

**ELKO CONVENTION & VISITORS AUTHORITY**  
**AGENDA BOARD OF DIRECTORS SPECIAL MEETING**  
**TUESDAY, MAY 5, 2020, 9:30 A.M. PST**  
**ELKO CONVENTION CENTER – CEDAR ROOM**  
**GOTOMEETING.COM - <https://global.gotomeeting.com/join/550398045>**  
**MINUTES**

The Chairman and/or Vice Chairman reserve the right to: change the order of agenda items, combine two or more agenda items for consideration, remove or delay discussion on an item, and/or recess the meeting and continue at another specific date and time.

**1. Roll call**

ECVA Board Members Present: Matt McCarty  
Dave Zornes  
Delmo Andreozzi  
Toni Jewell  
Chip Stone

ECVA Staff Present: Katie Neddenriep, Executive Director  
Steve Wehde, Facility Manager  
Cheryl Garcia, Comptroller  
Tom Lester, Tourism & Convention Manager  
Amber Merz, Administrative Assistant

Visitors Mary Cain, Eide Bailey LLC  
TLC, Public

**2. Call to order and Pledge of Allegiance**

Chairman Matt McCarty called the meeting to order at 9:39 am and stated for the record all members of the ECVA Board of Directors were present

**3. Public Comments- Non- Action Item**

Pursuant to N.R.S 241.020, 2(c) (3), this time is devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified to be an action item.

Matt McCarty stated that he would like to pass the gavel off to Delmo Andreozzi for a moment so that he could make the following public comment. -

I want to be very clear regarding the circumstances leading up to today's meeting. As you know, the ECVA is facing a budgetary impact that I don't believe we have ever seen and the quick onset of this situation has led me to have regular contact with the Executive Director. This contact included a request by me to Katie to provide options for dealing with the budgetary impacts, including the potential for furloughs, layoffs and position eliminations. I requested that we review these position impacts at the April 28 Regular Meeting. As you may know, this subject was not discussed in detail at that meeting, so I requested a Special Meeting of this Board be called for today. As Chair, I requested that Katie inform all employees of the potential impacts of today's meeting. This was done to provide all employees with the information as soon as possible. I acted alone in this direction to the Executive Director, without consultation from any other Board Member. Neither the Chair, nor the Executive Director, alone, or in concert, can institute the type of position impacts being discussed today. To be clear, only an action by the majority of the Board can enact these changes. Nothing has been decided to this point. The only action taken to this point has been to inform the employees of the ECVA.

Delmo Andreozzi gave the gavel back to Chairman McCarty.

Matt McCarty asked if there was any other public comment, seeing none he moved on.

4. Approval of minutes from the Board of Directors meeting of April 28, 2020. – **For Possible Action (public comment)**

*Chip Stone made a motion to approve the Board of Directors meeting minutes of April 28<sup>th</sup>, 2020. Dave Zornes seconded the motion.*

Katie Neddenriep stated that she would like clarification on the agenda item regarding administrative pay before they moved forward. She went on to state that the motion made was to extend administrative leave with pay for two weeks or until the end of the next pay period in May. She explained that two weeks from that meeting date would be May 12<sup>th</sup>, the end of the next pay period in May would be May 24<sup>th</sup> and the end of the current pay period would be May 10<sup>th</sup>.

Matt stated that the intention was to extend the pay closer to the 15<sup>th</sup> of May. He went on to explain that he feels this does not change the content of the minutes from that meeting, only clarifies the matter so he is asking that the board move forward with this voting on this agenda item.

*Motion passed. Delmo Andreozzi abstained from voting.*

5. **NEW BUSINESS:**

- 5A-0505-20            Review, discussion and possible direction to staff to deny all requests for additional discounts on facility rental charges beyond the pricing tiers outlined in the Rules & Regulations effective immediately and sustained through fiscal year 2020-2021. - **For Possible Action (Public Comment)**

Katie Neddenriep stated that this agenda item is being presented in an effort to optimize what revenues we are able to bring in during this time.

Delmo Andreozzi stated that he feels that it goes against the Rules & Regulations as written to grant discounts or waive the cost of facility rentals without board approval.

Chip Stone agreed with Delmo Andreozzi's statements.

Further discussion took place.

*Delmo Andreozzi made a motion to uphold the policies and rules as written, which does not allow for any waiver or discount for facility usage at the Convention Center. Further directing staff to develop some concepts for review and consideration of the ECVA Board. Any decision which authorizes a reduction or waiver of facility use fees shall include an amendment to the rules and policy book of the ECVA. Dave Zornes seconded the motion. Motion passed unanimously.*

- 5B-0505-20            Review, discussion and possible granting of temporary authority to the Executive Director to make adjustments to the Policies & Procedures and/or Rules & Regulations in response to COVID-19 federal, state and local governmental mandates, policy directives and operational guidelines to meet the needs of personnel and secure the sustainability of the Elko Convention & Visitors Authority. –**For Possible Action (Public Comment)**

Katie Neddenriep stated that this item is also in response to COVID-19. She explained that if the shutdown continues, they may need to developed a telework policy, they may need to adjust their Rules and Regulations in regards to approved caterers and allowing clients to bring in prepackaged foods. She went on to explain that it is not ideal to call a Special Meeting and bring requests for these kinds of changes to the Board of Directors during this time which is why she was requesting they grant her the authority to make these decisions. She stated that it is still her intention to have the regularly scheduled monthly meetings at which she would update the board on all of these matters.

Matt McCarty explained that it is his intentions with this item are that the authority be granted until the end of this fiscal year, June 30, 2020.

***Delmo made a motion granting temporary authority to the Executive Director to make adjustments to the Policies & Procedures and/or Rules & Regulations in response to COVID-19 federal, state and local governmental mandates, policy directives and operational guidelines to meet the needs of personnel and secure the sustainability of the Elko Convention & Visitors Authority for a period not to exceed 6-30-2020 and further direct that all actions be brought back for report to and/or ratification by the Board. Chip Stone seconded the motion.***

Chip Stone told Chairman McCarty he had a question he would like to ask before they moved forward with the vote. He asked what would happen if between now and June 30, 2020 the ECVA Director entered into a contract with a year long term, would that be allowed or would contracts only be allowed if they did not extend past June 30, 2020.

Matt McCarty stated that it was his intent that contracts extending past June 30, 2020 would not stand but he would like to defer to Katie for further clarification.

Katie Neddenriep explained that percurrent policies would still be in affect so any purchases requiring board authorization would still stand, any annual agreements would still come before the board at the regular meeting. This would really only apply to matters affecting the ECVA staff's ability to get back to work and take facility bookings.

Further discussion took place.

***Chip Stone stated that his second still stands. Motion passed unanimously.***

5C-0505-20            Review, discussion and possible direction to the Executive Director to effect staff furloughs and/or reductions. – **For Possible Action (Public Comment)**

Chairman Matt McCarty stated that this agenda item was carried over from the April 28, 2020 meeting. In the packet it is explained that over 60% of the General Fund is payroll and salaries and this is also the portion that we have the most control over. He explained that this is the reason he requested this be addressed. He also requested that Katie send a letter to each employee that this was up for consideration as well as provide the employees who were up for consideration with the backup that the board would be reviewing.

Katie Neddenriep began by reading the following statement:

These are unprecedented times which have delivered devastating blows to the economy, with travel and tourism being hardest hit. We must make difficult decisions today to ensure the ECVA survives to pay its role in our community's recovery.

As the Executive Director of the Elko Convention & Visitors Authority, it is my responsibility to secure the long-term viability of the organization. The ability to freely travel and gather in large groups is critical to our organization. We have no date on when restrictions on social gatherings greater than 10 will be lifted so we can generate facility rental revenue. Continued advisories against all non-essential travel will suppress transient lodging tax revenues indefinitely. We must make difficult decisions and take responsible action to reduce the expenses we can control while awaiting return of revenue streams over which we have minimal control. Cancellations of events and facilities rentals from onset through June 30th already exceed \$220,000 in lost revenue. This does not account for decreases in Transient Lodging Tax.

The ECVA Personnel Policies Section 9.2 addresses Layoffs due to "lack of work, lack of funds...; or in the interest of economy; or for other appropriate causes, as determined by the ECVA." In selecting which employees are laid off and which retained, the policy lists several factors for consideration, including

efficiency of operations. My recommendation to the Board is solely based on preserving functions necessary to fulfill the core mission of the Elko Convention & Visitors Authority and minimizing negative impact on delivery of services to the public. The recommendations are not based on or reflective of employee performance or value of the work to the organization. The work of the roles proposed for elimination will not go away and, if my recommendations are approved, these individuals and their contributions will be missed.

No one is immune to the economic impacts of the COVID-19 Pandemic, including the Elko Convention & Visitors Authority. To-date we have continued to pay all of our employees at 100%; however, this is not sustainable. We must take action now to ensure continued success for years to come.

Katie then explained that the packet included some statistics on where we stand. She stated that for the remainder of the fiscal year we are projecting a shortfall of 37% in our revenues, we are left with a budget deficit of just over \$750,000 for this fiscal year. There is no indication of when we may be able to reopen our facilities. During phase 1 travel restrictions are still going to be in place as well as advisories against gatherings of more than 10 people, it sounds like these restrictions will remain in place through phase 2 and 3 as well. She stated that 64 % of our annual revenues are from the combination of room tax and facility rental revenue. She went on to explain that room tax accounts for about 36% and facility rental revenues account for about 28% of the ECVAs annual revenues. Ad Valorem accounts for 17% and is restricted for use on capital projects only. The state shared tax or consolidated tax revenue accounts for 13% of our annual budget, it is unrestricted and goes into the general fund.

Delmo Andreozzi thanked her for that data and asked if she had numbers regarding what was received annually how it was restricted.

Katie explained that the room tax funds that we receive are restricted and are divided up between the general, marketing and facility expansion funds. She stated that the portion the ECVA received is 29% of the room tax collected by the city of Elko, with the airport debt service factored in that number goes up to 35%. It is unknown if we will receive that portion this year. She stated that 16.9% goes into the general fund, 12.5% goes into the marketing/tourism fund and the remaining 5.87% from the airport debt service would go into the facility expansion fund. She stated that it is unclear if they will receive the airport debt service portion going forward.

Delmo Andreozzi asked what it would take to make changes to these restrictions.

Katie stated that there would have to be a change to Elko city code.

Discussion regarding fund allocations took place.

Matt McCarty stated that it seems unlikely to him that they will receive the airport debt service portion. He explained that it would surprise him if the airport debt consolidation is met in the coming fiscal year considering the city is predicting a 30% decrease in transient lodging taxes.

Delmo asked if the cities projection of a 30% decrease is based on budget projections.

Matt stated that he believed so.

Delmo asked if any of the ECVAs revenue sources were in arrears.

Katie stated that since they were up to date on all facility rental and catering fees except for one person who they are working with on developing a payment plan. She explained that since COVID-19 hit the ECVA has had to start waiving cancellation fees as they unable to hold events per the governor's directive. She then stated that she believes they are told in the previous fiscal year what they will receive in consolidated tax revenues for the fiscal year in advance. She asked the comptroller, Cheryl Garcia to confirm this.

Cheryl stated that this is correct. It is a set amount every month and they are notified in the prior fiscal year.

Delmo asked what would happen if there weren't sales of the items that fund the consolidated tax revenue.

Cheryl stated that she hasn't heard anything about that to date.

Further discussion regarding the general fund took place.

Toni Jewell stated that she just got the chance to read the agenda and packet today so she want to get clarification on what the options they were discussing today were. Where they talking about furloughing and/or eliminating some or all of the positions listed.

Matt McCarty stated that they could choose any or none of the options laid out in the packet.

Toni stated that the packet only showed the savings if they choose to eliminate the 4 recommended positions, did they not calculate the savings should they furlough everyone for a portion of the week.

Matt stated that Katie was doing the math on that right now and would report back shortly.

Chip stone asked if Steve Wehde had filed for retirement or was planning to soon.

Steve Wehde stated that he was waiting to see if he had a job to retire from.

Katie stated that if all of these employees are furloughed by 10 hours a week that leads to a savings of \$3281. She stated that she recommends that these 4 positions be eliminated as well as furloughing the rest of the hourly staff by 10 hours a week.

Further discussion on revenues and deficits in the general fund took place.

Delmo asked what would happen if they were to furlough staff at a higher rate, such as 20 hours a week, would this effect their eligibility for insurance and other benefits?

Katie stated that the employees have to work at least 30 hours a week to be eligible for their benefits, including PERS.

Chip Stone asked if there was any chance this would affect eligibility for retirement through PERS. He stated that Steve has worked for the ECVA for over 20 years and if there is any chance it could impact his eligibility for retirement, we cannot do this to him.

Katie stated that by law she has to give the employees that would be affected 14 days, this will give them time to start working with PERS and get the ball rolling should they want to retire.

Matt McCarty stated that retirement benefits through PERS are protected through stated law, none of the eliminations would be considered termination with cause. The only thing that would restrict retirement benefits would be a felony charge, based on his research.

Cheryl Garcia stated that elimination does not affect eligibility for unemployment either.

Delmo stated that he would like to make a comment before they move forward. He stated that these are horrible, awful decision that no one ever wants to be a part of. At the County, immediately after this happened, he was talking about revenue streams and projections, trying to preserve the workforce. He explained that There have been several years that employees have not received pay increases due to unfunded mandates, but for the first time in a number of years, this year employees did receive a 3% increase. He stated that the County has placed a hiring freeze on all personnel except for emergency

services. All departments were asked to cut expenditures by 10%. They hope that this will strengthen the ending fund balance. The Services and Supplies budget has also been reduced by 10%. These reductions will be carried over through fiscal year 2021. He explained that capital projects such as roads and infrastructure are restricted and will go forward. However, other projects, including rehabilitating the Washington Federal building for 3rd District Court will be curtailed. He stated that he knows payroll is the biggest area of the budget they can control but he also feels that they need to look at other parts like the sponsorships, anything that they don't have to spend money on, we need to not.

Toni Jewell asked if the positions that are up for elimination are permanent eliminations or is this temporary.

Katie stated that at this time it would be permanent. If in the future they feel they need to bring the positions back they can address it at that time. Per the ECVA policy should any of these positions be brought back within the next year the employees eliminated would be put on a rehire list and she would have to offer the job to them first.

Delmo asked if Katie knew if any of these employees were eligible for retirement.

Katie stated that when she was brought on her predecessor informed her that Mr. Wehde had talked about possibly retiring within the year, other than that she has no knowledge of their retirement eligibility.

Further discussion took place.

***Delmo Andreozzi motioned to approve the plan as outlined by the Executive Director to allow for a 10-hour furlough for the remaining 7 hourly non-exempt employees, to allow those employees to remain eligible for benefits, and to eliminate the four positions recommended. Furthermore, he direct staff that when they present the budget it does not include a pay increase for any employee. Chip Stone seconded the motion. Motion passed unanimously.***

#### **6. Public Comments – Non-Action Item**

None at this time.

#### **7. Board Comments – Non-Action Item**

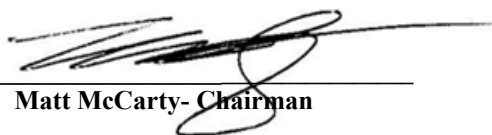
Chip Stone asked when the next board meeting would be.

Matt McCarty stated that it was scheduled for May 28<sup>th</sup>,2020. He stated that he thought they would be holding the budgeted hearing at this meeting as well.

Katie Neddreniep stated that he was correct, they would be going over the final budget and would need the boards approval.

#### **8. Adjournment**

***Meeting adjourned at 11:30am.***



Matt McCarty- Chairman