick Murdock added that the RSCVA has another partner in the Reno Tahoe Airport Authority (RTAA) and stressed the importance of working together.

Chairman Lucey added that it is important to continue to work closely with all of the industry partners, such as the Chamber of Commerce, Regional Transportation Committee, and working together as two cities to drive business to our communities.

Erica Olsen reviewed the Industry Benchmarks and asked Michael Larragueta, Vice President of Sales, to speak to the key markets and the numbers.

Michael Larragueta spoke to the Total Market Comparison and Group/Conventions Comparison. He identified our Tier 1 and Tier 2 Markets and asked the board if there were alternative markets they would like to see in the comparison.

Board member, Vick Wowo stated that he was happy to see our marketing in the Seattle airport last week and asked if there was a way to find out what those markets are doing to support air service to their regions. He asked if we need to do more to support our partners at the airport.

Hassan Azam, Air Service Development & Cargo-Reno Tahoe International Airport (RTAA), stated that the Tier 1 Markets, such as San Francisco, Anaheim and Austin, are significantly larger than Reno-Sparks and therefore have a much larger marketing budget. He stated that the RTAA does not currently have the data comparing the markets, but that they would do some research.

Board member, Lee Dillard, asked if there is a plan to help the hotel community bring the Average Daily Rate (ADR) to the next level.

Michael Larragueta remarked that while the RSCVA does not control pricing for the properties, we are committed to helping to bring the business to our stakeholder.

Carl Ribaud, Regional Air Service Corporation (RASC), stated that rate is the fundamental crux that we have in the region. He asked, are we going to look at yield or share? That is a strategic transition that we in the region need to consider. If we want to get the ADR up, we have to attract the customers that are going to pay that rate. He suggested that the group not look at the RSCVA as a DMO, rather as a "Value Creation Organization" that will bring value to the area and attract that higher rate paying customer. For example, if the region has a \$5M tourism economy, how do we make it a \$10M tourism economy?

Erica Olsen suggested that be an open question. - Are we going to look at yield or look at share? How does the RSCVA create value for this region? She then brought the boards attention to the four Strategic Priorities, Visitation/Destination Awareness, Direct Room Night Growth, Facility Efficiency and Organizational Sustainability.

Chairman Lucey asked the board if Priority #4 - Organizational Sustainability was a focus going forward. He stated that the RSCVA has made huge strides the past three years and though perhaps that priority needs to be updated.

Erica Olsen stated that all the priorities are not equal, and the board can amend or changes these at any time.

Chairman Lucey suggested that Strategic Priority #4 - Organizational Sustainability be amended to move from internal growth and focus one external growth/community outreach.

Board member, Vick Wow, stated that one of the things that makes a company so great to work for is its organizational sustainability and that developing people and process is a vital part of his organization. He suggested that rather than change Priority #4 would be to add a fifth priority for community involvement.

Robert Chisel reviewed the financial policies that the board adopted for the Budget Fiscal Year 2018/19. He touched on the six policies; including the General Fund reserves, Capital Reserve Account, Debt Sinking Fund, Rainy Day Fund, Annual Capital Funding and the Air Service Fund. Mr. Chisel informed the board that he is proud to say that the RSCVA has met all six goals.

Board member, Ed Lawson, asked for clarification on the Air Service Fund. He asked if the budgeted amount of \$1.5M is not used, does it carry over to the next year?

Robert Chisel confirmed that the monies would rollover if not utilized in a year. He also clarified that the RASC money does not come out of this fund. He reviewed the Five-Year Forecast that included for the last for years and four years of forecast. Mr. Chisel informed the group that this is a conservative budget with a 1% growth.

Board member, Lee Dillard, asked about the marketing budget and the fluctuation in the marketing numbers year to year.

Jennifer Cunningham explained that that the surcharge monies were placed in a reserve that were then stretched over the last two years. Adding that a large portion of the money was spent on an initial aggressive marketing campaign and will taper off to \$10M over the next few years.

Phil DeLone brought the board up to speed on the progress of the Reno-Sparks Convention Center expansion plan. He showed the board the existing floor plan and the latest proposed floorplans. Mr. DeLone explained the expansion cost that look to run between \$105M to \$135M. He stated that the RSCVA met with the Nevada Resort Association and they are positive about the project. He stated that the next step in the process is to introduce a bill to the Nevada legislature.

Chairman Lucey added that this expansion will allow the RSCVA to bid on ten to twelve pieces of business that the RSCVA would not have been able to bid simply due to the size of the convention center.

Michael Larragueta expanded on Chairman Lucey's comments by saying that the sales team has been aggressively pursuing business based on the expansion proposal presented. He stated that the team has identified twelve pieces of business that have given verbal agreements to add Reno-Tahoe to the bid process if the expansion moves forward. Mr. Larragueta added that those twelve pieces of business represent 160,000 room nights and \$157M in economic impact.

Board member Mark Sterbens asked if Las Vegas should be added to the comparison data and asked if the RSCVA is going after that business as they are aware of gaming markets.

Michael Larragueta answered by saying that the challenge, as it relates to STR report, is that Las Vegas does not report its data. He went on to say that we are pursuing that business, however, Las Vegas has not been added to this data stickily due to their reporting structure.

Chairman Lucey introduced Greg Caren, Executive Vice President - Convention and Exhibition Centers from SMG.

Mr. Gregg Caren, Executive Vice President—Convention and Exhibition Center, SMG, introduced the SMG partner team. He stated that Reno SMG team is a blend of corporate and regional support and local talent. Mr. Caren stated that the current focus is to blend best practices from both SMG and the RSCVA. He reviewed the key priorities as; sales & marketing, social media, operational efficiencies, parking operations, security procedures, sustainability plan, community outreach and local vendors "farm to table." Mr. Caren touched on the coordinated booking efforts.

Chairman Lucey asked Mr. Caren how he saw SMG's partnership with the RSCVA during the expansion project.

Greg Caren expanded on SMG's experience in the renovation process across the country. He stated that SMG has participated in 25 expansion/renovation project over that past 20 years. He added that SMG has experienced team members that can speak to everything from space planning to fit and finishing's. Mr. Caren finished by saying that those resources are available to the RSCVA at any time.

Erica Olsen stated that the next topic would be Priority #1: Destination Awareness. She stated that the board was looking for discussion at the policy and procedure level.

Jennifer Cunningham discussed the progress made since fiscal year 2015/16. She talked about the partnership with the national advertising group BVK which specializes in tourism marketing. Ms. Cunningham discussed the 2017 launch of the new brand and advertising campaign and stated that the increase in marketing funding allowed the RSCVA to expand into two new markets (Seattle and Los Angeles) and maintain San Francisco. She added that the Visitor Originator Analysis indicates 46% of hotel visitors are coming from the Bay Area and there has been a 3% increase from this market over the past three years. She went on to say that the Visitor Origination Analysis has been a valuable tool that identifies down to the zip code of the traveler which allows us to market in those zip codes to attract more travelers. Ms. Cunningham discussed the Seattle market. She stated that the marketing team is suggesting that we keep the digital presence and advertising boards in the airport, however, pull back slightly as the flights are at an 87% load factor. There is potential for additional air service, but probably not for an additional 18 months.

Hassan Azam stated that the Seattle flights are full. He added that keeping a digital presence is important as we never know when an increase in air service may occur.

Chairman Lucey asked if the other major carriers have they looked at adding service to the area?

Hassan Azam stated that the RTAA is having those conversations on a weekly basis. He added that the Authority works with the airlines to align air service strategy on both sides. He stated that the Authority does not want to push for something that will not be successful for an airline. He went on to state if an airline is unsuccessful, they will pull out and getting them back into the market is very difficult.

Board member, Rick Murdock stated that Seattle is flourishing, and he encourage the team not to turn their back on the Seattle market.

Chairman Lucey asked Hassan how the new short routes between Oakland and Reno are doing and asked if Southwest is looking at additional flights from Las Vegas to Reno.

Hassan Azam stated that Southwest has been looking at getting back into the Oakland-Reno market since they lost the flight about eight years ago. They have been back for about two years now, however, they are not full flights. They are running on average at 60%. He went on the say that the passengers on those flights are not just going to the bay area markets. There are thirty-one options between those markets. He went on to say that the Las Vegas flights are similar for Southwest and they are not just looking at the point to point travel, they are looking to funnel passengers through that market. Their main goal is connecting passengers through Las Vegas or Denver.

Board member, Rick Murdock asked Hassan how we as a region convince the airlines to move from adding seasonal flights to year-round flights? Is there an effort to get the short term-flights to move to a non-stop?

Hassan Azam stated that the RTAA is continually going back to the airlines and proposing that air service increase from seasonal to year-round, from weekend service to daily service. He mentioned the Reno to Houston flight on United Airlines. He said that the RTAA leadership team went to United Airlines headquarters and asked for year-round service to Houston. The Reno to Houston flight has become a year-round flight and it will become a daily flight and in March and the summer months.

Chairman Lucey asked Jennifer Cunningham about the process of directing marketing to the new cities that are bringing in customers for conferences. As we move forward with the expansion and go after new business, how are we enticing the potential customers to come in for these conventions. He asked if we need to dial up the national dollars as it pertains to these new markets bolster air service to the area?

Jennifer Cunningham answered by stating that is a challenge as we have limited dollars going to the markets that the board has identified. She added that the RSCVA struggles to get out ahead of the business as the funds are not available.

Board member, Rick Murdock, brought the boards' attention to the new Regional Air Service Corporation (RASC) and thanked Stephen Ascuaga for chairing that group. He stated that Carl Ribaldo could speak to the question on air service collaboration.

Jennifer Cunningham suggested that we have Carl Ribaldo attend a board meeting and make a presentation to the board and how we can collaborate and continue to help RASC from a marketing standpoint.

Wendy Hummer, owner, EXL Media, stated that the majority of the RSCVA marketing dollars are for digital advertising and are focusing on the areas surrounding Seattle such as Tacoma and north of Seattle. She added that EXL is also providing social media to those target markets as well as geofencing the billboards so that a person would get an add sent to their phone as they pass the billboard.

Board member, Nat Carasali, stated that he felt that the board was moving off task and back to the way they ran things before the board hired Phil DeLone. Mr. Carasali stated that he felt that the board hired Mr. DeLone to do a job and that he has made strides to move the RSCVA in the right direction. He went on to say that Mr. DeLone has created a solid executive team and contracted OnStrategy to get the Authority headed in the right direction. Mr. Carasali asked for feedback on his comments.

Chairman Lucey responded by stating that Mr. Carasali was correct, and that the intent of the strategic plan was not to direct Mr. DeLone and his team. He stated that as Mr. DeLone was not on board when the strategic plan was created, and as a result he and his team have asked for feedback from the board. Does the board believe that the RSCVA is heading in the right direction and if so then they will continue in that direction? He finished by saying that in his opinion the RSCVA staff is looking for assurance that they are moving forward with the boards direction as it was established in the original 2015 Strategic Plan.

Jennifer Cunningham presented the new marketing video that was previewed at the 2018 Nevada Governor's Global Tourism Summit and invited Christina Erny to speak about the Influencers Program that began in 2014.

Christina Erny, Senior Manager of Digital Marketing-RSCVA, gave a recap of where we are and some exciting new projects on the horizon. She stated that the RSCVA has hosted over forty professional influencers since 2015 and most of them are repeat visitors. Ms. Erny went on to say that the RSCVA has integrated the program into our marketing program. You might see some of the influencers in print adds or hear them in the radio adds. The program continues to be successful because the influencers tell a story and it is resonating with the target audience.

Chairman Lucey asked how the RSCVA sources the social influencers and is the RSCVA going to continue to bring them to the destination.

Christina Erny stated that the RSCVA is reaching out to the social influencers, however, they are asking to return to Reno Tahoe. She stated that due to the number of followers these influencers have, they can travel all over the world and they indicate that they want to come back to our region. She added that their content, posted months ago, is reposted daily.

Mayor Schieve stated that she believes that the influencer program is vital to this region. She applauded Christina, Jennifer and the marketing team for their forward thinking in bringing this program and shifting the perception of the destination.

Jennifer Cunningham wrapped up the marketing discussion with a review of the focus through fiscal year 2021/22. She stated that this would include maintaining a presence in the Seattle market as well as additional efforts in the Bay Area and Los Angeles markets. She went on to stress the importance of the air service fund and collaboration with RASC. Ms. Cunningham touched on Visitor Profile Study, Crisis Response Plan and the possibility of adding additional markets (San Diego).

Board member, Mark Sterbens stated that there is a lot of outdoor activities in the RSCVA advertising and made mention that there didn't seem to be as much on the gaming side.

Jennifer Cunningham answered by saying that the data from the 2015 Visitor Profile Study indicates that gaming is not the primary reason people visit the area, however, once they get to Reno, the casinos have done a great job with getting the visitors on the casino floor. She added that there is gaming in the radio ads.

Erica Olsen asked for board feedback on the marketing priorities.

Board member, Lee Dillard and Chairman Lucey stated that they both thought it would be good to press more into the Seattle market.

Wendy Hummer stated they are recommending that the RSCVA pulling back on that out of home and radio advertising and increasing the digital and airport marketing.

Andy Chapman, stated that he would encourage continued collaboration in the community to maximize advertising efforts and dollars.

Mark Sterbens added that he agrees with Nat Carasali and encouraged the board to give the RSCVA the flexibility and autonomy to make decisions based on data, research and successes. He believes that the team is moving in the right direction.

Carl Ribaldo added his support for the marketing efforts to continue to move into the digital efforts and influencer marketing. He stated that this destination has a personality and a vibe and that's what differentiates this area from others. He finished by saying that the influencer advertising is authentic and that's what people see.

Andrew Diss, Director of Government Affairs, Meruelo Group, commended Jennifer's team on their advertising efforts. He made mention of the Las Vegas Convention and Visitors Authorities advertising and the "What Happens in Vegas" ad campaign and what that did for the area. He encouraged the board to expand the marketing efforts.

Michael Larragueta discussed the sales progress since fiscal year 2015/16. He talked about the new city-wide convention business and new the regional sales offices in Atlanta, Chicago and Sacramento. He added that the sales team welcomed a dedicated SMERF position (Social, Military, Ethnic, Religion and Fraternal) and a dedicated equestrian position. Mr. Larragueta also stated that the team decided to close the Las Vegas office, as we did not see the results from that market. He also thanked the board and Mr. DeLone for allowing sales to take the risk to grow new markets. Mr. Larragueta went on to discuss convention sales production from fiscal years 2015/16, 2016/17 and 2017/18. He finished his program by discussing some of the progress made since fiscal year 2015/16 which included a new 20x20 tradeshow booth, the Biggest Little Site program, marketing support and increased out-of-market VIP events.

Art Jimenez, Executive Director of Tourism Sales-RSCVA, discussed the progress made in tourism sales. He stated that since his arrival in 2017 the tourism department has made tremendous progress in several areas including the international markets, travel trade, reporting procedures and strengthened relationship with the community (i.e. hotel partners, Travel Nevada, Brand USA). Mr. Jimenez reviewed the 3-year tourism room night production report.

John McGinnes, Executive Director of Sales-Atlantis, commended Art and his team for the great job that they are doing and the business they are bringing to the area.

Mr. Jimenez touched on the China market highlights starting with the sales activity that includes a 212-client database and 110 trade show calls, meeting and trainings. He also talked about the FAM trips including the Brand USA Mega FAM and media visits/meetings. Mr. Jimenez finished up his presentation by discussing the focus moving forward. He stated that tourism plans to maintain the current annual programs and China programs, as well as increase sales support in core markets, partnership marketing and direct sales programing.

Erica Olsen wrapped up the RSCVA Board Retreat by discussing the proposed priorities and investments both and without the proposed RSCC expansion.

Chairman Lucey added that the boards feedback is crucial at this point to look at the priorities and decided if the RSCVA is moving in the right direction.

Board member, Vick Wowo stated that he would caution the RSCVA from entering new markets without research and solid air service that can support that area.

Chairman Lucey stated that this is the type of discussion the board should have today. He added that when we are writing policy, should there be certain foundational pieces in place, such as air service, before we allocate marketing dollars, or should that be at the discretion of the marketing department.

Nat Carasali, partner-Peppermill, again stated that the policy development should be at the discretion of the CEO and his team. He went on to say that having the CEO come to the board with every decision is a gross waste of his time and the boards time.

Jennifer Cunningham spoke to member Wowo's comments. She stated that the RSCVA is only looking at markets that have direct air service and available capacity on those flights.

Howard Olsen, president and co-Founder-OnStrategy, added to Ms. Cunningham's comments by saying that OnStrategy looked at the data, including zip codes, demographics and even income, they found that the higher the income, the more they visit.

Board member Lee Dillard, asked how long it took to see attainable results from Los Angeles, San Francisco and Seattle. He asked if RSCVA is going to wait to enter the San Diego market until the data supports the push.

Esther Isaac responded by saying that results from the Los Angele, Bay Area and Seattle markets started coming in relatively quickly using several measuring tools such as website visits, quarterly awareness brand survey and VOA studies. She added that the marketing team uses these tools as well as air service and other measurements before considering a market.

Board member, Lee Dillard, add that he feels that the RSCVA marketing team is doing a great job at keeping their "finger on the pulse" and he supports the marketing direction.

Chairman Lucey asked Phil DeLone if he feels confident in the strategic priorities and the direction the RSCVA is heading.

Mr. DeLone answered saying that he and the executive leadership feel very comfortable with the priorities put before the board today.

Chairman Lucey concluded the meeting by asking the board members present if they concur or have any comments regarding the proposed priorities and investments information presented today.

Erica Olsen recapped the proposed strategic priorities from the conversation today. She stated that they are as follows: strengthening the marketing efforts in core markets, maintaining Seattle, prioritize resources in sales are at the correct level to deliver the 7% growth and make sure the funds are available to prioritize air service expansion. She added that the RSCVA would reevaluate the strategic priorities if additional funds become available with the convention center expansion.

Chairman Lucey thanked Erica Olsen and the team at OnStrategy for putting together the retreat presentation. He thanked all the attendees and community partners for their participation.

G. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

None

H. COMMENTS FROM THE FLOOR BY THE PUBLIC

None

I. ADJOURNMENT

Meeting adjourned at 12:19 p.m.