



LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Adopted Annual Budget

FISCAL YEAR 2018 | 2019 ■ CLARK COUNTY, NV





Adopted Annual Budget
Fiscal Year 2018/2019

Prepared by the Finance Department
Under the supervision of
Ed Finger, CPA, Chief Financial Officer
Shannon Anderegg, CPA, CGMA, Vice President of Finance

Las Vegas Convention & Visitors Authority
3150 Paradise Road
Las Vegas, Nevada 89109-9096
(702) 892-0711
www.lvcva.com

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May 24, 2018

**To the Board of Directors
Las Vegas Convention and Visitors Authority (LVCVA)**

It is with great pleasure that I respectfully submit the fiscal year (FY) 2019 budget for your review and consideration. The annual budget represents the expected revenues and planned expenditures for the fiscal year beginning July 1, 2018 and ending June 30, 2019. The FY 2019 budget reflects Board and organizational priorities, and follows the fundamentals of our financial management policies. This budget is the product of many months of work on the part of many of the members of this organization. It has been prepared in conformance with the requirements of state law, Board policies and governmental budgeting "best practices".

The mission of the Las Vegas Convention and Visitors Authority:

"To attract visitors by promoting Las Vegas as the world's most desirable destination for leisure and business travel."

The LVCVA has the responsibility to market Las Vegas and Southern Nevada as a travel destination. Resorts advertise and market their individual properties, while the LVCVA markets the destination as a whole. Our mission is fulfilled primarily through national and international branding, marketing, and advertising campaigns, sales efforts, public relations, special events and operation of the Las Vegas Convention Center (LVCC). The LVCVA also markets Laughlin, Mesquite and outlying areas of Southern Nevada.

PREFACE

In FY 2018, room tax revenue moderated after seven years of strong growth. From FY 2011-FY 2017, the room tax average annual growth rate was 9%. Tourism, which is the backbone of the Las Vegas economy, was one of the first industries in Southern Nevada to demonstrate recovery post-recession, and many economic indicators now exceed pre-recession levels. Recent reinvestments in the destination from resort partners and other local businesses also provide support for continued moderate growth in the long-term.

The LVCVA will continue to remain alert and assess economic factors and other key visitation statistics while leading by example and reinvesting in the future growth of the tourism market for Las Vegas and Southern Nevada. The transformational Las Vegas Convention Center District (LVCCD) project is in its second phase, the expansion of the LVCC, with construction expected to start in fall 2018.

As the tourism industry navigates through economic ebbs and flows, the LVCVA will continue to assess its position with a commitment to remain flexible, responsive and timely. The FY 2019 budget resource allocations align with the objectives of the LVCVA's core mission.

FY 2019 BUDGET ENVIRONMENT

Current room tax results for FY 2018 General Fund are projected to be approximately \$281.4 million, flat as compared to the previous year, due in part to the October 1 tragedy and lower available room inventory due to renovations. Projections also indicate visitor volume in Las Vegas will exceed 42.7 million in calendar year 2018. This represents a slight increase from 2017 and would be the 2nd highest visitation in Las Vegas history. The forecast for FY 2019 indicates continued improvement as consumer confidence stimulates discretionary spending on business and leisure travel. Accordingly, the FY 2019 room tax revenue budget has an increase of 3% over FY 2018 projected results.

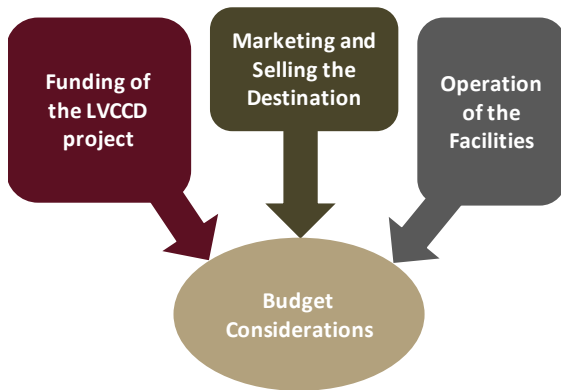
The LVCVA continually monitors numerous key visitation statistics to ensure appropriate budgeting of our primary revenue source. For the 2017 calendar year, average daily auto traffic was up 1%, enplaned/deplaned passengers at McCarran International Airport were up 2% and convention and meeting attendance was up 5% over 2016. All of these factors indicate strong fundamentals for the destination. The LVCVA also reviews tourism data at a more macrolevel which indicates growth in leisure and business travel. Las Vegas is an international destination with approximately 16% of visitors from international markets in 2017. In February 2018, the US Travel Association published information indicating that total travel expenditures are projected to grow over 14% in the next three years, and the number of domestic business and leisure trips are expected to grow approximately 6%, as well. Although these are good signs for the local economy, the LVCVA is keenly aware of national and global economic conditions as well as legislative actions that could affect future revenue. Conservative budgeting techniques and continuous monitoring of the environment are used to reduce the potential impact of these risks. Long-term plans for LVCVA expansion and renovation, as described below, are phased to align with available revenues to ensure the financial integrity of the entity.

Significant private investor optimism is also taking place in Southern Nevada. During the most recent year, the destination focused on refreshing and enhancing current properties, as well as adding additional convention and meeting space. Long-term private investor confidence in Las Vegas is evident with over \$17 billion worth of projects announced or under construction over the next several years, including \$7 billion on the development of Resorts World Las Vegas and The Drew Las Vegas, which is the project previously known as the Fontainebleau, located on the Las Vegas Strip. Wynn Resorts also announced a \$1.5 billion lake resort on land that is currently its golf course. Work is currently underway transforming and rebranding the Monte Carlo Resort and Casino into a luxury resort, the Park MGM, with full completion expected in 2018. In addition, construction has started for the new 65,000-seat indoor stadium for the Raiders, expected to cost approximately \$1.4 billion. Las Vegas is known for continually reinventing itself to deliver on the brand promise of being the premier destination in the world. These multi-million dollar projects continue to show that Las Vegas does not stand still and continues to provide new experiences and reasons to visit.

The Las Vegas Convention Center plays a pivotal role in southern Nevada's meeting and convention market. It hosted 50 events in 2017 with attendance of 1.4 million. LVCC attendees supported approximately 8,600 leisure and hospitality jobs and nearly \$2.1 billion in total economic output.

The LVCVA remains fiscally sound because of a conservative fiscal management strategy. As is always its practice, the LVCVA builds flexibility into every facet of the planning process, allowing for continuous adjustments in reaction to changes in the market place. Continued growth in the revenue base allows the LVCVA to allocate resources to capital and operating projects to sustain our operational excellence.

A five-year vision plan was adopted in January 2016. This vision plan encompasses a marketing, business, and organizational strategy for the future growth of tourism and its economic impact on Las Vegas and Southern Nevada. Part of this vision is the expansion and renovation of the LVCC.



This is considered necessary to remain the No. 1 tradeshow destination in North America. The LVCCD project positions the organization for continued long-term success and expands the reach and impact of the Las Vegas brand. There are four major conceptual phases in the LVCCD. Phase One, completed in January 2017, was the acquisition and site preparation of the former Riviera Casino property. The property was purchased in 2015 and has been cleared in anticipation of an expansion of the Las Vegas Convention Center. Prior to new construction, the cleared and paved lot is currently utilized for outdoor exhibits and overflow parking.

LVCCD Phase Two, which is currently in the design process, includes the construction of a 1.4 million square foot facility with 600,000 square feet of new exhibit space, and will include meeting rooms, additional parking, new food and beverage outlets, and support and spaces. The budget for Phase Two is \$860 million. Construction on Phase Two is set to begin in the fall of 2018.

Phase Three consists of renovation and additions to the current facility. This includes upgrades to the exhibit halls, meeting rooms, lighting fixture and entrances with new technology. This phase will also provide upgraded restrooms and new food and beverage outlets as well potential improvement to the walking space between the current halls. Structuring the project in this manner provides space for our trade shows while existing facilities are closed for renovation in Phase Three. Phase Three’s estimated budget is \$540 million.

In order to accomplish these phases, the LVCVA required additional resources to supplement existing revenues. Staff prepared analyses based on project costs for the LVCCD and determined a significant funding shortfall to support the financing project as proposed. In October 2016, during a special legislative session, the Nevada State Legislature approved a 0.5% increase to the room tax rate for the LVCVA, to be used solely for the LVCCD project (Senate Bill 1). The new portion of room tax went into effect in March 2017. The FY 2017 partial year partial year revenue from the LVCCD room tax was \$11.2 million. The first full year of LVCCD room tax revenues, FY 2018, is projected at \$28.1 million. The FY 2019 budget is \$29.0, up 3% over FY 2018 projected. Additionally, the legislation capped the amount of collection allocation fee the LVCVA may return to the jurisdictions who collect room tax on our behalf. The amount returned to cities and counties is prohibited from exceeding \$25 million annually, and the amount of the fee calculated in excess of the cap is restricted to be used solely for the LVCCD capital program. As a result, \$3.3 million was transferred to the LVCCD fund in FY 2017. The FY 2018 projected transfer from the General Fund is \$3.3 million, and the FY 2019 budgeted transfer is \$4.1 million. A new capital and debt fund were created to account for all project revenues, including those received as part of the new legislation, as well as all the expenditures related to the LVCCD Phase Two and Three.

Phase Four of the LVCCD includes concepts of potential future improvements and expansions. Phase Four’s schedule and funding will be based upon the completion of the Phases Two and Three. Funding for Phase Four is not included in the financing analysis referenced above.

Phased flexible financing is intended to be utilized throughout the LVCCD while ensuring adequate debt coverage ratios and reserves are maintained. This will balance the use of current debt capacity while minimizing diversion of resources from our primary operating activities. The LVCVA has a credit agreement with JP Morgan providing a \$100 million revolving credit line, which can be advanced up to three times but never more than \$100 million at a time, to assist in this process. This agreement terminates in July 2018, but may be extended. In FY 2018, the LVCVA issued \$200 million in debt to fund planning, design and early construction programs related to Phase Two. These proceeds and related expenditures are accounted for in the LVCCD Capital Fund. In FY 2019, an additional \$500 million in debt is expected to be issued. A new LVCCD Debt Service Fund was created in FY 2018 to account for the principal and interest payment related to debt issued for the project.

In order to properly align with this long-term capital expansion, capital funding from the General Fund for FY 2019 budget focuses on assets, not facility projects. Therefore, regular capital funding is flat compared to FY 2018 revised budget levels. This is strategic in nature as capital funding is targeted to complement and align with the LVCCD project.

In June 2017, the LVCVA transferred the Cashman Center property and land to the City of Las Vegas. The transfer agreement is joined to a management agreement, whereby the City of Las Vegas engaged the LVCVA to continue operating the meeting and exhibit hall facilities at Cashman Center through December 2017, at which point the meeting and exhibit facilities were mothballed to be maintained in a dormant status until such time the entire campus is handed over to the City. Under the management agreement, the LVCVA will continue to operate Cashman Field (the stadium) until the expiration of the baseball team lease or until the team terminates the lease, whichever comes first, and is currently anticipated to occur in late FY 2019. At that time, the management agreement for the Cashman campus will cease and the City of Las Vegas will assume all responsibilities for the property. On October 10, 2017, the LVCVA Board of Directors approved a Naming Rights and Marketing Agreement with the Clark County Las Vegas Stadium LLC (Stadium Company) providing for naming and marketing rights for a replacement baseball field for Cashman Stadium. Under the terms of the agreement, the LVCVA will pay \$4 million per year to the Stadium Company for a period of 20 years once the new facility is operational.

The FY 2019 budget also reflects the LVCVA's commitment to our core mission of marketing Southern Nevada as a leisure and business destination worldwide and operating the LVCC. The LVCVA continually conducts research to assist in creating effective messaging for consumers. Advertising in the current year will continue to be aggressive using unique, innovative ways to make the Las Vegas message stand out and drive awareness and favorability for the destination. Business marketing initiatives will continue to emphasize that serious business gets done in Las Vegas while highlighting the tremendous value available compared to other major business destinations.

“What Happens Here, Stays Here” is one of the more famous taglines in modern tourism marketing and one of the most quoted, talked about, and recognized ad campaigns in any industry.

Significant advertising, marketing and public relations programs include:

- ❖ Launched VisitLasVegas.com, a new consumer responsive designed website replacing our e-commerce partnership with LasVegas.com. Redesigned VegasMeansBusiness.com, our business website with new assets and content for meeting planners, trade show executives, C-suite executives and show attendees.
- ❖ Developed a unified global campaign, provided crisis response guidance and messaging to resort partners and key community stakeholders during the October 1st tragedy. Worked with longstanding local and national media partners to share Las Vegas' message of strength and resilience. Received \$3.2 million in donated media placements from advertising partners. In addition, conducted #VegasStrong research that helped gauge consumer sentiment, destination perceptions and appropriate messaging and tone post October 1.
- ❖ Debuted the first and only destination virtual reality art program, Vegas: Alter Your Reality (VAYR) during Miami Art Week. Results from the event included 232 placements, 11.9 million impressions and a publicity value of \$2.6 million. Drove momentum for the project by activating in Brazil, United Kingdom and Canada.
- ❖ Increased total Las Vegas seat capacity by approximately 2%; domestic capacity was up 2% while international was up 1%. The estimated annualized overall economic impact of increased air service for FY 2018 is \$1.1 billion. Increased capacity enabled more carrier competition into Las Vegas and allowed for record passenger numbers at McCarran Airport, making 2017 the busiest year in the airport's 70-year history.
- ❖ International air service continued to yield strong results. Overall, 15 markets saw new airline entrants or capacity increases by existing airlines, representing more than 139,000 new inbound international seats. In addition, the team secured the first nonstop service from Sao Paula, Brazil to Las Vegas by LATAM Airlines.
- ❖ Domestically air service continued to grow with 19 markets receiving new airline service to Las Vegas and 50 markets gaining significant capacity increases by existing airlines. In total, this represented more than 1.2 million new inbound domestic seats.
- ❖ Exceeded 1,000 participants in the educational Familiarization Program with brings international travel professionals to Las Vegas.
- ❖ Introduced new trade show booth technology in five additional countries allowing resort partners to engage with travel facilitators and buyers in an interactive setting.
- ❖ Incorporated new sports marketing initiatives for the organization including a Sports PR Executive Committee, PR strategy, sports media FAMS, facility audit, travel trade program, and ambassador engagement program.
- ❖ Increased year over year growth on all Las Vegas and LVCVA domestic and international social media channels . The Digital Engagement team hosted 30 international social media influencers that curated 296 posts about Las Vegas, garnering over 121 million impressions (the number of times our content is displayed) and nearly 2 million engagements (number of interactions people have with our content, such as likes, comments, shares and retweets) . The team also executed 13 activations in international markets including China, Japan, German, Brazil, United Kingdom and Belgium.
- ❖ Through international media missions and trade shows, the International PR team met with more than 275 international journalists and bloggers from Mexico, India, France, Spain, Australia Ireland, New Zealand, United Kingdom, Brazil and Germany. In addition, the team brought more than 150 journalists and bloggers from more than 15 countries to the destination.

- ❖ Successfully managed \$16 million in capital upgrades to the food service areas by Centerplate. Construction to the public areas was on budget and completed in time for SEMA 2017.
- ❖ Installed a double-sided, 40' LED digital signage board in the LVCC Grand Lobby in time for CES 2018.
- ❖ Implemented iPlan, a new cloud based event planning software program used for event setup. This program allows convention service managers, show producers and in-house partners to produce and store layouts for meeting rooms, exhibit halls and parking lots.
- ❖ Facilitated new green initiatives with community groups (i.e. Greenourplanet.org) to garner support for waste and/or product collection benefitting local schools' gardening projects and saving show exhibitors costs by reducing freight and/or waste charges. Facilitated a gardening tool donation from the National Hardware show that resulted in new gardens at 15 schools around the Las Vegas Valley.
- ❖ Successfully bid to host the International Association of Exhibitions and Events (IAEE) Expo! Expo! annual meeting and exhibition in Las Vegas (December 2019), GTM West (2019) and the American Society of Association Executives Annual Meeting (August 2020). In 2018, Las Vegas hosted the Society of Independent Show Organizers (SISO) CEO Summit, Travel Leaders Network, Travel Agent Forum, Signature Travel Network and GTM West.
- ❖ Continued to broaden perceptions of weddings through content and media programs pursuant to the interlocal agreement with Clark County. The program received 31.5 million impressions, 2 million video views and 2.8 million engagements between July 2017 – March 2018.



FY 2019 BUDGET HIGHLIGHTS

The total FY 2019 General Fund budgeted revenues are \$349 million, an increase of 2% over the projected FY 2018 budget. FY 2019 General Fund expenditures and uses are \$359.8 million. This reflects 2% decrease from the projected FY 2018 Budget. Operating expenditures, including the Board of Directors reserve account, total \$248.8 million, while transfers to other funds total \$111 million.

REVENUE

Room tax, the LVCVA's primary source of revenue, is budgeted to increase in FY 2019 for the ninth consecutive year. Room taxes authorized under SB1 are recorded in LVCCD Fund, and all other room taxes are recorded in the General Fund. Total budgeted room tax is approximately \$318.8 million, of which \$29 million is related to the LVCCD Fund. Due to lower than anticipated year-to-date results, the projected FY 2018 room tax revenue for the General Fund is \$281.4 million dollars; lower than the budgeted \$294.5 million and essentially flat compared to FY 2017. FY 2019 budget reflects \$289.8 million in room tax revenue, which would be a record high for LVCVA room tax collections.

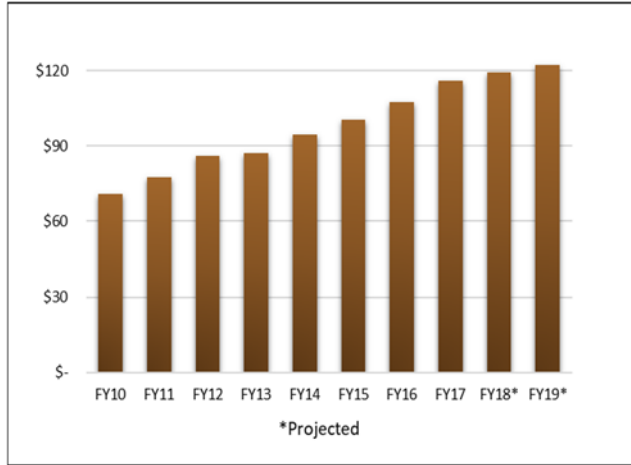
Room tax is projected to provide 83% of total general fund revenues and is based on the number of lodging rooms available, occupancy rate and the average daily taxable room rental rate (ADR). In 2016, Las Vegas ranked as the No. 1 city in the United States for hotel/motel room inventory. Room inventory in Clark County for 2018 is expected to remain stable with approximately 161,000 rooms of which 149,000 rooms are in the metropolitan Las Vegas area. Las Vegas is continually investing in its future by engaging the visitor with new amenities and experiences. This is coming to fruition through reinvestment in facilities and properties by renovating rooms, expanding dining and nightlife options and a variety of other activities to captivate and increase visitation. These investments do not provide significant increases in the number of rooms, and major grand openings for new resort properties will take multiple years to complete.

The county-wide average occupancy rate was 87% in FY 2017, however FY 2018 year-to-date has shown a slight decrease. The decrease in occupancy was due to a decline in visitor volume and a small reduction in available room inventory attributable to room renovations in the latter part of calendar 2017, and the October 1st tragedy. The greater Las Vegas area occupancy rate exceeded the national average by 22.8 percentage points in 2017. On any given night, Las Vegas has an average of over 130,000 hotel rooms occupied, which is more than any other destination in the United States.

The most volatile factor in calculating room taxes is the average daily room rate (ADR). With hotel rooms being booked over the internet, price fluctuations are common with hotels having the ability to respond quickly to occupancy trends. ADR has shown consistent improvement over the last eight fiscal years and is on track to increase an additional 3% in FY 2018.

During FY 2019, approximately \$810 million is projected to be collected in Clark County from all room tax assessments. The Nevada Supplementary School Fund and Clark County School District are budgeted to receive \$282.1 million for schools and education, while local jurisdictions are budgeted to receive \$211.2 million for roads, parks, stadium construction and other general government needs. The State of Nevada general fund is budgeted to receive \$22.9 million, and a portion of it will be allocated to promote Nevada. The LVCVA expects a net room tax benefit of \$276 million after returning \$25 million to the other government entities in the form of collection allocation and transferring approximately \$17.8 million to debt service for the Nevada Department of Transportation bonds.

County-Wide Taxable ADR



Calendar Year 2017 Average Occupancy Rates

Las Vegas	88.7%
New York	86.7%
Oahu	83.3%
San Francisco	82.8%
Los Angeles	80.0%
Orlando	79.3%

The LVCVA's second largest revenue source is facility use revenue for the LVCC. Facility revenues have recovered over the last six fiscal years as attendance, use of exhibit space, and renewed demand for ancillary services have increased.

The facility use revenue forecast for FY 2019 includes effects of the seasonal rotation of major tradeshow. The budget of \$52.5 million forecasts a decrease of 1% as compared to the projected FY 2018 amounts. This is anticipated and consistent with historical impact of the rotation of tradeshow.

Other revenues include gaming fees, interest earnings, operating transfers in and revenue agreements for marketing events. These combined revenue streams are projected to decrease in FY 2018, which is mainly due to the loss of Cashman Center events revenue.

REVENUE SUMMARY <i>(in millions)</i>	FY 2018 Augmented Budget	FY 2018 Projected	FY 2019 Proposed Budget	Change from FY 2018 Projected
Room Tax	\$ 294.5	\$ 281.4	\$ 289.8	3%
LVCC Revenue*	53.2	53.2	52.5	-1%
Other Revenue**	7.2	7.2	6.7	-8%
Total Revenues	\$ 354.9	\$ 341.8	\$ 349.0	2%

* Revenue related to the rental of the Las Vegas Convention Center.
 ** Comprised of gaming fees, use of facilities at Cashman Center, other fees and charges, interest and transfers from other funds.

EXPENDITURES

FY 2019 total General Fund expenditures and uses of funds are budgeted at \$359.8 million, with \$248.8 million dedicated to operating expenditures and reserve for contingency and \$111 million budgeted to transfer to other funds. The LVCVA creates the expenditure budget by focusing on our budget priorities.

Approximately 44% of the total General Fund budget is allocated to selling and advertising the destination through the Marketing division, while 25% supports the General Government and Operations divisions as well as Community Support. The remaining 31% is transferred to other funds and contingency, including Capital Projects, LVCCD Capital, Debt Service, LVCCD Debt Service and an OPEB Fund for Other Post-Employment Benefits (OPEB).

Overall, the General Fund budget is 1% lower than the FY 2018 projected level of expenditures, and 6% below the final FY 2018 budget, generally reflecting the 2018 flattening of room tax revenues compared to the original 2018 budget forecast of 5% room tax revenue growth.

Expenditure Budget Priorities



General Government includes the activities of the board of directors, Executive, Legal, Human Resources, Public Affairs, and Finance departments. The *Operations Division* encompasses all of the maintenance and support functions to operate the LVCC and Cashman Field. The *Marketing Division - Marketing & Sales* includes the activities of Domestic and International Marketing, Sales, Industry Relations, Brand Strategy and Customer Experience. General Government and Operations expenditures are budgeted at 5.1% and 4.3%, respectively below FY 2018 projections.

The *Advertising* budget, which is also part of the Marketing Division, supports the promotion of Las Vegas and Southern Nevada through a variety of mediums. Advertising programs are instrumental to staying ahead of travel trends. Industry imperatives are targeted to stimulate visitation to the destination and to reinforce that Las Vegas is an appropriate setting to conduct business. Advertising is critical to our mission and therefore remains a priority in FY 2019. The Advertising budget is \$101.5 million in FY 2019, a decrease of 1% from the FY 2018 projected budget. It is estimated that the LVCVA accounts for 33% of all advertising and promotional expenditures for the Southern Nevada tourism industry. This advertising impacts approximately 6% of all visitation and results in direct benefit-cost ratio of \$23 to \$1.

The *Marketing – Special Event Grants* budget is up 21% compared to the prior year augmented budget. This budget component evolves each year to keep up with new opportunities for the destination. In FY 2019, this reflects the funding of a second NASCAR race in Las Vegas and the naming rights agreement for the new Las Vegas Ballpark. This budget includes \$9.8 million in funding for Las Vegas Events (LVE), a non-profit corporation dedicated to securing and sponsoring events that encourage visitation to the area.

OPERATING EXPENDITURES <small>(In millions)</small>	FY 2018 Augmented Budget	FY 2018 Projected	FY 2019 Proposed Budget	Change from FY 2018 Projected
General Government	\$ 24.1	\$ 22.9	\$ 22.9	0%
Marketing				
Advertising	104.9	102.8	101.5	-1%
Marketing & Sales	43.1	42.2	40.8	-3%
Special Event Grants	14.2	14.2	17.1	21%
Operations	43.1	41.5	41.3	-1%
Community Support*	25.0	25.0	25.0	0%
Total Operating Expenditures	\$254.4	\$248.6	\$248.6	0%
<small>FY 2018 projected budget reflects decreases to the original adopted budget due to slightly lower room tax actual revenues year-to-date. *Represents Collection Allocation (10% of Room Tax and Gaming Fees, but no more than \$25 million) returned to the local entities under SB1. Amounts above do not include contingency amounts.</small>				

TRANSFERS

Transfers from the General Fund are budgeted at \$111 million, a decrease of 6% from FY 2018 projections, primarily related to required transfers to the Debt Service Fund and discretionary transfers to the Capital Projects Fund, the LVCCD Capital Fund, the LVCCD Debt Service Fund and the OPEB Fund.

Transfers to Debt Service Fund total \$58.5 million. Debt service on current outstanding bond issues related to LVCVA capital programs total \$26.4 million and debt service transfers related to the LVCCD program Phases Two and Three total \$12.8 million. Debt service transfers on outstanding bond issues to fund Nevada Department of Transportation (NDOT) projects, as approved by the 2007 Nevada legislature, total \$19.3 million.

Transfers to the LVCCD Capital Fund total \$45 million for pay-as-you go funding and reserves related to the LVCCD project as well as \$4.1 million in collection allocation funds that are over the \$25 million cap on collection allocation returned to collecting jurisdictions, as required under SB1.

Scheduled transfers include \$3.3 million from the General Fund to the Capital Projects Fund for FY 2019 for normal funding capital requirements. Current year capital allocations are prioritized to ensure the facility's safety and to enhance customer experience, but slightly lower than the past few years due to timing of needs and beginning LVCCD Phase Two.

The LVCVA maintains capital sub-funds that are used for different purposes. Any capital improvement or asset costing \$10,000 or more, not related to the LVCCD, is budgeted in the Capital Projects Fund, including furniture and equipment. The Capital Improvement Program (CIP) is a multi-year plan that includes capital acquisitions or projects (excluding the LVCCD) expected to cost \$30,000 or more in one fiscal year, in addition to multi-year equipment replacements and additions. These projects are included on pages 85-86.

The LVCVA has budgeted \$100,000 in fund transfers from the general fund to the OPEB fund for other post-employment benefit (OPEB) costs in FY 2019. Eligible retirees self-pay 100% of post-employment health care premiums based on blended rates with active employees. This results in the LVCVA providing an implicit subsidy of the retiree's health insurance costs. Liabilities for the actuarial calculated future costs have been accumulating on the balance sheet since FY 2008 when the accounting standards required the recognition of these future expenses. The LVCVA has completed yearly transfers since FY 2013. FY 2019 budget incorporates a total of \$28.2 million allocated to OPEB liability to date.

FUND BALANCE

Ending General Fund balance on June 30, 2019 is budgeted at \$20.8 million. State law provides guidance for an ending fund balance minimum of 4% of budgeted expenditures. The LVCVA targets an ending fund balance of between 4% and 16% to prepare for future volatile economic conditions without detriment to operations. The FY 2019 ratio is just over 8%, which meets statutory guidance and internal policy.

SUMMARY

Las Vegas is one of the most popular domestic and international travel destinations and was recognized for the 24th consecutive year as the No. 1 destination for the Trade Show News Network's (TSNN) Top 250 Trade Shows in the United States. Las Vegas hosted over 21,300 events and 6.6 million convention delegates in 2017. This is over a 5% increase in attendance over the prior year and an all-time high. This is an accomplishment and a testimony to the efforts of the LVCVA and our resort partners.

Travel and tourism is Southern Nevada's No. 1 economic driver, generating over \$58.8 billion in total economic impact for the local economy and supporting approximately 391,300 jobs. Serving as Chair of the National Advisory committee on Travel & Tourism Infrastructure for the Department of transportation gives me the opportunity to reinforce this message on Capitol Hill and ensures Las Vegas has a seat at the table for public policy discussions that affect travel.

Las Vegas' appeal has remained strong even throughout difficult times and continued competition from other destinations around the world. The LVCVA's mission remains steadfast and we have redoubled our efforts to promote Southern Nevada as the world's most desirable destination for leisure and business travel. A total of 17 new and rotating conventions and trade shows consisting of more than 10,000 delegates are scheduled in 2018. Combined, the shows will draw an estimated 344,000 attendees generating nearly \$505 million in total economic impact. Nine of these shows will be held at the LVCC. As we invest in the future of Southern Nevada through our marketing efforts and operational activities, we ensure the long-term success of the destination. The LVCCD project not only ensures the facility's future competitiveness, but the destination's current number one ranking for many years to come.

The budget before you provides a comprehensive and responsible spending plan that addresses the top priorities of the LVCVA. It is a budget that values and rewards the contributions of our employees and provides sufficient resources to meet our mission.

In closing, I want to thank the entire LVCVA workforce for their continued commitment and dedication. I would also like to thank the board of directors for their support and input during the budget process. Lastly, I would like to thank the members of the Finance Department for their commitment to monitoring the budget and ensuring the financial integrity of the organization is protected. I also congratulate the Finance Department for receiving the Government Finance Officers Association's Distinguished Budget Presentation Award for the 29th consecutive year.

Sincerely,



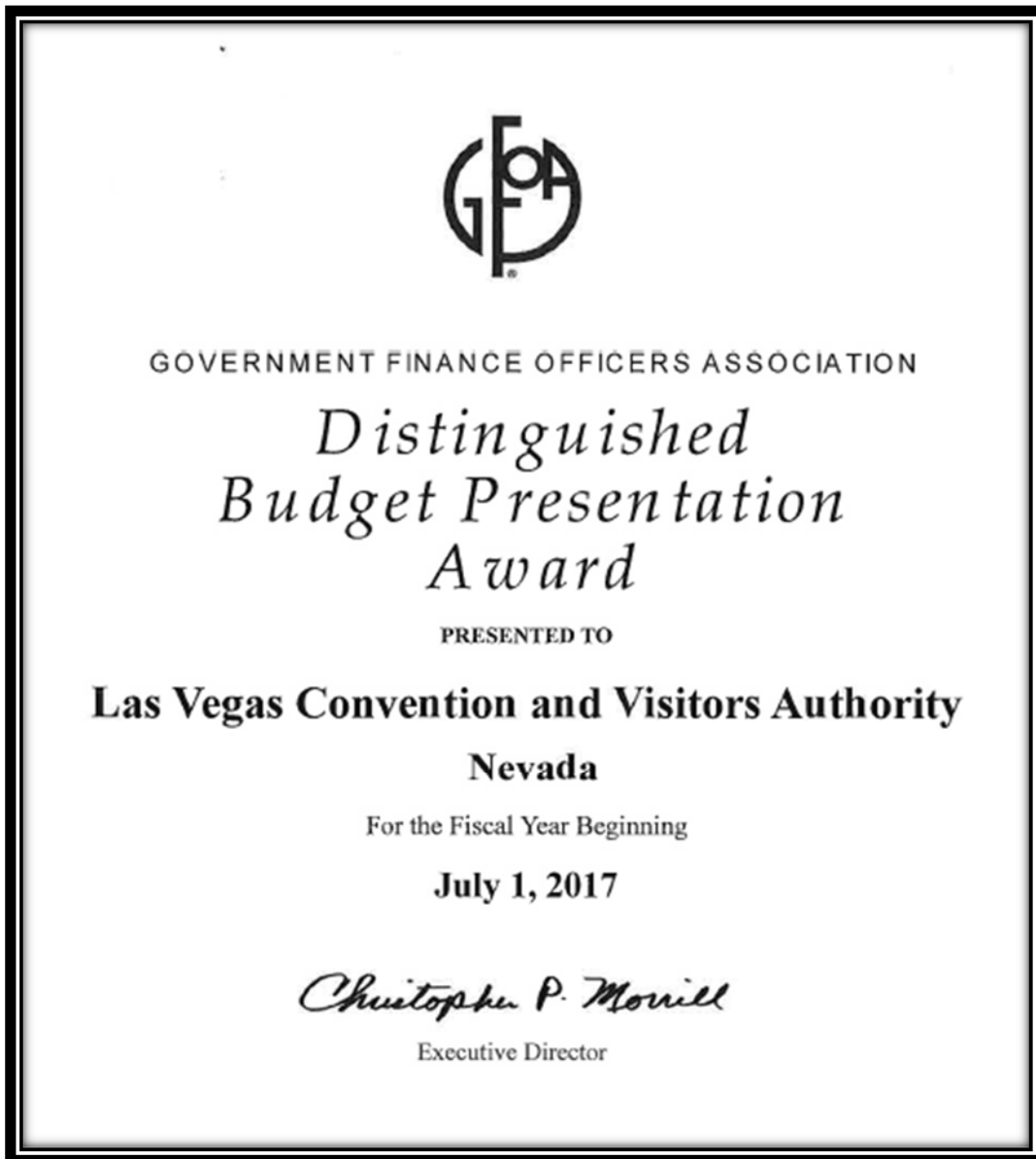
Rossi Ralenkotter
CEO

DISTINGUISHED BUDGET PRESENTATION AWARD

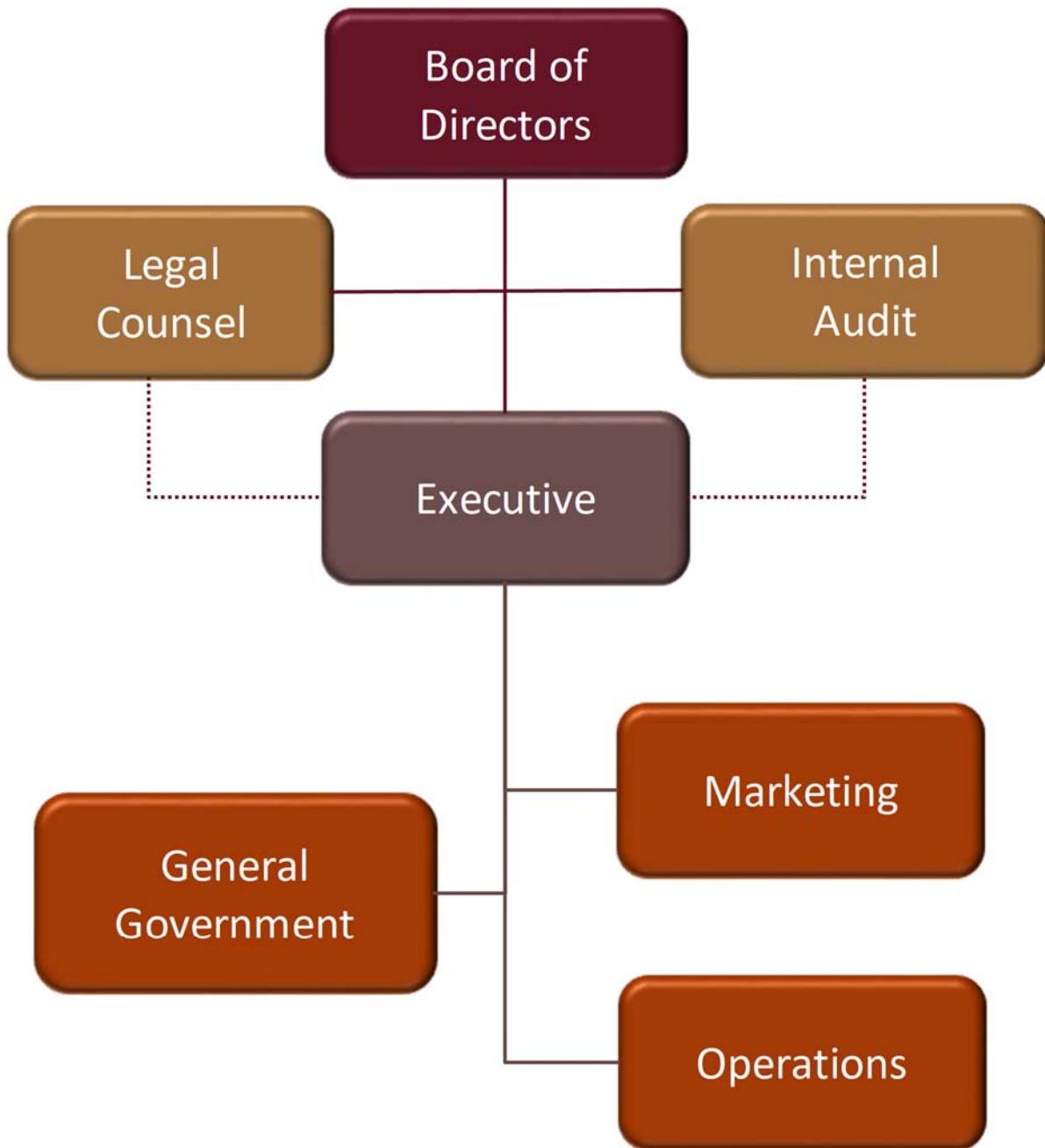
For the 29th consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Las Vegas Convention and Visitors Authority for its annual budget for the fiscal year beginning July 1, 2017.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan and a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



LVCVA ORGANIZATIONAL CHART



BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The Las Vegas Convention and Visitors Authority (LVCVA) is governed by a board of directors consisting of fourteen members. Eight members are elected officials from either Clark County or one of the incorporated cities therein. The Las Vegas Chamber of Commerce (CC) and the Nevada Resort Association (NRA) each nominate three of the remaining six members. Seven of eight elected officials are selected periodically by their respective governing bodies; their terms on the Board are coterminous with their terms of office. The elected official from the second least populated incorporated city serves a two-year term, starting with their term in office. The six private sector members serve staggered two-year terms.



LAWRENCE WEEKLY
Chair
Commissioner
Representing Clark County
Term: Jan 2009 – Dec 2020



CHUCK BOWLING
Vice Chair
Representing Resort Hotel
Nominated by NRA
Term: Jun 2005 – Jun 2019



BILL NOONAN
Secretary
Representing Central Business District
Nominated by NRA
Term: Oct 2014 – Jun 2018



LARRY BROWN
Treasurer
Commissioner
Representing Clark County
Term: Jan 2017 – Dec 2020



MICHELE FIORE
Councilwoman
Representing City of Las Vegas
Term: Mar 2018 – June 2021



CAROLYN G. GOODMAN
Mayor
Representing City of Las Vegas
Term: Aug 2016 – Jun 2019



TOM JENKIN
Representing Resort Hotel
Nominated by CC
Term: Dec 2003 – Jun 2019



PEGGY LEAVITT
Mayor Pro Tem
Representing City of Boulder City
Term: Jul 2017 – Jun 2019



GREGORY LEE
Representing Tourism
Nominated by CC
Term: Jul 2012 – Jun 2018



JOHN LEE
Mayor
Representing City of North Las Vegas
Term: Aug 2013 – Jun 2021



JOHN MARZ
Councilman
Representing City of Henderson
Term: Jul 2015 – Jun 2021



GEORGE RAPSON
Councilman
Representing City of Mesquite
Term: Aug 2011 – Dec 2018



MARY BETH SEWALD
Representing Other Commercial
Nominated by CC
Term: Jan 2018 – Jun 2019



MAURICE WOODEN
Representing Resort Hotel
Nominated by NRA
Term: Jul 2015 – Jun 2019

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The Board serves as a policymaking body and employs the Chief Executive Officer. The LVCVA's senior executive committee consists of:



Rossi Ralenkotter
Chief Executive Officer



Steve Hill
President/Chief Operating
Officer



Ed Finger
Chief Financial
Officer



Cathy Tull
Chief Marketing
Officer



Barbara Bolender
Chief People Officer



Jacqueline Peterson
Chief Communications &
Public Affairs Officer

HISTORY OF LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Las Vegas has long been a favorite vacation destination for millions of tourists. In the early 1950s, however, community leaders realized the cyclical nature of tourism caused a significant decline in the number of visitors during the weekdays, throughout the summer months and over the holiday season. To attract more visitors to the area during slow periods, a new market was needed - convention travelers. This idea became the seed that blossomed into the development of the Las Vegas Convention Center, established by the Nevada Legislature in 1955 as the Clark County Fair and Recreation Board. Its function was to operate the Las Vegas Convention Center and promote Southern Nevada as a convention-tourism destination.

Original construction of the Las Vegas Convention Center began in 1957. It consisted of a rotunda, 18 meeting rooms and 90,000 square feet of exhibit space. Official opening ceremonies took place in April 1959, when the World Congress of Flight became the first convention to meet at the Las Vegas Convention Center.

Resolutions passed by the board of directors on June 27, 1967 and March 19, 1974 led to the renaming of the Clark County Fair and Recreation Board to the current Las Vegas Convention and Visitors Authority.

The Las Vegas Convention Center completed multiple expansions over its 50-year history. It now contains more than 3.2 million square feet of total space, with 13 exhibit halls, 144 meeting rooms, restaurants, a business center, warehouses, administrative offices and parking for over 5,000 cars.



Conceptual drawing of Phase Two of the LVCCD expansion, outside view.

In February 2015, the LVCVA Board approved the acquisition of the Riviera Hotel & Casino. This purchase provided over 26 acres of additional property for Las Vegas Convention Center District (LVCCD) project. The project consists of three essential phases and one future conceptual phase. Phase One was completed in FY 2017 with the demolition of the Riviera property followed by clearing and improvements to the land for client use. Phase Two consists of the expansion that will add 1.4 million square feet to the current convention center facility including at least 600,000 square feet of new, leasable exhibit space. Phase Three consists of renovation and additions to the current facility.



Conceptual drawing of Phase Two of the LVCCD expansion, inside view.

HISTORY OF LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Phase Four includes concepts of potential future improvements and expansions. The LVCCD is discussed in more detail on page 75.

The LVCVA mission is now:

**To attract visitors by promoting Las Vegas
as the world's most desirable destination
for leisure and business travel.**

The LVCVA's primary source of revenue is provided by a tax imposed on hotels, motels and other transient lodging establishments in Clark County. The rate levied varies from 12% to 14% for resort hotels and 10% to 13% for non-resort hotels depending on the establishment's jurisdiction (see page 123 for room tax rate breakdown by jurisdiction). The division of room tax, as of July 1, 2018, is presented below:

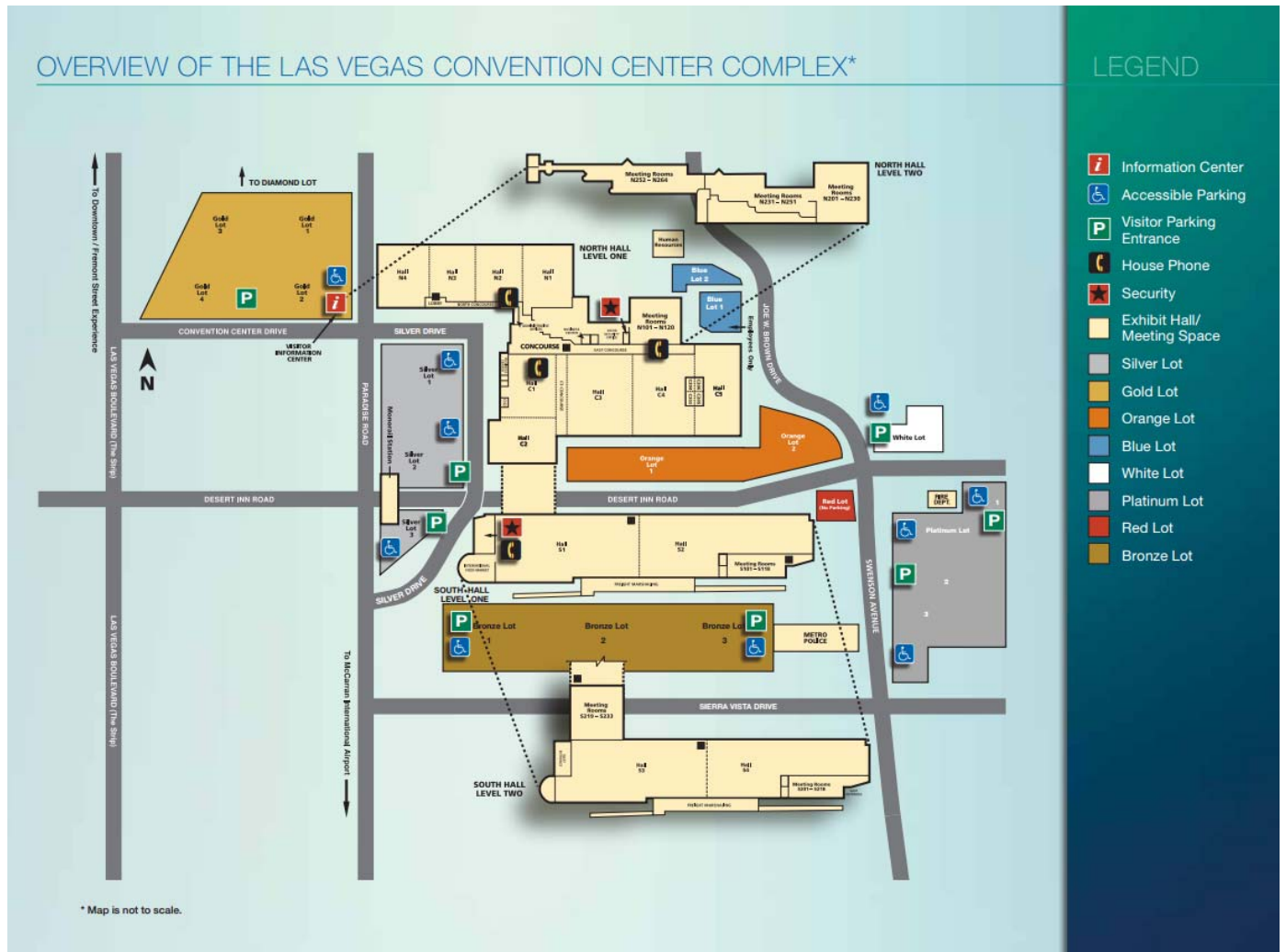
Resort Hotels					
LVCVA	Taxing Entity	State of Nevada	County Transportation	Clark County School District	Stadium Authority
4-5 1/2%	0-2%	3 3/8%	1%	1 5/8%	0 - 7/8%

Other Hotels / Motels					
LVCVA	Taxing Entity	State of Nevada	County Transportation	Clark County School District	Stadium Authority
2-4 1/2%	0-2%	3 3/8%	1%	1 5/8%	0 - 7/8%

The LVCVA is empowered by the Nevada state legislature to:

- ✧ Provide for the levy of ad valorem taxes by the Board of County Commissioners
- ✧ Acquire real property through the exercise of the power of eminent domain by the Board of County Commissioners
- ✧ Issue general obligation bonds in the name of and on behalf of the County

LAS VEGAS CONVENTION CENTER



The Las Vegas Convention Center is one of the largest tradeshow facilities in the world - a 3.2 million square foot facility located within a short distance of more than 100,000 guest rooms. Approximately two million square feet of exhibit space, and 144 meeting rooms (more than 241,000 square feet) can handle seating capacities ranging from 20 to 7,500. A grand lobby and registration area (more than 109,500 square feet) efficiently link the original exhibit halls with added exhibit halls and meeting rooms, allowing simultaneous set-up, break-down and exhibiting of multiple events.

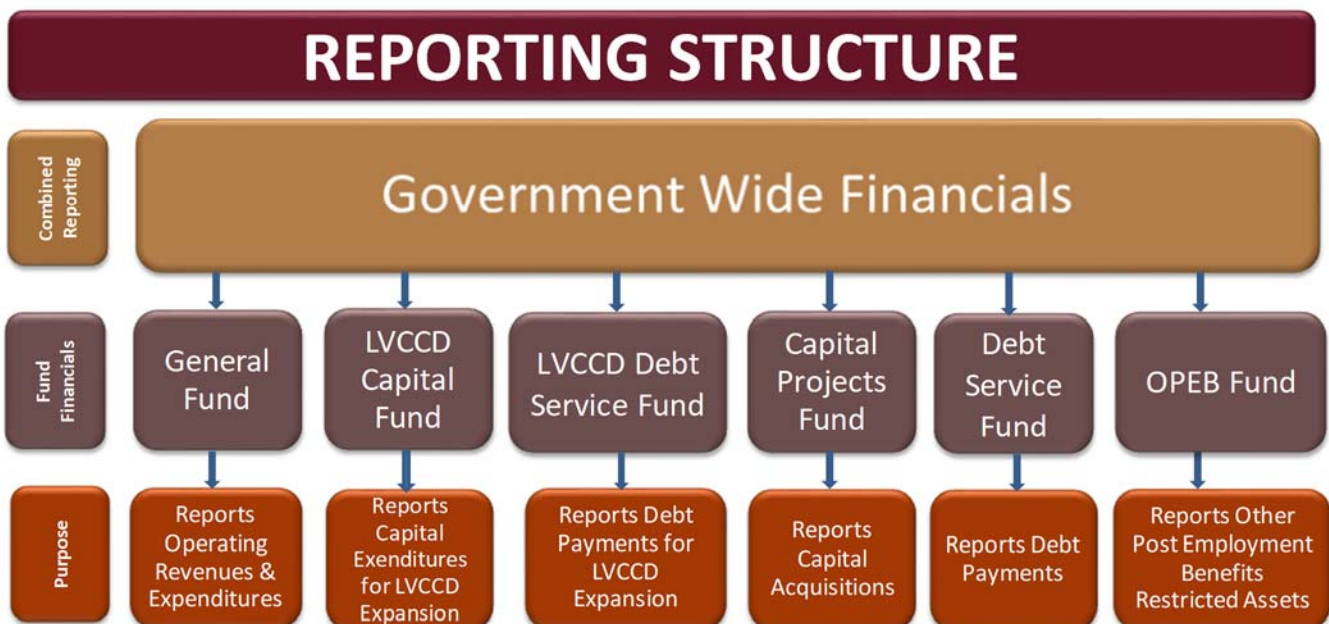
FINANCIAL STRUCTURE

Nevada Revised Statutes govern most of the LVCVA's activities, including financial structure, purchasing procedures, budgeting, debt and investments. Accounting and budgeting for a governmental organization is somewhat different from profit-making businesses in that governmental organizations use funds. A fund is a separate accounting entity with its own assets, liabilities, revenues and expenditures. The LVCVA has six reportable fund groups, the General Fund, LVCCD Capital Fund, LVCCD Debt Service Fund, Capital Projects Fund, Debt Service Fund and Other Post-Employment Benefits (OPEB) Fund.

The LVCVA budgets its governmental funds, which encompass the General Fund, LVCCD Capital Fund, LVCCD Debt Service Fund, Capital Projects Fund and Debt Service Fund based on the modified accrual basis of accounting. Under this method, revenues (income) are recognized and any related receivable is recorded, when they become both measurable and available to finance expenditures. Room tax, the primary source of LVCVA revenue, is recognized at the time it is received and held for disbursement by the collecting governmental entity. Interest and facilities rental revenues are recognized when earned. Expenditures (expenses) are recognized when the liability is

incurred, except for un-matured principal and interest on long-term debt, and other long-term liabilities, which are recognized when due. The OPEB Fund is a proprietary fund, which is accounted for on full accrual, meaning revenues and expenses are recorded as they are earned and incurred. Definitions for each fund group are provided in the glossary.

The LVCVA's governmental funds are presented in the Comprehensive Annual Financial Report (CAFR) based on Generally Accepted Accounting Principles (GAAP) and conform to the manner that the LVCVA prepares its budget (i.e. modified accrual basis). Encumbrances are sometimes viewed as an extension of the formal budget integration even though those amounts were adopted in the previous year's budget. They consist of purchase orders, contracts and other commitments for expenditures of monies that are recorded in the accounting system to reserve the portion of the applicable appropriation. At fiscal year-end, outstanding encumbrances are reported as reservations of fund balance and are re-appropriated in the next fiscal year, since they are not considered expenditures or liabilities. The OPEB Fund is presented in the CAFR on full accrual basis.



STRUCTURE OF THE BUDGET DOCUMENT

The goal of this budget document is to provide not only comprehensive information about estimated revenues and expenditures but also the policies, goals, financial structure, operations and an organizational framework that show how the LVCVA will work towards its mission for fiscal year 2019. The main objective is to communicate to the readers (i.e. the board of directors, management, other organizational units and the public) in a manner that is clear, concise and understandable.

The budget is comprised of ten main sections: Budget Message, Budget Structure and Policy, General Fund, LVCCD Funds (which includes the LVCCD Capital Fund and LVCCD Debt Service Fund), Capital Projects Fund, Debt Service Fund, OPEB Fund, Personnel Allocation, Statistical Data and Glossary.

Budget Message and Budget Structure and Policy

These sections provide a general overview of the LVCVA. It includes the president's budget message, the reader's guide to the LVCVA's budget document and condensed summaries of the budget. The budget structure and policy section contains a brief historical view of the LVCVA, along with its financial structure, various policies, budget procedures and fund balance analysis.

General Fund

The operating budget (i.e. General Fund), beginning on page 22 presents budgetary information for revenues, followed by the functions of General Government, Marketing, Operations and Community Support. The emphasis is on the nature of the tasks to be undertaken by the organization. This section identifies the purpose of each organizational unit, its responsibilities and goals for the ensuing fiscal year, selected activity measures and prior year achievements. Appropriations are summarized in major categories of salaries, employee benefits, services and supplies. Also included is the number of full-time employees and capital outlay related to the division. For financial reporting and budgeting purposes, the LVCVA has classified its expenditures by functions, activities and organizational units. The function classification arranges related activities, providing information on the overall purposes or objectives of expenditures. Activities are similar endeavors or groupings of organizational units performing a specific and distinguishable type of work.

FUNCTIONS	ACTIVITIES	ORGANIZATIONAL UNITS
General Government	Board of Directors Executive People and Possibilities (formerly Human Resources) Public Affairs Finance	Board of Directors Executive, Internal Audit, Legal, Board Office People and Possibilities Communications, Media Relations, News Bureau Finance & Accounting, Information Technology, Purchasing & Business Services
Marketing	International Sales Industry Relations Research Center Brand Strategy Customer Experience	International Sales, International Public Relations, Business Partnerships, Sports Marketing, Digital Marketing, Special Events Business Sales, Leisure Sales Industry Relations Research Center Advertising, Brand Strategy, Marketing Systems Customer Experience, Convention Services, Registration, Visitor Information Services
Operations	Operations	Client Services, Engineering, Facility Operations, Customer Safety

READER'S GUIDE TO THE LVCVA BUDGET DOCUMENT

The organizational chart shown on page 2 is closely related to each unit's financial classification. In general, divisions relate to functions, departments relate to activities and sections relate to organizational units. The Community Support section is unrelated to the organizational structure. Functions are the basic unit of the operating budget. Within each function, activities and organizational units are discussed in a narrative format. Also included within this discussion is a more detailed organization chart.

LVCCD Capital Fund

This is the capital fund for Phase Two (expansion) and Phase Three (renovation) of the LVCCD project. It records the restricted revenues from SB1 for the project. This capital fund is shown separately for enhanced transparency of the fund.

LVCCD Debt Service Fund

A restricted fund established to account for payment of all debt issuances related to Phases Two and Three of the LVCCD project.

Capital Projects Fund

The Capital Projects Fund budget, starting on page 78, includes a capital project and purchases listing and the five-year capital plan, which is reviewed and updated annually. This section explains the capital projects review and selection process, and includes a description of major projects and estimated impacts on the operating budget. There are two separate Capital Projects Funds being presented: Capital Improvement and Replacement Fund and the Nevada Department of Transportation (NDOT) Project Fund. The NDOT funds are part of the state mandated NDOT Project (all remaining funds have been appropriated in the projected FY 2018 estimates, and no planned expenditures are budgeted in FY 2019).

Debt Service Fund

The Debt Service Fund budget on page 93 provides not only a historical perspective concerning the LVCVA's past bond issues, but also a review of current and proposed bond obligations, the bond issuance process and debt limit and capacity.

OPEB Fund

The OPEB fund was established in FY 2013 to accumulate reserves for Other Post-Employment Benefits. Additional information can be found starting on page 101.

Personnel Allocation

Information on personnel requests, including justifications, authorized positions by organizational unit and wage schedules is located in the personnel allocation section, beginning on page 102.

Statistical Data

Statistical data starts on page 110. It contains information on demographics for Clark County, visitor analyses, principal room taxpayers and a room tax schedule, along with ten-year schedules of facility usage for the Convention Center and Cashman Center and general fund revenues and expenditures.

NEW POLICIES/SIGNIFICANT EVENTS

The board of directors acted upon the following items during fiscal year 2018.

NEW POLICIES / SIGNIFICANT EVENTS	
Oct-17	Board of Directors approved the agreement providing the LVCVA exclusive naming rights to the "Las Vegas Ball Park."
Dec-17	LVCVA Board approved retaining TVS Design/ Design Las Vegas to provide design services for the LVCCD Phase Two Expansion project.
Dec-17	As of December 31, 2017 Cashman Center property was transferred to the City of Las Vegas and LVCVA ceased operation of the convention, meeting and theater space. The LVCVA will continue to operate the stadium through the end of the 51's lease term in 2022, or until the team moves to another facility, which is currently expected in FY 2019.
Jan-18	Final appointments to the C-Suites were approved, completing the executive reorganization. Steve Hill joined the LVCVA as the new President/COO.
Feb-18	Board authorized issuance of \$400 million in new debt restricted for financing a portion of the LVCCD project. Cathy Tull was named as new Chief Marketing Officer.
Mar-18	Board approved the creation of LVCCD Debt Service Fund Resolution to separately account for issuance of debt restricted to the LVCCD project, enhancing accountability and transparency.
May-18	Board Authorized issuance of \$500 million in new debt restricted for financing a portion of the LVCCD project.

FINANCIAL MANAGEMENT POLICIES

During each stage of the budget preparation process, consideration is given to the policies and goals established by the Board and Executive Management that directly relate to the budget and financial planning. The financial policies are divided into the following categories: Operating Management, Capital Management, Debt Management, Reserve/Fund Balance and Financial Reporting.

OPERATING MANAGEMENT

- ❖ Although long-term projections are highly uncertain, multi-year analysis will periodically be prepared and evaluated by management. Long-term projections rely on numerous assumptions about economic and fiscal factors, and many different assumptions are possible; thus, long term forecasts are not considered a fixed plan for balancing revenues to expenditures in future years.
- ❖ Conservative but realistic revenue projections will be prepared to assess the limits of budget appropriations. If projections are too high, under-realized revenues could cause budget cuts mid-fiscal year.
- ❖ Operating expenditures will be funded with current revenues. For FY 2019, the operating revenue budget of \$349.1 million includes other financing sources and is used to fund operating expenditures of \$248.8 million (including contingency).
- ❖ The LVCVA is required by law to submit a balanced budget each year to the State of Nevada for approval. This is defined as a budget in which total revenues including other financing sources plus beginning fund balance must equal total expenditures including other financing uses plus proposed ending fund balance.
- ❖ Investments of cash funds will be maintained in accordance with the Board-approved investment policy and state statute. The primary objectives of this policy are to invest funds prudently, in a manner that is legal, maintains the principal of the portfolio, meets operational and capital liquidity demands, and that provides yields consistent with the risk profile of the investment portfolio.

READER'S GUIDE TO THE LVCVA BUDGET DOCUMENT

- ✧ Interest earnings on investments in the debt service funds will be transferred into the General Fund, except for earnings on the proceeds from construction financing (i.e. bonds) which are part of the Capital Fund.
- ✧ The Board authorizes adjustments to the full-time position roster, currently at 538 positions in FY 2018, and the same is number is authorized for FY 2019. All requests for new positions must contain a justification and evaluate total costs including benefits and capital outlay. Temporary employees are used only to augment regular staffing on a temporary or intermittent basis. Staffing is discussed in detail in the personnel allocation section, page 102.
- ✧ The existing collective bargaining agreement, currently in negotiations, with Service Employees International Union Local 1107, along with additional LVCVA personnel policies, direct such items as annual pay increases, personal time off (PTO) accruals and pension plan contributions. All are considered in the preparation of the budget.

CAPITAL MANAGEMENT

- ✧ A five-year capital improvement plan is updated annually. It is presented to the Board of Directors with the annual budget and is adopted at the same time.
- ✧ The capital improvement plan must include a list of proposed capital improvements or purchases with cost estimates, methods of financing (i.e. room taxes, use of facilities revenue or debt issue) and any estimated income or cost associated with the constructed facilities. Only projects or purchases costing over \$30,000 in one fiscal year or included in a multi-year equipment replacement program appear in the plan. A five-year capital plan is included in this budget book.
- ✧ A balance of pay-as-you go capital improvements versus financing will be evaluated taking into account the various economic factors.
- ✧ Nevada Administrative Code 354.750 requires that local governments perform a physical inventory every two years, and will be performed again during FY 2018. Each item subject to the inventory must be assigned an identifying number and be labeled as belonging to the LVCVA. This same code sets the guidelines for the establishment of capitalization thresholds by resolution.

DEBT MANAGEMENT

- ✧ The LVCVA will actively seek to maintain, and if possible, improve our current bond ratings to minimize borrowing costs, resulting in lower interest rates.
- ✧ Debt issuance is governed by Nevada state law. The LVCVA's Board of Directors is empowered to issue general obligation bonds; however, state statute requires that these bonds be issued in the name of the County.
- ✧ Debt Coverage is the ratio of pledged revenues to related debt service for a given year. The LVCVA targets a minimum coverage ratio of 3.0.

READER'S GUIDE TO THE LVCVA BUDGET DOCUMENT

- ✧ Although state statute allows the LVCVA to use property taxes for debt service on general obligation bonds, only net pledged revenues derived from room taxes and use of facilities revenue have ever been used. No ad valorem property tax revenues are allocated to the LVCVA for any purpose and no change in this practice is contemplated.
- ✧ The LVCVA is required to file an indebtedness report, which includes a capital improvement plan, with the Debt Management Commission prior to August 1, whether new debt is being contemplated or not. The specifics of the reports can be found on page 93.

RESERVE/FUND BALANCE

- ✧ Based on Nevada Administrative Code 354.650-660, a minimum unreserved fund balance of 4% of budgeted general fund operating expenditures must be maintained. The LVCVA's fiscal practice is to target an ending fund balance between 4% - 16% to prepare for potential variances in economic conditions without detriment to operations. Our proposed FY 2019 unreserved fund balance is projected to be approximately 8%.
- ✧ Reserves will be sufficient to pay principal and interest on the outstanding bond issues due on July 1st, in addition to any debt reserve amount as required by the bond covenants.
- ✧ A contingency reserve of \$100,000 will be funded for the discretionary use of the Board of Directors. However, use of these funds should be utilized only after the availability of all other budget sources has been examined.
- ✧ The LVCVA is required by an inter-local agreement with Clark County to provide funding for all allocated costs to support the Clark County Self-Funded insurance program, including annual supplemental billing, if required, to ensure appropriate fund balances are maintained. The LVCVA is a member of the CCSF executive board to monitor financial conditions and premium changes.

FINANCIAL REPORTING

- ✧ The LVCVA's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles (GAAP), standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
- ✧ An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included in the LVCVA's published Comprehensive Annual Financial Report (CAFR).
- ✧ Financial systems will be maintained to monitor revenues and expenditures on an on-going basis.

MARKETING POLICIES

Filling the available hotel and motel rooms becomes more challenging each year. Nationally, the spread of gaming across the nation has lessened Las Vegas' monopoly on the industry. We used to be the "only game in town"; now we have to be the "best game in town." In addition, Las Vegas has nearly 150,000 hotel rooms to be filled on a daily basis. Remarkable expansion of resort properties was seen in the last two decades, but significant expansion in the number of rooms has been limited over the past few years. Instead, Las Vegas has reinvested in renovations and new experiences to attract visitors and stay on top of the competition. Marketing policies developed include:

- ✧ Stay abreast of current market conditions and travel trends to tailor marketing strategy to achieve maximum impact.
- ✧ Use national advertising to stimulate interest in Las Vegas for tourism and as a convention destination.
- ✧ Target market segments, such as international and diversity, to attract visitors with varied demographic profiles.
- ✧ Conduct market research to measure the local economic impact of tourism, monitor tourist characteristics and test new messages for key target audiences.
- ✧ Identify and promote special events that will attract previously untapped market segments.

FACILITY POLICIES

The Las Vegas Convention Center is one of the largest meeting facilities in the nation, with more than 3.2 million square feet. In FY 2017, the Center hosted 73 conventions, public events and meetings. Over 6.6 million delegates attended trade shows and conventions in Clark County during calendar year 2017. The goal to "have a show in the building, another one moving in and one moving out" is closer to being realized than ever. Reasonable rates and the flexible indoor and outdoor facilities are the secret of our success. Policies that guide us toward this goal include:

- ✧ Maintain a competitive edge in the facility rate structure. The Authority approved two phased rate increases as a part of the fiscal year 2016 budget process. The first increase, from 29¢ to 33¢ per net square foot, became effective for leases executed on or after July 1, 2016. The second increase from 33¢ to 35¢ per net square foot, will become effective for leases executed on or after July 1, 2018, with an estimated increase of \$0.7 million in revenue for FY 2019.
- ✧ Create an outstanding experience for every visitor via the appearance and the amenities found in the facilities and provide excellent customer service.
- ✧ Prevent deterioration of buildings and equipment through scheduled preventive maintenance programs.
- ✧ Pursue aggressive energy and water conservation programs; thereby reducing operating costs.

COMMUNITY POLICIES

Since the first general obligation bonds were issued in 1957, the LVCVA has maintained a history of supporting the community through grants. The Board has established several grant programs including the following:

- ✧ Return a collection fee (up to 10% of total room tax and gaming fees received by the LVCVA) to the collecting entities (i.e. Clark County and its incorporated cities). The amount of fees paid to the collecting entities that exceed the reasonable costs incurred in collecting the room taxes and gaming fees must be used for the operations and maintenance of recreation programs or facilities. Per SB1 legislation enacted October 2016, the collection fee returned to the collecting entities is capped at \$25 million, with the excess transferred to the LVCCD Capital Fund.
- ✧ A Community Event Sponsorship Program is funded in the FY 2019 budget. The LVCVA will allocate funds to sponsor community events for the purpose of driving tourism to and within Clark County as well as garnering exposure for southern Nevada tourism destinations.



BUDGET PROCESS

Each annual budget is developed to meet the needs and the goals of the organization based on the Board's priorities and long-range plans and to comply with Nevada Revised Statutes. It should also serve as a management and control tool by measuring actual performance against budget standards, focus attention on future operations and plans, and improve communication of goals, objectives and plans.

Below are the summarized highlights in preparing the annual budget. The budgetary controls and budget calendar follow, indicating the deadlines to meet the legal mandates of the State of Nevada.

1. Revenue Estimates and Projection Updates - The process begins with the Finance Department evaluating the multi-year analysis and preparing preliminary revenue projections taking into consideration national, state and local economic indicators and analyses of the LVCVA's major revenue sources. Executive management meets to review the information, update strategic plans and determine preliminary budget guidelines.
2. Budget Training Sessions - Budget preparation manuals are distributed by Finance to all departmental budget preparers at budget training sessions. The manual contains instructions for accessing and using the computerized online budgeting system (OLB), preparing narratives, goals and activity measures, requesting new personnel and justifying capital requests.
3. Goals, Objectives and Performance Measurements - Departments are required to develop goals, objectives and activity measures to show what services are going to be provided. The goals must complement the organization and divisions' mission statements and goals.
4. Tentative Budget Adoption - As required by Nevada Revised Statutes, the tentative budget document is filed with the Nevada Department of Taxation and the County Clerk, usually on or before April 15th.
5. Budget Book Development - Since the financial and narrative information is completed by this point, the Finance Department prepares the budget book which is comprised of the operating, capital, debt service and OPEB fund budgets.
6. Public Hearing and Final Budget Adoption – After April 15 and before the budget hearing, the public has the opportunity to review the tentative budget document and submit any comments for inclusion on the agenda of the public hearing. The budget hearing is held no earlier than the third Monday in May, and no later than the last day in May. The hearing provides the public an opportunity to comment on the proposed budget to the board of directors.

BUDGETARY CONTROLS

Some of the significant controls pertaining to the budget are as follows:

- ✧ The budget process for the operating (General Fund) and Capital Funds is decentralized; all departments participate in the process and input budget amounts and justifications into the computerized on-line budget system.
- ✧ Annual budgets for the upcoming fiscal year (July 1 through June 30) are adopted for all funds. These final budgets are integrated on July 1 with the LVCVA's accounting system.
- ✧ Each fund in the budget must be in balance; total revenues including other financing sources plus beginning fund balance must equal total expenditures including other financing uses plus proposed ending fund balance.
- ✧ The statutory level of budgetary control is at the function level; however, control is maintained at the line item level using a purchase order and encumbrance system. An encumbrance is recorded in the accounting system when a purchase order is issued. At fiscal year-end, outstanding encumbrances are reported as reservations of fund balance and are re-appropriated in the next fiscal year via the budget augmentation process, since they are not considered expenditures or liabilities.
- ✧ Each department must build their budget from the ground up justifying each group of related expenditures. Departments can request additional funding for new positions, equipment or operating expenses to expand existing programs; or to develop new programs or initiatives.

Budgetary performance is measured by line item budget variance reports. Departments have the ability to run the report themselves at any time. Budget variance reports are linked to the accounting system and when run, provide real time data. Budget and statistical reports are currently presented to the Board on a quarterly basis.

BUDGET TRANSFERS

There are three types of transfers of budget appropriations that are permitted by state law.

1. Transfers within the same function (i.e. General Government, Marketing, Operations and Community Support) and same fund (i.e. General Fund, Capital Projects Fund) need only the approval of the Chief Financial Officer if the transfer is \$250,000 or less; otherwise the CEO's approval is required.
2. Transfers between different functions but within the same fund, can be approved by the CEO and the Board is advised of the action at the next regular meeting, where it is recorded in the official minutes.
3. Transfers between different funds require prior approval of the Board.

The Department of Taxation is notified of these transfers by means of filing the tentative budget, which contains current year budget revisions.

BUDGET AUGMENTATION

Adjustments to the total budget are accomplished through an augmentation process. It requires adoption by a majority vote of the board of directors at a regular meeting to increase appropriations above levels originally approved and the filing of designated forms with the Nevada Department of Taxation. This formal resolution procedure adheres to the process prescribed by Nevada Revised Statutes.

SUMMARY OF ALL FUNDS

FY 2019 BUDGET - ALL FUNDS							
	GENERAL FUND	LVCCD PROJECT FUND	LVCCD DEBT SERVICE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	OPEB FUND	TOTAL ALL FUNDS
REVENUES:							
Room Taxes and Gaming Fees	\$ 291,442,000	28,984,200	-	-	-	-	\$320,426,200
Facility Charges and Services	56,960,500	-	-	-	-	-	56,960,500
Interest and Investment Earnings	427,600	2,639,800	7,300	637,900	170,300	464,500	4,347,400
Other Fees and Charges	5,000	-	-	-	-	-	5,000
Build America Bond's Subsidy	-	-	-	-	3,419,871	-	3,419,871
Total Revenues	348,835,100	31,624,000	7,300	637,900	3,590,171	464,500	385,158,971
EXPENDITURES:							
General Government	22,906,700	-	-	-	-	-	22,906,700
Marketing	40,834,600	-	-	-	-	-	40,834,600
Advertising	101,500,000	-	-	-	-	-	101,500,000
Special Events	17,130,300	-	-	-	-	-	17,130,300
Operations	41,290,800	-	-	-	-	-	41,290,800
Community Support	25,000,000	-	-	-	-	-	25,000,000
Capital Outlay	-	500,000,000	-	35,053,982	-	-	535,053,982
Debt Service:							
Principal	-	-	-	-	28,210,000	-	28,210,000
Interest	-	-	5,938,896	-	48,448,293	-	54,387,189
Total Expenditures	248,662,400	500,000,000	5,938,896	35,053,982	76,658,293	-	866,313,571
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,172,700	(468,376,000)	(5,931,596)	(34,416,082)	(73,068,122)	464,500	(481,154,600)
OTHER FINANCING SOURCES (USES):							
Transfers In	170,300	49,144,200	21,507,500	3,250,000	58,500,000	100,000	132,672,000
Transfers Out	(110,994,200)	(21,507,500)	-	-	(170,300)	-	(132,672,000)
Proceeds of Debt Issuance	-	500,000,000	-	-	-	-	500,000,000
Proceeds from Sale of Capital Assets	48,000	-	-	-	-	-	48,000
Total Other Financing Sources (Uses)	(110,775,900)	527,636,700	21,507,500	3,250,000	58,329,700	100,000	500,048,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(10,603,200)	59,260,700	15,575,904	(31,166,082)	(14,738,422)	564,500	18,893,400
RESERVE FOR CONTINGENCY	100,000	-	-	-	-	-	100,000
FUND BALANCE, BEGINNING	31,524,753	216,177,130	1,935,200	31,416,082	193,106,666	27,617,133	501,776,964
FUND BALANCE, ENDING	\$ 20,821,553	\$ 275,437,830	\$ 17,511,104	\$ 250,000	\$ 178,368,244	\$ 28,181,633	\$520,570,364

SUMMARY OF ALL FUNDS

COMPARISON TO PRIOR YEARS - TOTAL OF ALL FUNDS					
	ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	PROJECTED FY 18	PROPOSED BUDGET FY 19
REVENUES:					
Room Taxes and Gaming Fees	\$ 241,045,645	\$ 261,613,917	\$ 294,229,290	\$ 311,140,000	\$ 320,426,200
Facility Charges and Services	51,968,374	60,835,567	68,007,099	58,365,300	56,960,500
Interest and Investment Earnings	630,303	1,201,484	1,014,447	1,304,513	4,347,400
Other Fees and Charges	676,657	855,070	1,328,542	1,141,400	5,000
Build America Bond's Subsidy	4,746,178	4,773,722	4,711,257	4,663,956	3,419,871
Total Revenues	299,067,157	329,279,760	369,290,635	376,615,169	385,158,971
EXPENDITURES:					
General Government	14,322,106	16,146,746	19,532,835	22,914,433	22,906,700
Marketing	34,725,317	36,537,160	45,094,547	42,152,333	40,834,600
Advertising	93,148,972	95,012,365	95,905,154	102,750,000	101,500,000
Special Events	8,765,599	11,665,284	12,196,297	14,190,100	17,130,300
Operations	39,453,977	41,415,858	39,289,787	41,527,333	41,290,800
Community Support	24,104,565	26,161,392	25,000,000	25,000,000	25,000,000
Capital Outlay	194,725,915	38,768,408	44,814,775	116,910,290	535,053,982
Debt Service:					
Principal	24,800,000	27,665,000	98,020,000	27,865,000	28,210,000
Interest	32,754,483	34,310,622	35,372,829	38,173,190	54,387,189
Debt Issuance Costs	1,204,907	-	1,013,919	1,553,923	-
Total Expenditures	468,005,840	327,682,835	416,240,143	433,036,602	866,313,571
Excess (Deficiency) of Revenues Over (Under) Expenditures	(168,938,683)	1,596,925	(46,949,508)	(56,421,433)	(481,154,600)
OTHER FINANCING SOURCES (USES)					
Transfers In	82,128,637	76,630,873	116,199,599	119,741,586	132,672,000
Transfers Out	(82,128,637)	(76,630,873)	(116,199,599)	(119,741,586)	(132,672,000)
Proceeds of Debt Issuance	368,805,000	-	192,080,000	397,860,000	500,000,000
Debt Premium	16,018,109	-	13,870,085	19,359,398	-
Issuance of Capital Leases	-	-	379,273	-	-
Refunded Bonds	(197,740,437)	-	(135,516,402)	(84,532,839)	-
Proceeds from Sale of Capital Assets	635,893	45,964	24,271	40,000	48,000
Total Other Financing Sources (Uses)	187,718,566	45,964	70,837,227	332,726,559	500,048,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	18,779,884	1,642,889	23,887,719	276,305,126	18,893,400
RESERVE FOR CONTINGENCY	-	-	-	-	100,000
FUND BALANCE, BEGINNING	181,161,346	199,941,230	201,584,119	225,471,838	501,776,964
FUND BALANCE, ENDING	\$ 199,941,230	\$ 201,584,119	\$ 225,471,838	\$ 501,776,964	\$ 520,570,364

SUMMARY OF ALL FUNDS

FUND BALANCE ANALYSIS

Nevada Revised Statutes 354.533 defines Fund Balance as the excess of assets over liabilities in a governmental fund. In other words, fund balance represents the net difference between total financial resources and total appropriated uses. Fund balances provide a financial cushion against anticipated changes. While changes may occur from year to year, maintaining proper fund balances over the long term is an important component of sound financial management and a significant factor in bond ratings.

Fund balances will vary by fund. Total FY 2019 ending fund balance for all funds is projected to be \$520.6 million. This is comprised of: \$20.8 million in the General Fund, \$275.4 million in LVCCD Capital Fund, \$17.5 million in LVCCD Debt Service Fund, \$250,000 in the Capital Projects Fund, \$178.4 million in the Debt Service Fund and \$28.2 million in the OPEB Fund.

General Fund – Beginning fund balance for FY 2019 is projected to be \$31.5 million. Fund balance is the amount of unencumbered cash that ensures services could be provided for a short time if commitments exceeded revenues. Because all room tax received in July is accrued back to June 30, 2018, it is already part of ending fund balance. Most facility rental revenue received in July is earned in June and therefore it, too, is a part of ending fund balance. The first "new" money we receive is in the middle of August. Therefore, the LVCVA operates for four to six weeks off of beginning fund balance. This is used to cover expenditures (i.e. payroll, and supplies and services) for at least two to four weeks.

LVCCD Capital Fund – The LVCCD Capital Fund was established in FY 2017. Resources are legislatively restricted and are accumulated from revenue streams and general fund transfers to support the capital financing program for Phase Two and Phase Three of the LVCCD project. There is no minimum balance, and amounts unspent will roll each year.

LVCCD Debt Service Fund – The LVCCD Debt Service Fund was established in FY 2018. This fund will be used to account for debt related solely to Phase Two and Phase Three of the LVCCD project.

Capital Projects Fund – Fund balance in the Capital Fund is used as a supplement to capital projects if necessary. Capital reserves, unless spent, roll each fiscal year through fund balance, which accounts for fluctuations. There are no requirements to maintain a specific excess of assets over liabilities in the capital fund. Most capital funding is expected to be spent in FY 2019.

Debt Service Fund – The obligations of the Debt Service Funds are met by transferring funds adequate to make the principal and interest payments on the various issues. Approximately \$39.6 million of the remaining \$178.4 million fund balance on June 30, 2019 is used to pay the principal and interest payments due on the first day of the next fiscal year (July 1). In addition, \$138.8 million is held in escrow, which is related to a crossover refunding from December 2017, and will remain in escrow until the ten-year call date in 2020 as required by bond documents. Debt Service Fund balance has increased over the last decade due to the rising debt service requirements associated with the state mandate to fund a portion of NDOT projects in Clark County and the beginning stages of the LVCCD project.

OPEB Fund – The OPEB Fund is the accumulation of funds specifically restricted for the Other Post-Employment Benefits liability. The LVCVA has completed yearly transfers since FY 2013. The FY 2019 tentative budget incorporates a total of \$28.2 million allocated to OPEB funding. The LVCVA will re-evaluate the annual funding requirement based on biannual actuarial studies and new GASB pronouncements.

GENERAL FUND SUMMARY

The General Fund is the general operating fund of the LVCVA, accounting for most financial resources not specifically accounted for in another fund. General Fund revenues include room taxes and gaming fees, use of facilities, other fees and charges and interest earnings. The LVCVA has classified its expenditures by functions, activities and organization units (see table on page 9). General Fund expenditures are those that are made in the normal operations of the LVCVA.

	ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	PROJECTED FY 18	PROPOSED BUDGET FY 19	% CHANGE
REVENUES:						
Room Taxes and Gaming Fees	\$ 241,045,645	\$ 261,613,917	\$ 282,982,617	\$ 283,000,000	\$ 291,442,000	3%
Facility Usage	49,001,769	56,884,743	59,984,760	54,594,300	52,886,500	-3%
Other Fees and Charges	2,966,605	3,950,825	8,022,338	3,771,000	4,074,000	8%
Interest and Investment Earnings	193,356	200,072	397,606	273,000	432,600	58%
Total Revenues	293,207,375	322,649,558	351,387,321	341,638,300	348,835,100	2%
EXPENDITURES:						
General Government	14,322,106	16,146,746	19,532,835	22,914,433	22,906,700	0%
Marketing	34,725,317	36,537,160	45,094,547	42,152,333	40,834,600	-3%
Advertising	93,148,972	95,012,365	95,905,154	102,750,000	101,500,000	-1%
Special Events	8,765,599	11,665,284	12,196,297	14,190,100	17,130,300	21%
Operations	39,453,977	41,415,858	39,289,787	41,527,333	41,290,800	-1%
Collection Allocation	24,104,565	26,161,392	25,000,000	25,000,000	25,000,000	0%
Total Expenditures	214,520,536	226,938,805	237,018,620	248,534,199	248,662,400	0%
Excess of Revenues over Expenditures	78,686,839	95,710,753	114,368,701	93,104,101	100,172,700	8%
OTHER FINANCING SOURCES (USES):						
Transfers In:						
Debt Service Funds	132,853	120,416	209,689	191,100	170,300	-11%
Transfers Out:						
OPEB Fund	(3,500,000)	(4,500,000)	(10,500,000)	(2,500,000)	(100,000)	-96%
Capital Projects Fund	(21,500,000)	(14,000,000)	(11,500,000)	(3,200,000)	(3,250,000)	2%
LVCCD Capital Fund	-	-	(23,298,262)	(50,800,000)	(49,144,200)	-3%
Debt Service Fund	(54,988,725)	(58,010,457)	(66,453,418)	(61,115,286)	(58,500,000)	-4%
Proceeds from Sale of Capital Assets	35,893	45,964	24,271	40,000	48,000	20%
Total Other Financing Sources (Uses)	(79,819,979)	(76,344,077)	(111,517,720)	(117,384,186)	(110,775,900)	-6%
Reserve for Contingency	-	-	-	-	100,000	100%
FUND BALANCE, BEGINNING	34,720,321	33,587,181	52,953,857	55,804,838	31,524,753	-44%
FUND BALANCE, ENDING	\$ 33,587,181	\$ 52,953,857	\$ 55,804,838	\$ 31,524,753	\$ 20,821,553	-34%
Total Capital Outlay	\$ 194,725,915	\$ 38,768,408	\$ 48,069,775	\$ 118,845,490	\$ 556,561,482	368%
Total Full-Time Personnel	515	529	541	538	538	0%

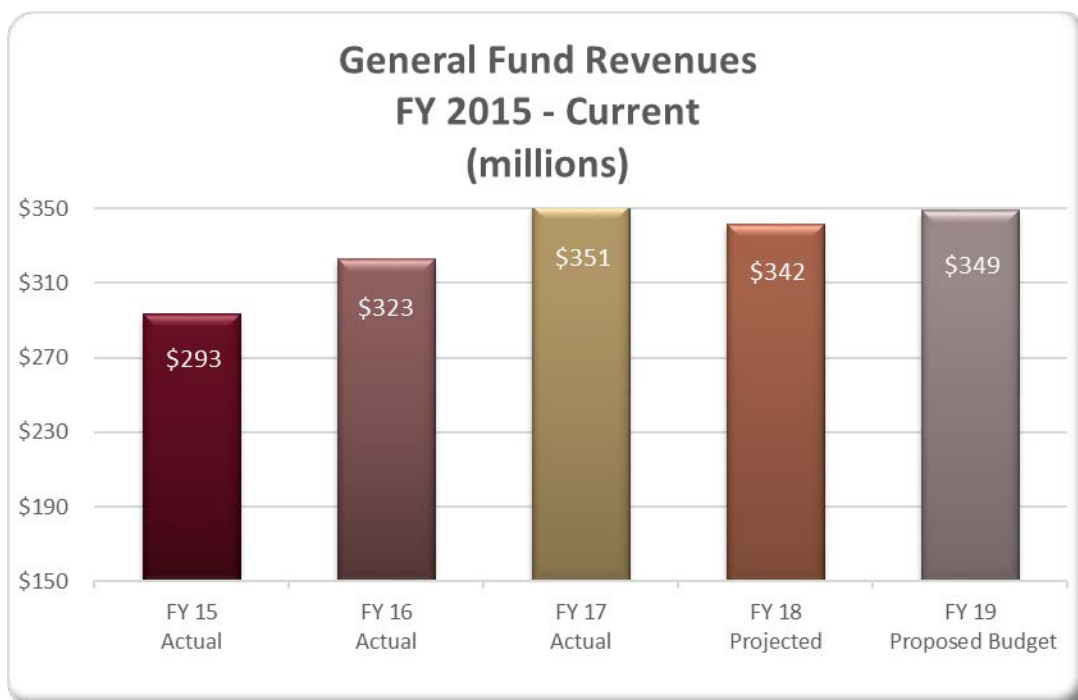
GENERAL FUND SUMMARY

REVENUES

Operating revenues, including other financing sources, for FY 2019 total \$349 million, an increase of 2% over FY 2018 projected revenue. Use of facilities revenue for the Las Vegas Convention Center is down 1%, mainly due to the expected rotation of tradeshows. Room taxes, the major source of revenue, are expected to increase 3% over the FY 2018 projection. Gaming fees are expected to be flat and have a budgeted amount of \$1.6 million.

Use of facilities revenue for the Las Vegas Convention Center represents approximately 15% of total revenues. Building usage, which is based on actual leases confirmed and signed, is projected to decrease 3% as compared to FY 2018 budget primarily due to the transfer of Cashman Center property to the city of Las Vegas and only stadium related revenue is budgeted in FY 2019.

Other fees and charges are expected to increase 8% based on operational history and contractual agreements.



EXPENDITURES

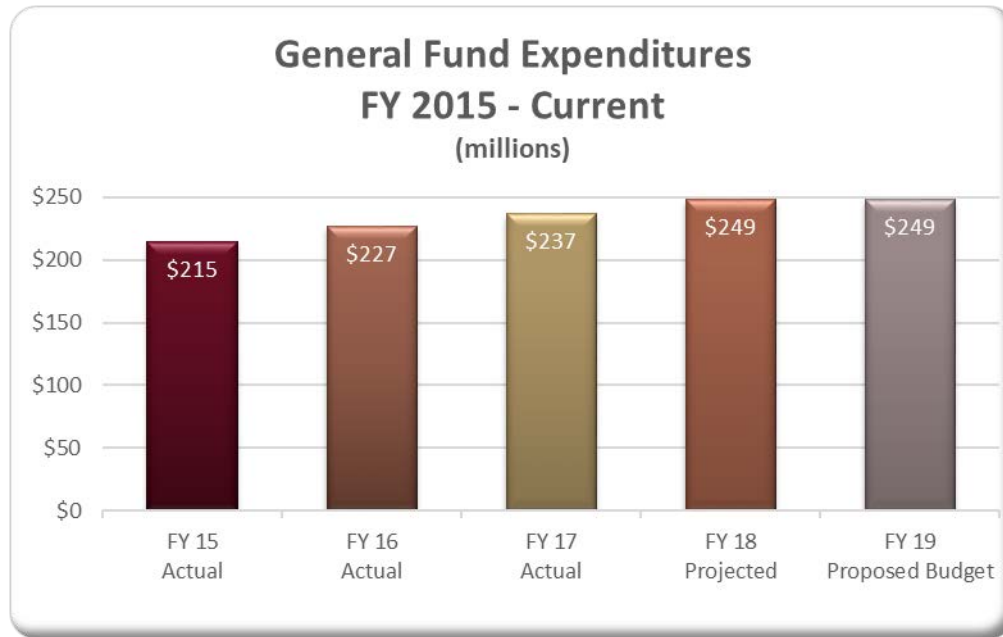
General Fund expenditures are divided into three main categories: salaries and wages, employee benefits, and services and supplies. Salaries and wages represent 18% of total general fund expenditures. Included in this amount are temporary salaries and overtime of \$2.4 million. Employee benefits are 40% of the total salaries budget.

On a division level, salaries and wages make up approximately 50% of both the General Government budget and the Operations budget. In the Marketing Division, advertising, special events and supplies represent 89% of the budget, while salaries and wages account for 8%.

Total operating expenditures are \$248,662,400, staying relatively flat compared to the projected FY 2018 expenditures.

GENERAL FUND SUMMARY

EXPENDITURES (continued)



OTHER FINANCING SOURCES (USES)

These are usually comprised of transfers in (i.e. interest earned in other funds) and transfers out (i.e. funding for other funds), along with sale of capital assets. A transfer is a legally authorized transfer from a fund receiving revenue to the fund through which the resources are to be expended. A total of \$111 million is being transferred to other funds.

FUND BALANCE

Projected ending fund balance on June 30, 2019 is \$20.8 million. State law provides guidance for an ending fund balance of no less than 4% of budgeted expenditures. The FY 2019 ratio is approximately 8%, which meets statutory guidance and internal policy.

CAPITAL OUTLAY

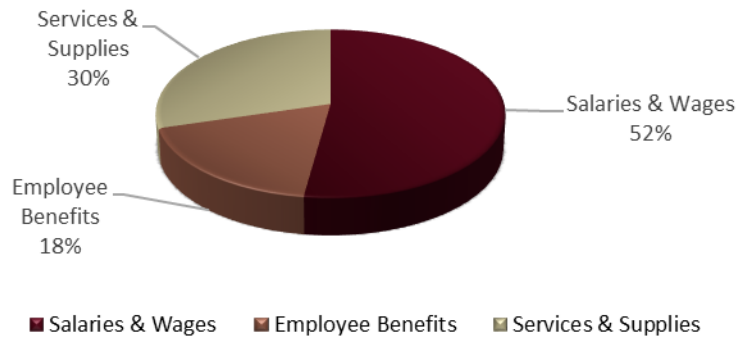
Capital outlay includes all projects accounted for in the LVCCD Capital Fund (starting on page 75) and the Capital Projects Fund (starting on page 78). The total amount shown includes capital expenditures for furnishings, equipment, improvements or additions to land and buildings financed by revenues and bond proceeds. In each division's budget analysis, the amount includes only furnishings and equipment. Two exceptions are: (1) all computer-related items are accounted for in the Information Technology Department's (General Government division) capital budget; and (2) all reoccurring building, land and leasehold improvements are coordinated by the Facility Projects section of the Engineering department (Operations division). For FY 2019 \$3.3 million is being transferred to the Capital Projects Fund, which will be used for routine capital repair and maintenance, and enhancements to ensure facility safety and enhance the customer experience. \$49.1 million is being transferred to the LVCCD Capital Fund that will be used to support the capital financing program for Phase Two and Phase Three of the LVCCD project.

TOTAL FULL-TIME PERSONNEL

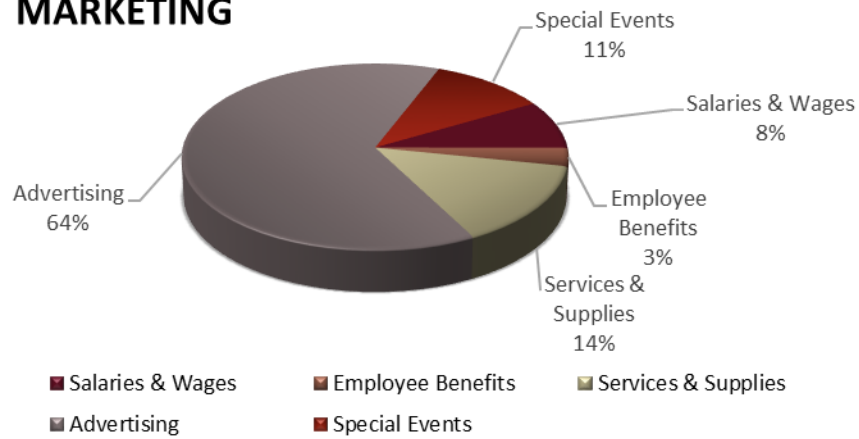
The total number of authorized positions currently stands at 538 for FY 2018 and will remain the same for FY 2019. For supplementary information concerning personnel allocation, see pages 102-109.

FY 2019 EXPENDITURES BY DIVISION

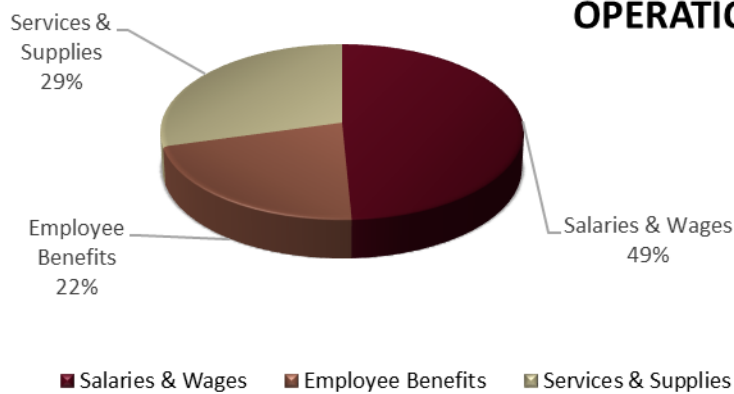
GENERAL GOVERNMENT



MARKETING

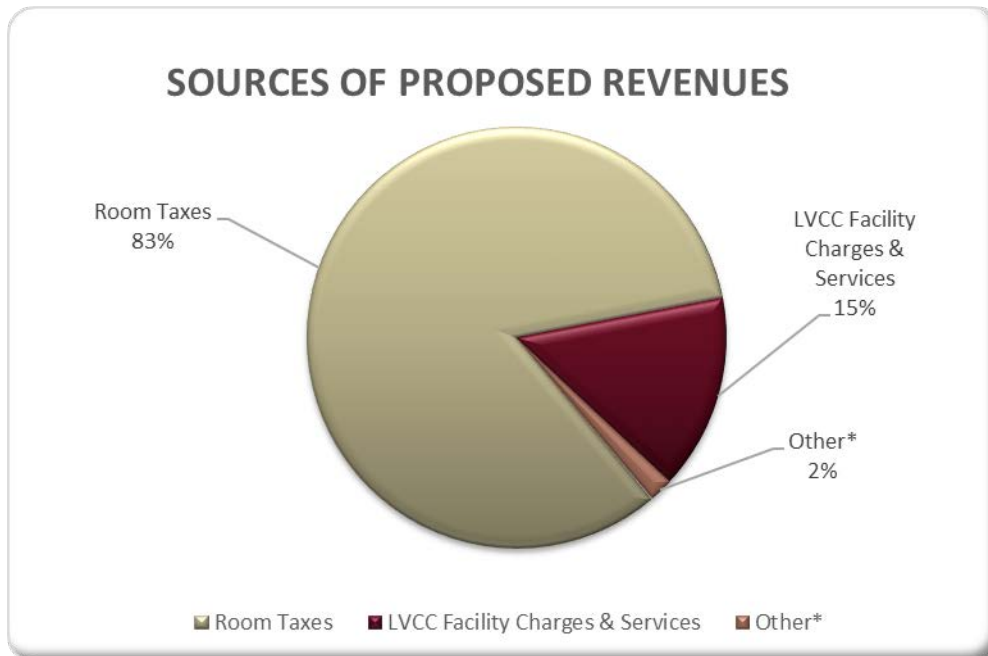


OPERATIONS

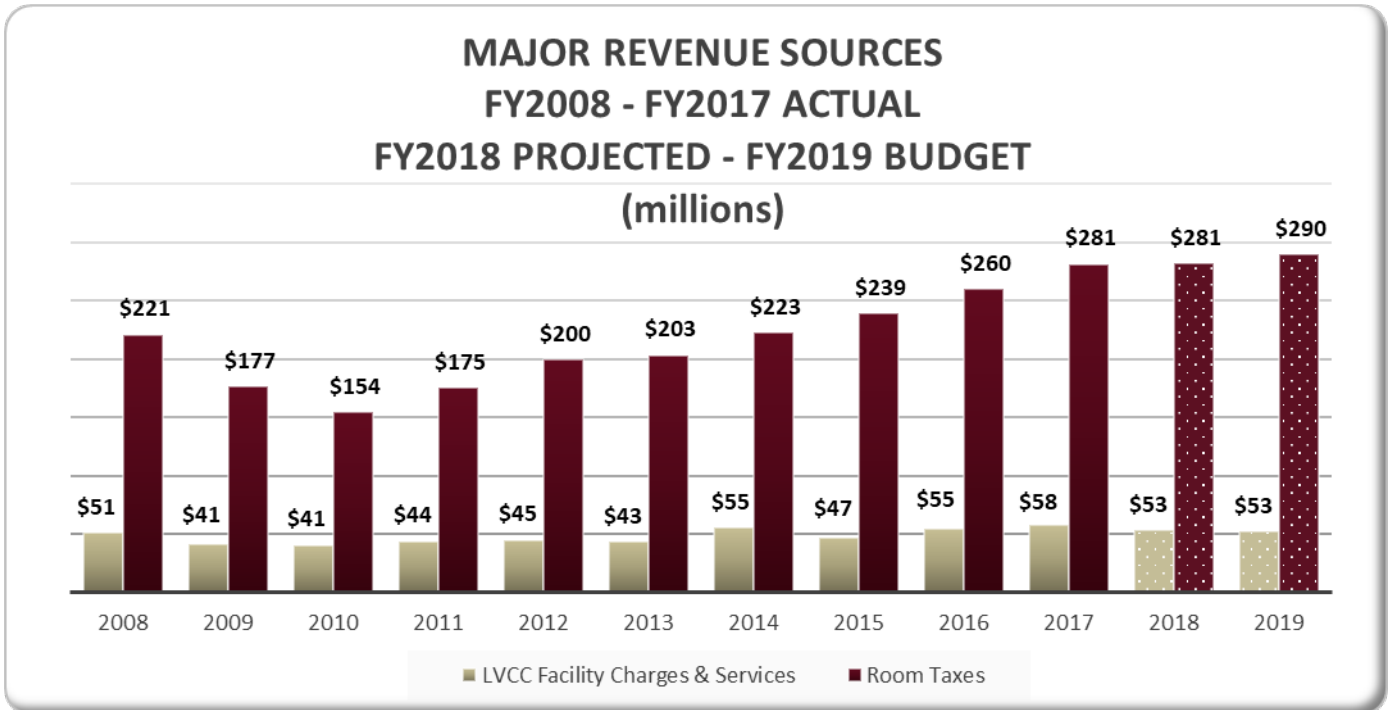


REVENUES

GENERAL FUND



*Other includes Other Fees and Charges, Gaming Fees, Interest, Use of Facilities Cashman Center and Interest.



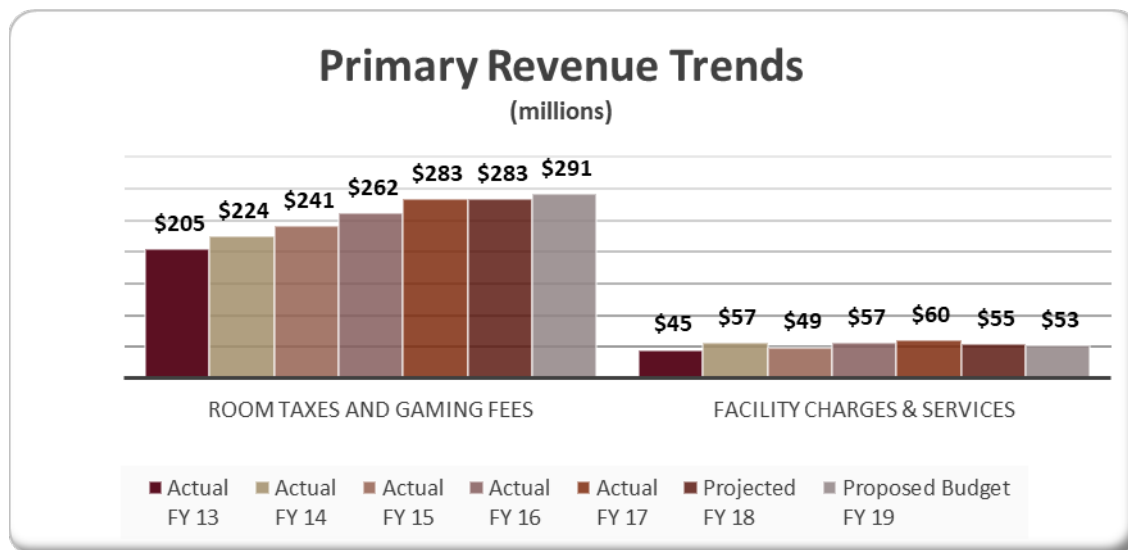
LVCC Facility Charges & Services include facility rental, concessions and other miscellaneous charges.

REVENUES

REVENUE SUMMARY

Total General Fund revenues, including other financing sources for FY 2019 are \$349.1 million, which is a 2% increase compared to projected FY 2018 of \$341.9 million. Revenue components are Room Taxes and Gaming Fees, Facility Charges and Services, Other Fees and Charges and Interest and Other.

ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	REVENUES AND OTHER FINANCING SOURCES	PROJECTED FY 18	PROPOSED BUDGET FY 19	% CHANGE
\$241,045,645	\$261,613,917	\$282,982,617	Room and Gaming Fees	\$283,000,000	\$291,442,000	3%
49,001,769	56,884,744	59,984,760	Facility Charges & Services	54,594,300	52,886,500	(3%)
2,966,604	3,950,825	8,022,338	Other Fees and Charges	3,771,000	4,074,000	8%
193,356	200,072	397,607	Interest and Other	273,000	432,600	58%
293,207,374	322,649,558	351,387,322	Total Revenues	341,638,300	348,835,100	2%
168,745	166,380	233,960	Other Financing Sources	231,100	218,300	(6%)
\$293,376,119	\$322,815,938	\$351,621,282	Total Revenues & Other Financing Sources	\$341,869,400	\$349,053,400	2%



Room Tax Revenue

Room tax revenue is budgeted to increase 3% in FY 2019 as compared to FY 2018 projections while gaming fee revenue is budgeted at \$1.6 million, the same as FY 2018. The primary factors affecting room taxes are the average daily rate (ADR) and occupancy rates. ADR is driven by visitation levels combined with the number of rooms available. The number of rooms available are expected to increase slightly along with visitation in FY 2019. Taxable ADR has increased steadily since FY 2010 and is tracking growth of 3% year to date in FY 2018. Occupancy rate is averaging 85% year to date in FY 2018. The Occupancy Rate in the greater Las Vegas metropolitan area consistently exceeds that in other major resort destinations and significantly outpaces the national average each year.

Facility Charges and Services

Facility charges and services revenue projections are based on actual confirmed and signed leases as well as conservative expectations for additional facility usage. The rental income related to the Las Vegas Convention Center and Cashman Center is expected to decrease 3% in FY 2019 compared to FY 2018, as the LVCVA transferred ownership of Cashman Center to the City of Las Vegas in December 2017. However, per the agreement, the LVCVA will continue to operate Cashman Field (the stadium) until the expiration of the baseball team lease or until the team terminates the lease, whichever comes first. This budget is built on the expectation that the baseball team opens the 2019 season at the Las Vegas ballpark and our obligations at Cashman Center will cease. An excerpt of rental rates per facility is included in the statistical data section, page 116.

REVENUES

Other Fees and Charges

Other Fees and Charges are expected to increase 8% in FY 2019 based on operational history and contractual agreements.

For additional information on historical revenue trends, please see the statistical data section, pages 110-111.

ROOM TAXES

The LVCVA's primary source of revenues, projected to be 83% for General Fund and 83% for all funds in FY 2019, is from a tax levied on hotels, motels and other lodging establishments throughout Clark County and the incorporated cities therein. The incorporated cities are Las Vegas, North Las Vegas, Henderson, Boulder City and Mesquite. The rate of tax levied varies from 10% to 14% on lodging facilities. The rate of taxes can only be increased by action of the Nevada State Legislature.

In October 2016, Senate Bill 1 (SB1) passed during the 30th Special Session of the Nevada Legislature. SB1 provides for a one-half of one percent (0.5%) increase to transient lodging tax. The new revenues are legislatively restricted to support the capital financing program for the LVCCD Capital Fund.

SB1 also provided for an additional one-half of one percent (0.5%) to eighty-eighths percent (0.88%) increase to the lodging tax, to create and fund the Las Vegas Stadium Authority (LVSA). The LVSA will be responsible for the ownership and oversight of a new NFL stadium to be built in Clark County, for the expressed purpose of housing a NFL team. The Authority will approve the stadium location, development plan and operating agreement, as well as manage the stadium capital improvement fund and related expenditures.

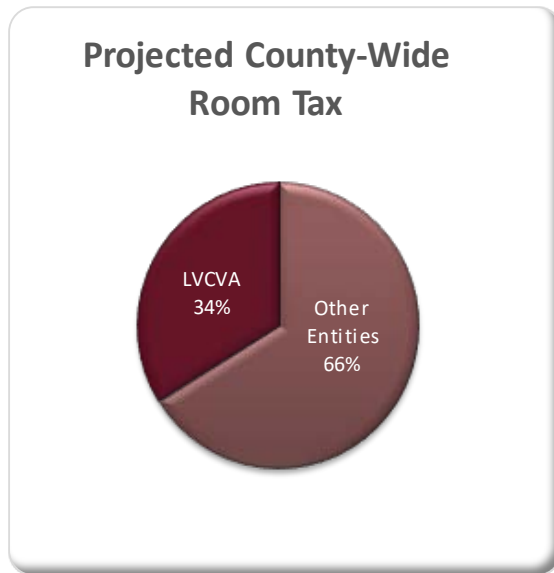
In general, the tax for resort hotel room rentals will be distributed as follows:

4% - 5%	LVCVA - General Fund
0.5%	LVCVA – LVCCD Capital Fund
0% - 0.88%	Las Vegas Stadium Authority
1.625%	Clark County School District - Capital Projects
0% - 2%	City/County (collecting entities jurisdiction) - General Fund
1%	Clark County - County transportation tax
0.375%	State General Fund – a portion of the proceeds are allocated to tourism
2% - 3%	State of Nevada - Education and other state programs

The LVCVA's portion of room tax is generally 1% less on non-resort room rentals. It is projected that the total tax on rooms collected county-wide will be approximately \$810 million in FY 2019.

The LVCVA retains only 34% of the total room tax collected in Clark County (\$318,826,200 less \$25,000,000 which is returned to the entities in the form of collection allocation and \$17,776,773 for NDOT funding). Currently, 10% or a maximum of \$25 million, of the total room taxes and gaming fees collected for the LVCVA are returned to the county and the cities. The division of this collection allocation is set forth in an agreement between the various entities and must be used by the cities for operation, maintenance, or construction of recreation programs or facilities, and the county must put 25% of their distribution into a capital fund to develop parks and recreational facilities of regional significance (see collection allocation detail on page 73).

REVENUES



The remaining 66% is allocated by law as follows:

- \$73,205,900 retained by collecting jurisdictions
- \$25,000,000 to collecting jurisdictions from LVCVA
- \$61,000,000 to Clark County for transportation projects
- \$99,125,000 to the Clark County School District for capital project construction
- \$17,776,773 for Nevada Department of Transportation debt service funding
- \$183,000,000 to the State of Nevada for education and other state programs
- \$22,875,000 to the State General Fund – a portion of the proceeds are allocated to tourism
- \$52,000,000 to Stadium Authority

The table below presents a breakdown of all room taxes received from the County and the incorporated cities. FY 2019 proposed room taxes are expected to increase 3% over FY 2018 projected room tax.

ROOM TAX BY JURISDICTION

	ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	PROJECTED FY 18	PROPOSED BUDGET FY 19
Clark County	\$ 221,053,936	\$ 239,469,354	\$ 269,112,939	\$ 284,739,400	\$ 293,282,100
Las Vegas	11,924,254	13,607,247	15,806,478	16,645,200	17,144,500
North Las Vegas	972,025	1,104,943	1,289,363	1,358,500	1,399,100
Henderson	4,454,066	4,818,604	5,307,400	5,671,600	5,841,900
Boulder City	98,234	76,389	82,190	84,700	87,100
Mesquite	816,287	891,099	1,037,320	1,040,600	1,071,500
	\$ 239,318,802	\$ 259,967,636	\$ 292,635,690	\$ 309,540,000	\$ 318,826,200
% Change	7%	9%	13%	6%	3%

Calendar Year	ACTUAL 2014	ACTUAL 2015	ACTUAL 2016	ACTUAL 2017	PROJECTED 2018
Hotel Rooms	162,548	160,946	161,164	160,653	161,453
% Growth	(0.1%)	(1.0%)	0.1%	(0.3%)	0.5%

	ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	PROJECTED FY 18	PROPOSED BUDGET FY 19
Gaming Fees	\$ 1,726,843	\$ 1,646,281	\$ 1,593,600	\$ 1,600,000	\$ 1,600,000
Room Tax	239,318,802	259,967,636	292,635,690	309,540,000	318,826,200
Total Room & Gaming	\$ 241,045,645	\$ 261,613,916	\$ 294,229,290	\$ 311,140,000	\$ 320,426,200

REVENUES

ROOM TAXES (continued)

Most visitors to Las Vegas are unaware that the fabled “Las Vegas Strip” is not within the boundaries of the incorporated city of Las Vegas. That fact accounts for the disparity in room taxes with 92% of the budgeted room taxes from Clark County.

The average rate of growth in room tax revenue has been 5% over the past decade based on FY 2010 – FY 2017 actual, FY 2018 projected and FY 2019 budget. Factors considered in projecting room taxes are:

- ✧ Number of available hotel rooms (see statistical data section page 121)
 - There are approximately 160,653 hotels and motel rooms in the county from 300 properties. Not included in the 160,653 rooms, is approximately 10,000 timeshare-unit inventory. In FY 2019, the destination anticipates minimal new room additions to inventory.
- ✧ Blended occupancy rates (see statistical data section page 122)
 - It is a combined rate from the Las Vegas, Mesquite and Laughlin properties, which participate in our monthly survey.
- ✧ Blended average daily room rate which is based upon rates from revenue generating rooms at Las Vegas, Mesquite, and Laughlin hotel and motel properties.
- ✧ National and international economic conditions and events.
- ✧ Monitor such domestic economic indicators as: consumer and business capital spending, unemployment and interest rates, the airline transportation market, crude oil prices.

GAMING FEES

Gaming fees are quarterly license fees imposed on operators of games based on the number of table games and slot machines in operation (see table below). These fees were originally established in 1957 and have remained unchanged. Boulder City does not allow gaming; therefore, no gaming fees.

QUARTERLY FEE PER GAME OR SLOT MACHINE	Clark County, Cities of North Las Vegas, Henderson, and Mesquite	City of Las Vegas
Casinos having 6 or more games	\$40.00	\$12.00
Casinos having 2 to 5 games	25.00	7.50
Casinos having fewer than 2 games	10.00	3.00
Slot machines, more than 12 within one establishment	2.50	0.75
Slot machines, fewer than 12 in one establishment	1.00	0.25

Historically, gaming fees provide only 1% of the total revenue for the LVCVA. Gaming fees are difficult to predict because of the following factors:

- ✧ Constant layout reconfigurations by existing casinos. (Example: removal of gaming tables to place slot machines and vice-versa).
- ✧ Construction or closure of gaming establishments (includes not only hotel casino properties but also neighborhood bars, convenience stores and other licensed gaming establishments).

Gaming fees are anticipated to be \$1.6M in FY 2019, the same as FY 2018.

REVENUES

GAMING FEES BY JURISDICTION

	ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	PROJECTED FY 18	PROPOSED BUDGET FY 19
Clark County	\$ 1,306,230	\$ 1,271,387	\$ 1,198,738	\$ 1,223,400	\$ 1,223,400
Las Vegas	96,032	73,247	92,559	82,900	82,900
North Las Vegas	107,248	110,484	111,638	111,000	111,000
Henderson	179,623	153,920	153,790	150,600	150,600
Mesquite	37,711	37,243	36,875	32,100	32,100
	\$ 1,726,843	\$ 1,646,281	\$ 1,593,600	\$ 1,600,000	\$ 1,600,000
% Change	1%	(5%)	(3%)	0%	0%

FACILITY CHARGES AND SERVICES

The LVCVA owns and operates the Las Vegas Convention Center. This facility was not originally intended to be self-supporting, but rather to generate visitors to the Las Vegas area. These visitors, in turn, generate room tax revenues while contributing to the overall economy. LVCC facility operations are anticipated to generate 15% of total revenues. Over the last 10 years, the average rate of growth has been 4% for the Convention Center. This is attributable to a heightened emphasis on selling the facility, raising rental rates and the cycle of show rotation and show growth.

	Convention Center		Cashman Center	
	Facility Charges & Services	% Increase	Facility Charges & Services	% Increase
2008	\$ 50,848,050	18%	\$ 2,246,808	(3%)
2009	41,474,677	(18%)	1,709,850	(24%)
2010	40,550,001	(2%)	1,389,381	(19%)
2011	44,157,694	9%	1,484,160	7%
2012	45,004,264	2%	1,752,683	18%
2013	43,228,221	(4%)	1,815,215	4%
2014	55,137,401	28%	1,790,323	(1%)
2015	47,094,146	(15%)	1,907,624	7%
2016	54,831,426	16%	2,053,317	8%
2017	58,010,412	6%	1,974,349	(4%)
2018*	53,241,000	(8%)	1,353,300	(31%)
2019*	52,533,500	(1%)	353,000	(74%)

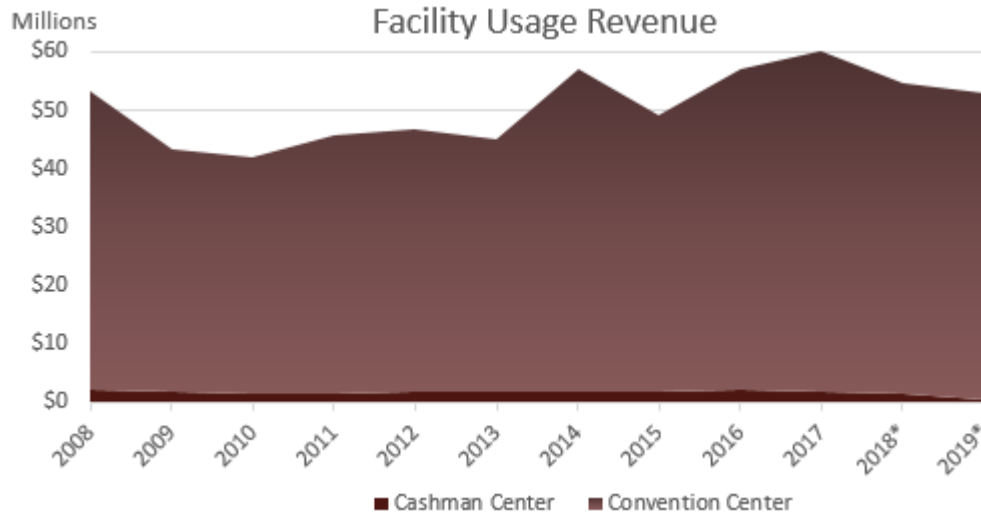
* Projected

Facility usage revenues are generated through a variety of rental charges (i.e. halls, meeting rooms, equipment and parking lots, along with concessions and contractor services' commissions).

The revenue spikes in facility charges and services at Convention Center in FY 2011, FY 2014 and FY 2017 are due to hosting CONEXPO – CON/AGG, the world's largest construction show, in those years.

Decrease in Cashman Center facility charges and services, reflects the closure of the meeting space in December 2017, pursuant to an agreement with the City of Las Vegas to take over and redevelop the space.

REVENUES



*Projected FY 2018 and Proposed FY 2019 Budget

Facility charges and services revenues is projected to be \$52,533,500 for the Las Vegas Convention Center and \$353,300 for Cashman Center.

These projections are based on the following:

- ✧ Below are rental rates for the Las Vegas Convention Center (for excerpt, see page 116). As new clients are obtained and current clients renew agreements, these lease agreements will come under the new rates. There are still a few multi-year agreements outstanding, which are being honored at the older rates.

HISTORY OF RENTAL RATES - LAS VEGAS CONVENTION CENTER	
5 cents per net square foot	1959-1988
15 cents per net square foot	1988-1998
20 cents per net square foot	1998-2001
25 cents per net square foot	January 2002 - June 2009
29 cents per net square foot	July 2009 - June 2016
33 cents per net square foot *	July 2016 - June 2018
35 cents per net square foot *	July 2018 - TBD

* Board Approved on April 3, 2015

- ✧ In April 2015, the Board approved facility rental rate increases effective July 1, 2016 and July 1, 2018. The fiscal impact of the approved increase is estimated to be \$0.7 million in FY 2019 and is expected to continue to increase up to \$5.1 million in FY 2023.
- ✧ Analysis of actual bookings, signed lease agreements and prior experience, such as cyclical shows, that hold their meetings and tradeshows every number of pre-determined years, or for three to five years consecutively.
- ✧ Commission revenue from building partners, such as food and beverage, telecommunication and utility services is based on a percentage of the gross sales of the various providers.

REVENUES

OTHER FEES AND CHARGES

Other Fees and Charges are comprised of a variety of revenue sources. The majority is derived from the independent services that are not directly related to the rental of facilities, but rather services that can be supplied separately, such as conventions using LVCVA registration personnel. Also included are revenues from rental and commission agreements, reimbursements from participating properties in tradeshows and special event revenue sharing arrangements.

	ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	PROJECTED FY 18	PROPOSED BUDGET FY 19
Other Fees and Charges	\$ 2,966,604	\$ 3,950,825	\$ 8,022,338	\$ 3,771,000	\$ 4,074,000
% Change	(23%)	33%	103%	(53%)	8%

In FY 2019, Other Fees and Charges are expected to increase 8% over FY 2018 based on operational history and contractual agreements.

INTEREST AND OTHER

Interest and Other are comprised of interest earnings on investments and discounts earned, and represents less than 1% of total revenues. Interest earnings are generated not only from cash balances invested in government guaranteed securities but are also earned on the room taxes which are collected and distributed by Clark County. All cash balances are invested daily.

	ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	PROJECTED FY 18	PROPOSED BUDGET FY 19
Interest	\$ 188,829	\$ 195,706	\$ 389,506	\$ 266,000	\$ 427,600
% Change	(47%)	4%	99%	(32%)	61%
Other	4,527	4,366	8,100	7,000	5,000
% Change	13%	(4%)	86%	(14%)	(29%)

It is difficult to project interest earnings because of their dependency on the size of the portfolio, fluctuations in interest rates and availability of policy-approved securities. For the FY 2019 budget, total interest and other are estimated to be \$427,600 and \$5,000 respectively.

OTHER FINANCING SOURCES

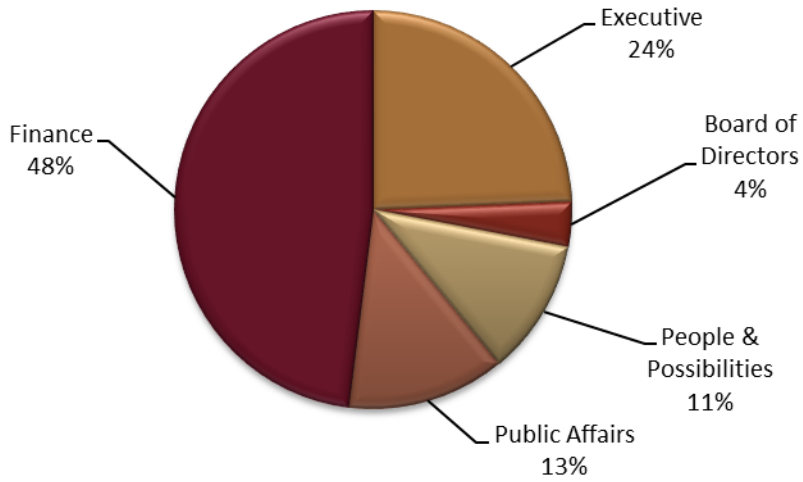
Typically, other financing sources accounts for transfers in from other funds (i.e. interest earnings from Debt Service Fund) and sale of capital assets, but it can also include proceeds of sale of bonds. FY 2019 transfers from debt service relate to interest earnings of \$170,300. Proceeds from the sale of capital assets are anticipated to be \$48,000.

GENERAL GOVERNMENT

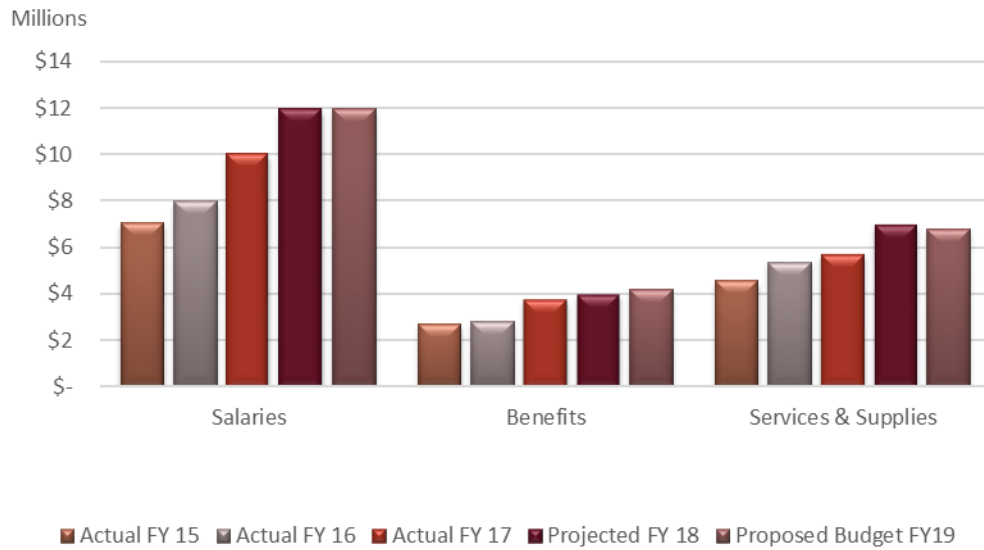
The general government function includes the Board of Directors along with the Executive, Human Resources (now known as People and Possibilities), Public Affairs and Finance. The Executive department is responsible for the general administration of the LVCVA and is not only comprised of the office of the CEO and President, but also Internal Audit and Legal Counsel.



GENERAL GOVERNMENT FY 2019 EXPENDITURES



5 Year Expenditure Analysis



GENERAL GOVERNMENT

BUDGET ANALYSIS

The general government function includes the Board of Directors along with the Executive, People and Possibilities, Public Affairs and Finance departments. The FY 2019 salaries and benefits is flat compared to FY 2018, due to a more conservative estimate of merit and bonus projections, in addition to keeping certain unfilled positions vacant.

ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	EXPENDITURES BY CATEGORY	PROJECTED FY 18	PROPOSED BUDGET FY 19	% CHANGE
\$ 7,084,387	\$ 7,972,195	\$ 10,038,703	Salaries & Wages	\$ 11,953,520	\$ 11,958,500	0%
2,678,312	2,815,022	3,769,824	Employee Benefits	3,991,175	4,174,000	5%
4,559,407	5,359,529	5,724,308	Services & Supplies	6,969,738	6,774,200	(3%)
14,322,106	16,146,746	19,532,835		22,914,433	22,906,700	(0%)
\$ 36,975	\$ -	\$ 397,448	Capital Outlay	\$ 2,346,900	\$ 447,000	(81%)
81	83	107	Full-time Personnel	106	106	0%

No new positions were approved in FY 2019 for the General Government division.

Capital items totaling \$447,000 (i.e. furniture and equipment over \$10,000) are incorporated this fiscal year, with \$372,000 allocated for the 3-year capital lease obligation and an upgrade to the current virtual server environment, allowing improved and expanded functionality. Those requests are accounted for in the Capital Projects Fund (see page 78). All computer-related budget requests (i.e. computers, printers, software, scanners and network servers) are accounted for in Information Technology's capital budget.

GENERAL GOVERNMENT - EXECUTIVE

BOARD OF DIRECTORS

The Board of Directors is comprised of 14 members representing Clark County, the incorporated cities within and various segments of industry. The board's primary function is to guide the LVCVA in fulfilling its mission to attract visitors by promoting Las Vegas as the world's most desirable destination for leisure and business travel. For additional information regarding the board of directors, such as members and terms of office, see page 3.

EXECUTIVE

The Executive Department is responsible for the general administration of the LVCVA and is comprised of the offices of the CEO and President/COO, Internal Audit and Legal Counsel. Executive management meet daily with employees, hotel CEOs, community leaders and convention association presidents to discuss any potential challenges, as well as changes in the trends of the travel and convention industries.

Internal Audit provides separate and objective assurance services designated to add value and improve the LVCVA's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Legal Counsel meets with other divisions to ensure compliance with local government, state and federal laws, assists in preparation of proposed legislation, conducts lobbying activities, acts as general counsel to the LVCVA Board of Directors, and continually drafts and approves legal documents for the LVCVA (i.e. contracts, bid proposals).

Goals

- ❖ Partner with the resort industry to increase visitor volume and room nights while maintaining an effective average daily rate. (Executive Management)
- ❖ Coordinate all elements of marketing and operations to brand the destination for increased. (Executive Management)
- ❖ Provide direction and oversight of the LVCCD project including a fiscally responsible budget and finance strategy. (Executive Management)
- ❖ Continue to expand efforts of the LVCVA CEO to increase awareness at the local, state and federal levels on the benefits of tourism and its economic impact through participation in industry organizations. (Executive Management)
- ❖ Increase awareness and expand efforts towards issues related to transportation and understand the direct and indirect economic impact on the destination. (Executive Management)
- ❖ Ensure risk management policies and procedures identify risk factors and provide strategies and resources to transfer or mitigate these risks. (Legal Counsel)

GENERAL GOVERNMENT - PUBLIC AFFAIRS

PUBLIC AFFAIRS

The Public Affairs department consists of communications/public relations, government affairs, the Las Vegas News Bureau and community relations. Public Affairs is responsible for a broad spectrum of strategically interlinked activities to communicate with a variety of stakeholders to promote Southern Nevada as the top leisure and business travel destination and a wonderful place to live and work because of the vital travel and tourism industry. They work collaboratively with resort and community partners to keep the travel and tourism community informed of issues facing the travel industry and other strategic LVCVA initiatives.

Goals

- ❖ Evolve and deploy the strategic advocacy agenda at state and federal level.
- ❖ Drive more earned media placements in consumer publications to support and enhance marketing efforts that drive visitation.
- ❖ Continue to evolve the Las Vegas Convention Center District communications plan to include more community outreach and press events/outreach to bolster client and community excitement for the project.
- ❖ Continue development and launch of comprehensive community relations program, focusing on core strategic pillars. Relaunch next generation of the Las Vegas Host Committee and continue to leverage opportunities for community education and engagement.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Media Placements ⁽¹⁾	15,969	8,500	9,500
PR Dollar Value of Media Placements - <i>in millions</i> ⁽¹⁾	\$1.4B	\$325	\$400
News Bureau Placements (photo/video)	11,590	15,000	13,000
PR Dollar Value of New Bureau Placements - <i>in millions</i>	\$324	\$280	\$250
Community Outreach Events	324	350	400
Community facing social media followers ⁽²⁾	n/a	2,250	5,000

(1) Includes proactive placements only.

(2) New statistical data in FY 2018.

PUBLIC AFFAIRS (continued)

Prior Year Achievements

- ❖ Implemented successful communications response to the October 1 tragedy. Coordinated communications with resort partners, public agencies, community leaders and members of the media while monitoring coverage to ensure accurate reporting of the aftermath of the incident. Coordinated with Clark County officials regarding communication efforts surrounding the Victim Assistance Center. Developed multiple press events to provide information on services as well as providing accurate messaging. Served as key part of the crisis response team and provided guidance in communications strategies to address the situation.
- ❖ Coordinated successful federal advocacy efforts, marquee success of this effort was the collaborative work done around the December 2017 tax bill, which ultimately save the LVCVA \$28.4 million.
- ❖ Developed and implemented a new community outreach strategy to communicate the critical importance of the tourism industry to the Las Vegas area and the vital role the LVCVA has in driving tourism to benefit the Las Vegas community.
- ❖ Updated and deployed a communications plan for the Las Vegas Convention Center District project. Began implementation of plan with promotion of the ceremonial groundbreaking, public relations support for the design competition and approval of designer, announcement of final approval of the project and development of client communication tools.
- ❖ In partnership with Sports Marketing, developed a communications and community outreach plan to further promote sports marketing as an increasingly critical tourism vertical for Southern Nevada, including development of the Sports PR Executive Committee to bring all sports venues together to develop a unified message for the destination.
- ❖ In collaboration with the Nevada State Museum, the LVCVA's News Bureau presented the "Las Vegas Lineup" in six galleries throughout Clark County. This interactive exhibit featured photos of celebrities and locals helping to chronicle the rich history of Las Vegas.
- ❖ The Host Committee conducted 139 engagement and stakeholder outreach events with community groups and clients.

GENERAL GOVERNMENT - PEOPLE AND POSSIBILITIES

PEOPLE AND POSSIBILITIES

In late 2017, the Human Resources Department was rebranded to become People and Possibilities – just one part of a culture regeneration at the LVCVA. The culture initiative, entitled “Making Vegas Happen,” recognizes the role of each employee of the LVCVA as that of an ambassador to the destination.

A strong, defined culture affects business decisions, employee and customer interactions, policy creation, operational practices, enhanced communication and, ultimately, achieving our objectives. Based on feedback from our ambassadors, we established our Culture Mission Statement:

- ❖ We are Informed, Innovative, Tenacious, Problem Solvers who are Savvy and Honest with ourselves, our partners, and our customers
- ❖ In other words, we anticipate what’s next, never give up or turn down a challenge, out-think every situation, and admit when we need help
- ❖ And finally, we’re Synergetic. Which means we engage and nurture relationships with our customers, coworkers, industry groups, and local stakeholders to fulfill our purpose
- ❖ Since what we do lives beyond the moment, we need to reach beyond our assigned roles

Employees feel that knowledge motivates and empowers them. Therefore, we are making concerted efforts to ensure they are equipped with the information they need to be effective brand and destination ambassadors.

Goals

- ❖ Executive and Management development and succession planning initiatives to ensure strong leadership at the LVCVA for years to come.
- ❖ Enhance health and wellness initiatives to assist our ambassadors with attaining physical, emotional and financial well-being.
- ❖ Design and deployment of Managing with Authority management training curriculum, including both classroom and online learning to educate our leaders about effective management practices, policies and internal initiatives
- ❖ Reimagine the performance model, incorporating measurable goals as well as culture key principles.
- ❖ Improve communication with our ambassadors, incorporating key facts about both the LVCVA and the destination as well as our key principles.
- ❖ Infusion of culture principles and terminology in all LVCVA policies, practices, processes, forms, etc.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Employment Applications	5,153	6,500	7,000
Authority Champion Nominations	312	330	350

People and Possibilities (continued)

Prior Year Achievements

- ❖ Implemented the “Making Vegas Happen” culture campaign, defining our internal identity and guiding principles.
- ❖ Enhanced new hire orientation, entitled Take Authority, to provide a positive, enlightening introduction to the LVCVA for our new ambassadors.
- ❖ Continued review of compensation structure, practices and implementation of appropriate programs.
- ❖ Enhanced training and compliance with federal and state employment laws, reinforcing both rights and responsibilities of the LVCVA and its employees.
- ❖ Revamped employee events and activities, including The Bash, Authority Champion, Take Your Daughters and Sons to Work Day and Summer Intern Program.
- ❖ Created an online training solution, collaborated with Engineering and Information Technology for enhancement of onboarding, management development and employee education.

FINANCE

The Finance department is comprised of Financial Resources, Accounting, Payroll, Travel, Records Management, Purchasing, Materials Management and Information Technology activities.

The mission of the Finance Department is to allocate the LVCVA's financial resources in accordance with applicable policies and laws, to safeguard the LVCVA's assets and to provide accurate and timely financial information and assistance, to conduct our responsibilities with integrity and to operate a customer service oriented department that contributes to the fulfillment of the LVCVA's strategic mission. The Finance Department maintains a general accounting system for the LVCVA to ensure accountability in compliance with legal provisions and in accordance with generally accepted accounting principles.

Finance and Accounting

Financial Resources

This section is responsible for cash management, debt management, capital assets and investment of the LVCVA's funds within the guidelines of Nevada Revised Statutes and the LVCVA's investment policy. Financial Resources also oversees the preparation, production and maintenance of the annual budget and the CAFR and monitors room tax revenue.

Accounting

This section is responsible for maintaining the general ledger, processing accounts payable and payroll, producing monthly expenditure/budget reports and handling project accounting, processing accounts receivable and monitors facility and contractual revenue. Payroll processes the LVCVA's bi-weekly payroll for over 500 full-time employees and over 400 intermittent and temporary employees. Additional duties include payment of voluntary and involuntary deductions, and federal/state taxes and retirement contributions.

Purchasing and Business Services

Records Management

This section is responsible for records management and retention, ensuring compliance with local, state and federal laws. Additional duties include review of regulations governing public records, managing conversion of paper to electronic records for various departments and operating the record storage center.

Travel Services

This section provides world class travel services for all employees, board members and stakeholders to promote the brand of Las Vegas, while assuring compliance to the LVCVA Travel Policy. Travel Services assists with travel authorizations and travel arrangements including air, hotel, rail and car rental.

Purchasing

This section is responsible for the procurement of all goods, services, small construction projects in compliance with local and state regulations and internal policies. Purchasing manages contract development, negotiation, sourcing and administration of contracts. Additional responsibilities include management of the procurement card program, requisition to purchase process, monitoring of deliverables, assistance with dispute resolution and maintenance of vendor and contractor insurance documentation.

Materials Management

This section provides organizational support and service through on site mailroom, reprographics, warehouse and distribution center operations. Reprographic support includes all large volume copy jobs, binding, lamination, folding, drilling, stapling and typesetting. The warehouse and distribution center receives, stores, ships, and manages brochures, promotional items, support materials and shipments worldwide. Additional duties include asset management support, surplus property management auction and disposal.

FINANCE (continued)

Information Technology

The Information Technology Department (ITD) functions as the LVCVA's technology and telecommunications support element. ITD has committed to advancing the LVCVA's goals and objectives in a fiscally responsible manner through innovation, leadership and guidance while improving service quality and applying necessary technical skills. Our mission will be accomplished through the focused and dedicated efforts of the Administrative, Support Services, Systems Maintenance, Software Development and Telecommunication teams.

Responsibilities include: maintaining all LVCVA computing hardware, software, networks, telecommunication and specialized media presentation systems; developing new support tools, automation systems, databases and applications; supporting Help Desk and telephone operations; and identifying cost-effective technology applications.

Goals

- ❖ Report all financial information in accordance with professional accounting standards and federal, state and local laws.
- ❖ Provide timely and informative financial information to departments, executive leadership and the Board of Directors that facilitate the proper administration of the organization, are valuable as business decision tools and are easily understood by our customers.
- ❖ Maintain high levels of professional accounting and reporting standards worthy of the Government Finance Officers Association (GFOA) "Certificate of Achievement for Excellence in Financial Reporting," the "Distinguished Budget Presentation Award" and the "Certificate of Excellence in Popular Financial Reporting" programs.
- ❖ Maintain superior levels of professional procurement ethics and benchmarked standards worthy of the National Purchasing Institute (NPI) "Achievement of Excellence in Procurement Award."
- ❖ Provide financial oversight for the LVCCD project, including planning, budgeting, accounting, financial reporting, internal control, auditing, funding and development of sustainable financing plans.
- ❖ Increase the effectiveness of services and support by increased technological applications to support our internal customers and their mission.
- ❖ Establish and analyze travel reports (flights, carriers, lodging and transportation) to negotiate discounts and increase the effectiveness of the Travel Section's services and support.
- ❖ Provide oversight for technology design and innovation for the LVCCD expansion project.
- ❖ Expand the Authority's data repository and archiving capabilities to meet the growing needs for digital storage of documents, images and multimedia content.
- ❖ Deploy new cyber security and threat avoidance systems; to proactively respond to zero-day attacks and advanced spear phishing activities.
- ❖ Advance staff training in additional operating platforms; allowing for enhanced customer support as the Authority's technology needs progress.
- ❖ Continue deployment of redundant network infrastructure to minimize single points of failure for critical backbone connections.

GENERAL GOVERNMENT - FINANCE

FINANCE (continued)

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Earn GFOA Budget Award (total years)	28	29	30
Earn GFOA CAFR Award (total years)	34	35	36
Earn GFOA Award for PAFR (total years)	11	12	13
Earn Achievement of Excellence in Public Procurement Award (total years)	22	23	24
Full Time/Part Time Employees Participating in Direct Deposit	96%/79%	96%/80%	96%/80%
Percent of A/P Invoices Disbursed Electronically	93%	93%	93%
LVCVA's Uninsured Revenue Bond Rating (Moody's) and (S&P)	A1 / AA	A1 / AA	A1 / AA
Maintain a Rate of Return on Investments at No More Than 50 Basis Points within the 6-month T-bill	-10bp	-60bp	0bp
Number of Calendar Days to Complete Audit and Produce CAFR (not to exceed 65)	23	40	40
Staff Turnover Rate (not to exceed 10%)	2.5%	7.5%	5.0%
Maintain at Minimum a 3.0 Debt Service Coverage Ratio	4.2	3.9	3.5
Number of Records Imaged by Page - all applications	144,816	145,000	148,000
RFP/BID Demand: Average per FTE Assigned	18.0	15.0	16.0
Managing Spend: Term Contracts as a % of Purchase Orders	39%	60%	60%
Quantity of Outgoing Packages Packed and Shipped	30,000	31,000	31,000
Quantity of Copy Center Work Orders Completed	560	550	550
Warehouse Dollars Dispensed	\$1,160,205	\$1,200,000	\$1,200,000
Copies Produced	736,998	750,000	750,000
In-House Training Cost Savings (dollars)	\$21,000	\$10,000	\$12,000
Server Availability (%)	99.97%	99.97%	99.97%
Total Help Desk Calls Fielded	4,955	4,800	5,000
Network Devices Supported (Switches & Servers)	101	115	121
Computers Supported (PC's & Laptops)	485	490	495

Prior Year Achievements

- ❖ Received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association for the 35th consecutive year.
- ❖ Received the Distinguished Budget Presentation award from the Government Finance Officers Association for the 29th consecutive year.
- ❖ Received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 12th consecutive year.
- ❖ Received the Achievement of Excellence in Public Procurement Award from the National Purchasing Institute for the 23rd consecutive year.
- ❖ Obtained an unqualified opinion on the annual audit.

FINANCE (continued)

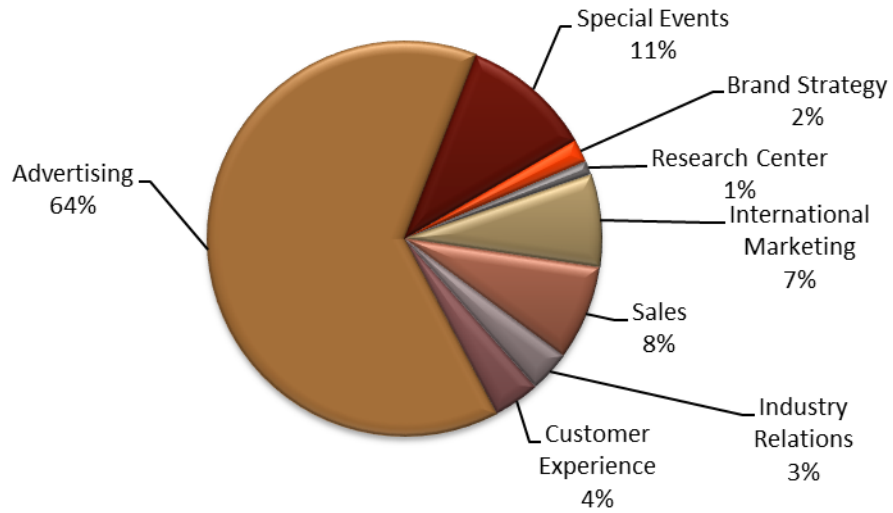
- ❖ Hosted Committed to Our Business Community, a premier event focusing on local supplier outreach, for the sixth year. This year Terry Miller from Cordell, was featured as the guest speaker to promote and discuss the LVCCD project.
- ❖ Restructured ITD staff by adding a director and incorporating Financial Systems into the department. This allowed for a centralized IT customer support in all areas.
- ❖ Decommissioned technology services and equipment at Cashman Center as the facility was transferred to the City of Las Vegas.
- ❖ Remodeled ITD and Audio Visual (AV) work areas to better accommodate workflows and increased technology support activities.
- ❖ Migrated SQL databases and deployed solid-state storage to newer hardware; improving reliability and transaction processing speed.

MARKETING

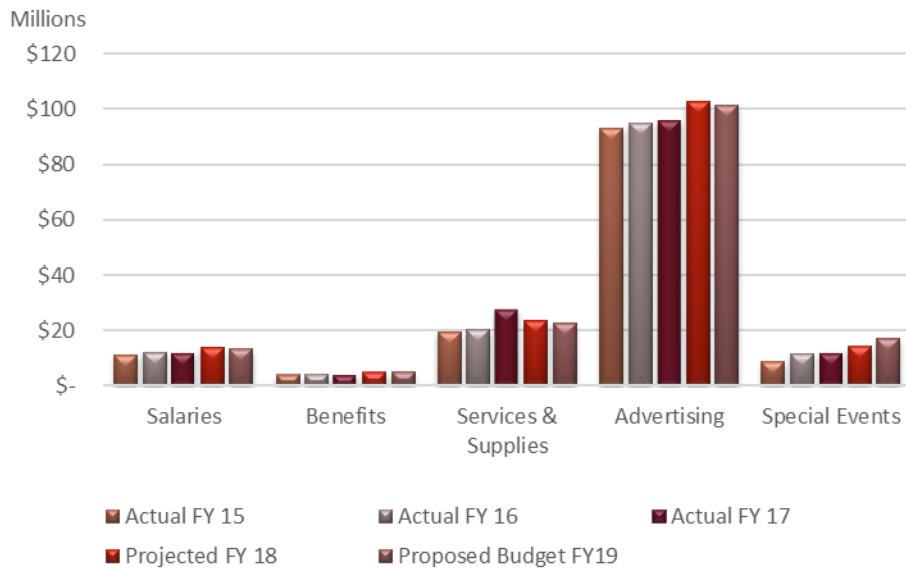
The Marketing division is responsible for increasing leisure travel visitors and convention and meetings attendance. The main functions of this division are Marketing, Sales, Brand Strategy, Industry Relations, Research Center and Customer Experience.



MARKETING FY 2019 EXPENDITURES



5 Year Expenditure Analysis



MARKETING

BUDGET ANALYSIS

Services and supplies expenditures are budgeted with a 4% decrease as compared to the FY 2018 projected. Salaries and benefits total \$18.3 million in FY 2019 compared to \$18.8 million in FY 2018, a slight decrease due to a more conservative estimate of merit and bonus projections, in addition to keeping certain unfilled positions vacant. The increase of 21% in Special Events is due to an additional NASCAR race and the naming rights sponsorship for the Las Vegas 51's new stadium.

ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	EXPENDITURES BY CATEGORY	PROJECTED FY 18	PROPOSED BUDGET FY 19	% CHANGE
\$ 11,216,642	\$ 12,089,941	\$ 12,456,580	Salaries & Wages	\$ 13,919,020	\$ 13,322,800	(4%)
3,928,217	4,320,059	4,527,079	Employee Benefits	4,877,590	5,057,700	4%
19,580,458	20,127,160	28,110,888	Services & Supplies	23,355,723	22,454,100	(4%)
93,148,972	95,012,365	95,905,154	Advertising	102,750,000	101,500,000	(1%)
8,765,599	11,665,284	12,196,297	Special Events	14,190,100	17,130,300	21%
136,639,888	143,214,809	153,195,998		159,092,433	159,464,900	0%
\$ 12,384	\$ 314,202	\$ 567,015	Capital Outlay	\$ 74,000	\$ -	(100%)
125	130	134	Full-time Personnel	138	138	0%

No new positions were approved in FY 2019 for the Marketing division.

There are no capital items budgeted for FY 2019 (i.e. furniture, equipment and computer-related items over \$10,000).

The Marketing Division encompasses multiple departments responsible for increasing leisure travel visitors and convention and meetings attendance. These departments are as follows:

- Brand Strategy
- Marketing
- Sales
- Industry Relations
- Customer Experience
- Research Center

The Marketing Division has developed the following goals:

- ❖ Market the destination by utilizing advertising, sales and special events, supported by research, internet programs and marketing/convention services, toward the goal of attracting visitors by promoting Las Vegas as the world's most desirable destination for leisure and business travel.
- ❖ Continue to serve Las Vegas' traditional market segments while increasing emphasis on target markets, such as United Kingdom, Canada and Mexico, along with emerging markets, such as China, India, Japan, Korea and Brazil, trade show and convention, domestic Hispanic, African American and Asian segments, contemporary lifestyle and the gay and lesbian markets.

INTERNATIONAL SALES

Increasing international visitation to Las Vegas is the objective of the International Sales Department. International visitors are valuable to the resort community as they spend more, stay longer and plan further ahead than those domestic visitors. In 2017 international travelers represented 16% of overall visitation and 31% of total visitor spend in Southern Nevada.

Canada, Mexico and the United Kingdom represent more than half of our international visitors, while markets such as Australia, Japan, China, Germany, South Korea and Brazil are growing in importance and contribute significant numbers of valuable visitors to the destination.

The addition of Hainan Airlines direct air service from China at the end of 2016 and increases in service from Europe and Asia make Las Vegas more accessible than ever before for international visitors from these regions, while pending direct air service from Brazil will provide us with additional visitors from Brazil and South America. LVCVA sales initiatives are designed to support and grow direct and convenient one-stop international airline service while capitalizing on opportunities in established and developing markets.

LVCVA International Representative Offices on five continents provide travel trade, public relations and digital engagement expertise in important source markets. These offices develop and enhance relationships with travel facilitators and distribution channels through educational seminars, targeted industry trade shows and events, Public Relations initiatives, Digital programming, brand development and integrated marketing campaigns which increase destination awareness.

Goals

- ❖ Continue to align and integrate International Sales, Public Relations and Digital Engagement strategies and programming with Airline Development and Advertising initiatives to expand global media exposure and increase visitation.
- ❖ Enhance programming with Sales to expand global meetings, events and tradeshow marketing penetration in targeted international markets.
- ❖ Increase international travel trade and consumer media familiarization visits to expand first-hand knowledge of Las Vegas among influential travel facilitators and influencers.
- ❖ Expand international public relations and social media initiatives in targeted markets based on origin of non-stop and key one-stop airline services.
- ❖ Enhance relationships with resort stakeholders, media, airlines and operators to increase participation and maximize the value of International Sales, Public Relations and Digital Engagement initiatives.

MARKETING – INTERNATIONAL MARKETING

INTERNATIONAL SALES (continued)

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Sales Familiarization Tours / FAM Participants	76/ 1,144	70/ 1,000	75/ 1,100
Events Produced / Attendees	416/ 22,756	400/ 21,000	375/ 20,000
Travel Industry Trade Shows Exhibited	152	125	125
Sales Calls	2,382	2,000	2,200

Prior Year Achievements

- ❖ International Sales and Public Relations programs and initiatives developed by international representative offices and LVCVA staff provided Las Vegas resort partners with an unprecedented number of opportunities and platforms to promote their products and services.
- ❖ Successfully executed integrated Sales and Public Relations activations in Mexico, France, United Kingdom, Denmark, Sweden, China, Japan, South Korea and India.
- ❖ Exceeded 1,000 participants in our educational Familiarization Program which brings international travel professionals to Las Vegas to experience the Las Vegas product first hand. More than 90% of air tickets were sponsored by airlines and tour operators.
- ❖ Introduced new trade show technology in five countries which allowed the resort community to increase engagement and opportunities with travel facilitators and buyers attending these shows.

MARKETING – INTERNATIONAL MARKETING

INTERNATIONAL PUBLIC RELATIONS

International public relations play a vital role in supporting and enhancing the overall marketing strategy of the LVCVA to expand destination awareness, shift perception and increase brand affinity in key global markets. Working with international offices on five continents, the department provides a comprehensive approach to maximize communications opportunities with proactive, forward-thinking strategies to increase leisure and business travel while aligning with international sales, sales, digital engagement, airline development, advertising and research efforts.

Goals

- ❖ Align and integrate public relations strategies with International Sales, Sales, Digital Engagement, Airline Development and Advertising strategies and programs to expand global media exposure and increase visitation.
- ❖ Seek opportunities to allocate public relations resources in markets based on origin of non-stop flights and key airline feeder market connectivity. Heighten accessibility by promoting international air service as a beacon for generating new travel.
- ❖ Generate and maintain strategic partnership or co-branding opportunities with media, corporate, resort partner, airline and other partners to extend public relations resources and maximize earned media visibility.
- ❖ Seek and develop opportunities to allocate public relations resources to reinforce the Las Vegas business message by promoting meetings, incentive, convention and exhibitions (MICE).

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Combined International Media Value	\$83,017,230	\$103,870,273	\$110,000,000
Combined Total International Circulation	10.8 B	6.5 B	7 B
Combined International Print Placements	932	932	1,050
Combined International Broadcast Placements	96	96	100
Total Number of International Media FAMs	95	95	100

Prior Year Achievements

- ❖ Provided resort partners with an unprecedented number of opportunities and platforms to promote their products and services.
- ❖ Developed and executed inaugural airline launch events for international nonstop routes from Mexico City, Munich and Sao Paulo.
- ❖ Developed and executed unique, themed media familiarization programs to help shift the global perception of the destination and introduce journalists to outdoor adventures, health and wellness opportunities, cultural offerings in addition to the well-known culinary, entertainment, attractions and shopping verticals.

MARKETING – INTERNATIONAL MARKETING

SPORTS MARKETING

Las Vegas has long been considered a top destination for championship and high profile sporting events including NASCAR, National Finals Rodeo, Las Vegas Bowl, NBA All-Star Game, UFC, Championship Boxing, US Bowling Congress, USA Rugby Sevens, Rock 'n' Roll Marathon and NCAA Pac-12, West Coast Conference and Mountain West basketball tournaments, while the outlying areas of Mesquite, Primm, Boulder City and Laughlin continue to play a pivotal role in hosting events that generate revenue for the destination, as well as account for incremental room nights in their respective locales.

The addition of professional sports leagues such as the NHL Vegas Golden Knights and USL Las Vegas Lights combined with the pending arrival of a second NASCAR race, WNBA Las Vegas Aces and NFL Las Vegas Raiders has increased the reputation and allure of Las Vegas as a premier destination for sporting events.

Goals

- ❖ Increase awareness of Las Vegas as a viable location to host successful sports programs and special events among domestic and international event professionals.
- ❖ Grow room nights through sports and special event programming.
- ❖ Develop strategies to solicit and service vertical markets such as Youth, Amateur and Esports.
- ❖ Design and introduce a college mentorship program in conjunction with UNLV.
- ❖ Expand the community volunteer program to increase community engagement and support event marketers and producers.
- ❖ Coordinate programming with internal sales and Marketing departments to support customer hospitality and destination marketing initiatives.
- ❖ Develop programming to support and amplify destination, resort and venue messaging.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Leads & Bookings	29	120	150
Industry Event Participation/Customer Development Programming	38	70	90

Prior Year Achievements

- ❖ Developed a three-year marketing plan with 28 new initiatives for the Sports Marketing department to position Las Vegas as an industry leader in the sports marketing landscape.
- ❖ Introduced new initiatives to the LVCVA including – Sports PR Executive Committee, PR Strategy, Sports Media FAMS, Facility Audit, Travel Trade program and ambassador engagement program.
- ❖ Increased leads generated to the resort community for sports programs and special events.
- ❖ Increased industry event participation and customer development programming to further showcase Las Vegas as a major player in the sports world and foster our relationships with key industry executives.
- ❖ Increased the destination's exposure to key decision makers at Connect Sports, S.P.O.R.T.S. The Relationship Conference, Connect Women in Sports Tourism, Baseball Winter Meetings (MLB and MiLB), Connect LGBTQ Sports, National Sports Forum, Sport Accord and National Association of Sports Commissions (NASC), as well as being involved in bringing Sports Express to the destination in January 2018.

MARKETING – INTERNATIONAL MARKETING

SPECIAL EVENTS

Since 1983, Las Vegas Events (LVE) has served as the exclusive special events agency for the destination. Funded by the LVCVA with the objective of positioning Las Vegas as the event and entertainment capital of the world, special events are used to attract events that generate room nights for the resort community and drive incremental media and brand exposure for the destination.

ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	EXPENDITURES BY CATEGORY	PROJECTED FY 18	PROPOSED BUDGET FY 19	% CHANGE
\$ 1,135,437	\$ 1,227,500	\$ 1,272,721	Salaries & Benefits - LVE	\$ 1,367,500	\$ 1,427,200	4%
6,216,904	7,507,858	7,994,107	Special Events - LVE	8,307,600	8,398,100	1%
1,413,259	2,929,926	2,929,469	Special Events - LVCVA	4,515,000	7,305,000	62%
\$ 8,765,600	\$ 11,665,284	\$ 12,196,297		\$ 14,190,100	\$ 17,130,300	21%

The LVCVA and LVE both utilize an event criteria matrix to establish the potential value of an event for the destination. The process includes a scoring mechanism in which many factors are considered, including timing/pattern of event, out-of-town attendance, incremental room nights, multiple property inclusion, sponsor engagement, media exposure and potential for event growth, among others.

Proposed and scheduled FY 2019 Special Events include the National Finals Rodeo, USA Sevens Rugby, Two NASCAR triple-header weekends, NCAA West Coast Conference, Mountain West and Pac-12 Basketball Tournaments, US Hockey Hall of Fame Game, Big League Weekend, Shriners Hospitals for Children Open PGA Golf Tournament, Las Vegas Bowl, Rock 'n' Roll Marathon and Emerge Music Conference.



SALES

The Sales department plays an integral role in securing new and maintaining existing business visitors for the destination. The team is strategic and targeted in disciplines of convention sales, trade show sales, leisure sales and specialty markets.

The Sales team is directly aligned to provide the users of the Las Vegas Convention Center a superior customer experience and promote Las Vegas to trade show organizers, meeting planners and association executives. This is done by creating an environment of trust, care and communication during all aspects of the trade show/event sales and services cycle. Sales teams produce leads and service accounts for the Las Vegas hotel/resort community as well as solicit meetings and events in the following markets: corporate, association, third party/association management and SMERF. They book business for the Las Vegas Convention Center and provide leads to local venues through a strategic account management approach delivered to resort partners in real time using the latest digital communications platform.

Leisure sales main objective is to develop creative and targeted programs designed to motivate domestic and international purchase of travel packages to Las Vegas through wholesalers, consortiums, airlines, tour operators, online and retail travel agencies. Additionally, the leisure sales staff continues to develop educational programs targeted to sellers of domestic and international travel for keeping them informed on the destination's ever-changing amenities and keeping Las Vegas top of mind for sales opportunities.

Specialty markets include health and wellness/spa tourism, cultural tourism, LGBT/diversity sales, wedding and romance travel and World Trade Center Las Vegas sales. The LVCVA recognizes these specialty niche markets as emerging areas of tourism growth and opportunity. Health and wellness travel is focused on promoting Las Vegas as a medical meetings and health and wellness/spa travel destination. LGBT/diversity sales focus on the continued effort of promoting Las Vegas as an LGBT-friendly destination for LGBT associations and conferences as well as LGBT leisure customers. Wedding and romance travel sales efforts are designed to build upon Las Vegas' brand identity and reputation as the "Wedding Capital" of the world by targeting destination weddings. Finally, World Trade Center sales efforts include promotion of Las Vegas' international trade shows as platforms for global commerce. The distinct yet equally important disciplines support the LVCVA's mission to promote Las Vegas as the leading destination for business and leisure travel.

Sales executives' markets are segmented by geographic regions throughout the United States between the Las Vegas, Washington, DC and Chicago regional offices. Certain accounts and industry events have been assigned an industry relations contact at the LVCVA to oversee efforts. Emphasis is dedicated to top producing third party/association management companies that represent end user organizations.

Business is secured through targeted sales programs and initiatives directly to the customer base and hotel partners. The sales team's goals cover a wide variety of efforts to ensure the highest and most productive results, providing unmatched customer service to end user clients and hotel partners.

MARKETING – SALES

SALES (continued)

Goals

- ❖ Target sales efforts towards association and corporate business to support the growth in new meeting space and guest rooms being added to the Las Vegas area within the next three years.
- ❖ Trade show sales will continue to develop and cultivate new event and trade show opportunities in preparation for the expansion of the LVCC. Prioritize the list of perspective trade shows that could commit to the LVCC for our expansion efforts. Identify those sales platforms which will allow us to communicate with the trade show community our plans for the expansion to generate interest in the facility. Communicate with trade shows in construction and potential building/outdoor exhibit area closures due to construction.
- ❖ Implement new international business sales activities for Canada, Germany, Mexico and the United Kingdom.
- ❖ Plan and deploy large scale sales mission events in three primary markets and smaller-scale mission events in six secondary markets incorporating branding, education and networking opportunities for the destination and our hotel and allied leisure sales partners.
- ❖ Enhance our Travel Agent Skills and Knowledge program with new courses, additional affiliate (partner) programs and additional rewards for participating.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
<u>Business Sales, Convention Center Sales & Specialty Market Sales</u>			
LVCVA Networking Events Produced	100	105	110
Industry Events Attended	325	330	335
Leads	3,475	3,500	3,550
Bookings	3,180	3,220	3,250
Industry Trade Show Participation	26	22	25
<u>Leisure Sales</u>			
Registered T.A.S.K. Agents	3,830	3,488	3,662
T.A.S.K. Courses Completed	N/A	2,024	2,125
LVCVA Leisure Sales Industry Events Produced	41	56	46
Tracked Room Nights	18,175	18,511	20,000

Prior Year Achievements

- ❖ Successfully bid to host the IAEE Expo! Expo! annual meeting and exhibition in Las Vegas, in December 2019. Las Vegas will also host the SISO CEO Summit from April 16 – 19, 2018. Also won the bid to host the American Society of Association Executives Annual Meeting and Exposition in Las Vegas in August 2020.
- ❖ Vegas Experience Series: Four courses were created and completed by 300+ agents. Two, three-day experiences were created and 40 agents were selected to participate. The experiences included social media training and a focus on sports travel.
- ❖ In January 2017, LVCVA launched a comprehensive content media campaign including digital, social media and online advertising in alignment with the LVCVA inter-local agreement with Clark County to promote wedding travel. The campaign broadens perceptions of weddings, letting couples know that Las Vegas offers a wider range of wedding choices that can be customized for any budget, taste and couple. Leisure, Business Sales, PR and Advertising worked together to develop marketing tactics above and beyond regular LVCVA wedding travel strategies. In cooperation with the Clark County Clerk's office, LVCVA collaborated with wedding industry stakeholders and enhanced relationships with the Las Vegas Wedding Chamber of Commerce and Weddings International Professionals Association. Since the launch, the program has resulted in more than 126.4 million impressions, 3.29 million video views, 18.6 million digital engagements and 138,100 article views.

MARKETING – INDUSTRY RELATIONS

INDUSTRY RELATIONS

Industry Relations works closely with the leadership at the LVCVA and key stakeholder organizations to develop relationships and lines of communication with relevant audiences to create and implement initiatives that effectively achieve the LVCVA's goals.

In coordination with resort stakeholders and community business partners, Industry Relations addresses issues that impact the destination from a travel tourism perspective including air service development, multi-modal transportation challenges and industry events that are hosted by the LVCVA.

Since the implementation of the internal meetings and events team, Industry Relations has successfully facilitated a fundamental cultural change by partnering with the Marketing and Executive teams to manage the execution and logistics of Industry events both in and out of Las Vegas where the LVCVA is the primary sponsor. These include; IMEX, MPI, ASAE, SISO and special events hosted around Branded events.

Goals

- ❖ Continue to expand efforts of the CEO to increase awareness at the local, state and federal levels on the benefits of travel and tourism and its economic impact through participation in industry organizations.
- ❖ Increase direct air service both domestically and internationally in partnership with McCarran International Airport. Support maintenance and growth of existing carrier base through the development of the Air Service 2.0 strategic plan. Continue to identify and target new domestic and international carriers for ongoing growth into Las Vegas. Provide Las Vegas hoteliers with data and insights about carrier performance and opportunities to deepen relationships with existing carriers and grow performance for both hotel partners and carriers.
- ❖ Showcase the destination as a key market for air service by hosting airline summits in the destination and visiting airlines at their headquarters. Attend industry conferences and further Las Vegas awareness and exposure by hosting exclusive client events. Conferences to include: World Routes, regional Routes conferences (Americas, Europe and Asia), CAPA Aviation Summits, Airline 2018 and Airports Council International Conferences (Jumpstart).
- ❖ Increase awareness and expand efforts towards issues related to surface transportation and understand the direct and indirect economic impact on the destination.
- ❖ Increase internal awareness of the Event Design team's objective to enhance the Las Vegas brand presence at LVCVA industry events. Conduct surveys to gather new ideas and verify event fulfillment. Plan and execute 145 events for multiple LVCVA departments.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Annual In-bound Nonstop Seats Domestic - <i>in millions</i>	25.8	26.2	26.3
Annual In-bound Nonstop Seats International - <i>in millions</i>	2.1	2.2	2.2

INDUSTRY RELATIONS (continued)

Prior Year Achievements

- ❖ Increased total Las Vegas seat capacity by a projected 2%; domestic capacity is up approximately 2% while international is up 1%. The estimated annualized overall economic impact of increased air service for FY 2018 is projected to hit \$1.1 billion. As capacity grew, this enabled more carrier competition into Las Vegas and allowed for record passenger numbers at McCarran Airport making 2017 the busiest year in the airport's 70-year history.
- ❖ Successfully secured the first nonstop service from Sao Paulo, Brazil to Las Vegas by LATAM Airlines. In addition to this significant win, international air service has continued to achieve growth which yielded strong results. Overall, 15 markets saw new airline entrants or capacity increases by existing airlines, representing more than 139,000 new inbound international seats for the fiscal year.
- ❖ Created and implemented a platform with various departments (Public Relations, Digital, Sales and Advertising) of the LVCVA and the hotel community to support new air service. This template proved successful in the 1-year anniversary of Hainan's Beijing to Las Vegas service by creating heightened community awareness of the airline's service and implementing joint participation of LVCVA teams and Las Vegas properties.
- ❖ Hosted the 22nd Annual Boyd Group International Aviation Forecast Summit, showcasing the destination to aviation industry leaders. The conference attracted senior executives and leaders in all areas of global aviation to discuss emerging changes impacting the aviation industry. The summit also featured the third annual China- U.S. Symposium, providing a platform for Las Vegas to further promote Hainan Airline's nonstop route from Beijing to Las Vegas. In addition, attended multiple conferences around the globe to identify route potentials and promote Las Vegas as a destination of choice for business and leisure travelers worldwide.
- ❖ Increased engagement with community leaders including the school district, local organizations and area chambers to provide more visibility on the LVCVA's mission and economic impact for Southern Nevada.
- ❖ Successfully planned the historic ceremonial celebration of the Las Vegas Convention Center District (LVCCD) groundbreaking on January 8, 2018. Over 200 community and industry leaders and Las Vegas Convention Center clients observed the official start of the LVCCD expansion and renovation.
- ❖ Attended more than five planner focused educational events (i.e. BizBash, Exhibitor Live, MPI educational sessions) to expand planning skills. The Event Design team served over eleven LVCVA departments to produce over forty-six events encompassing over 130 activities within these events. A sample of the events included IMEX America, Meeting Professionals International World Education Congress (MPIWEC), ProTravel sponsored event and the Las Vegas Rock-N-Roll Marathon client development event.

MARKETING - BRAND STRATEGY

BRAND STRATEGY

Brand Strategy is comprised of Advertising and Marketing Systems. Brand Strategy plays a vital role in guiding the marketing decisions of the LVCVA as it works with both the advertising agency and internal marketing departments to create and implement strategic, holistic, integrated and effective marketing programs. The department works to support and enhance the overall synergy and impact of the domestic and international marketing efforts to increase leisure and business travel to the destination, while providing proactive, forward-thinking strategies to advance the marketing prowess of the organization.

Goals

- ❖ Continue to use the segmentation and journey research to help guide content creation and media planning across channels.
- ❖ Leverage paid and earned media partnerships to produce and promote culturally relevant content that resonate with Las Vegas' increasingly diverse consumer landscape.
- ❖ Grow brand awareness, familiarity, interest and affinity for the Las Vegas brand for both domestic and international target markets.
- ❖ Utilize business research that focuses on technology, finance and pharmaceutical industries to help guide content creation to aid in increasing consideration of the destination for these industries.
- ❖ Develop a research study that will aid in understanding the potential sports team visitor and opportunities for the destination to increase consideration and better understand how competitive sports will affect the destination.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Video Content Engagement Rate	350 Million	425 Million	500 Million
Average Time on Website*	--*	1.34 Min	1.58 Min
Domestic PR Value	\$1.22 Billion	\$1.25 Billion	\$1.27 Billion

* *www.visitlasvegas.com* launched in FY 18, no past data for comparison.

Prior Year Achievements

- ❖ Utilized segmentation data to inform our online and offline media buying strategy.
- ❖ Developed a unifying global campaign, provided crisis response guidance and messaging to resort partners and key community stakeholders during the 1 October tragedy. Worked with longstanding local and national media partners to share Las Vegas' message of strength and resilience and received \$3.2 million in donated media placements.
- ❖ In conjunction with Research Center, conducted #VegasStrong research that helped to gauge consumer sentiment, destination perceptions and appropriate messaging and tone post October 1.
- ❖ Launched VisitLasVegas.com, a new consumer responsive designed website that replaced our e-commerce partnership with LasVegas.com. Redesigned VegasMeansBusiness.com, our business website with new assets and content for meeting planners, trade show executives, C-suite executives and show attendees.
- ❖ Debuted the first and only destination virtual reality art program, Vegas: Alter Your Reality (VAYR) during Miami Art Week. Metrics to date includes 232 placements, 11.9 million impressions and a publicity value of \$2.6 million.

MARKETING – RESEARCH CENTER

RESEARCH CENTER

Reflecting the core function research has played in the LVCVA’s history, the Research Center oversees a broad range of functions that span the organization’s marketing programs and facility operations. The department’s wide range of research and analytics programs track the dynamics of Las Vegas and southern Nevada tourism, nationwide competitive gaming and tourism trends, international tourism data and special event impacts. To guide operational decisions at the LVCVA’s convention facility, the department also plays an active role compiling and analyzing data and customer feedback from tradeshow producers and convention attendees. The department generates numerous reports, including but not limited to, monthly executive summaries of tourism and convention indicators, annual visitor profile studies that track visitor demographics and behaviors, semi-annual marketing bulletins, summaries of top air feeder markets and a variety of reports that address local, national and global travel trends. With the ever-evolving digital channels utilized by consumers to plan and experience travel, the department’s analytical expertise also contributes to strategies focused on digital engagement, websites and social media efforts.

Goals

- ❖ To complement topline employee feedback garnered from staff town halls in FY 2018, conduct targeted employee focus groups to focus on tactical details to further guide LVCCD design.
- ❖ Plan and host Travel and Tourism Research Association’s 2018 Marketing Outlook Forum in Las Vegas.
- ❖ Develop a research study that will aid in understanding the potential sports team visitor and opportunities for the destination to increase consideration among this audience and better understand how competitive sports is affecting the destination.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Statistical Reports and Publications Produced	31	32	33
Publications Distributed	20,142	23,500	25,000
LVCVA.com Research and Report Downloads	85,136	86,000	88,000

Prior Year Achievements

- ❖ In conjunction with Brand Strategy, conducted #VegasStrong research that helped to gauge consumer sentiment, destination perceptions and appropriate messaging and tone post October 1.
- ❖ Worked in collaboration with People & Possibilities and Cordell Corporation representatives to plan and implement Employee Town Halls and stakeholder workshops to guide architects’ development and design of the LVCCD.
- ❖ Crafted interactive dashboards of digital, sales and research data for use by Digital Engagement, Sales and Public Affairs teams.
- ❖ Participated on the research committee of the Center of Exhibit Industry Research (CEIR) to guide its research goals and deliverables to support the convention industry.

MARKETING – CUSTOMER EXPERIENCE

CUSTOMER EXPERIENCE

The Customer Experience Department includes Convention Services and Destination Services. Customer Experience spearheads the LVCVA's efforts to address the specific needs of our building guests, convention attendees, exhibitors, show management and building partners.

Globally, Customer Experience is responsible for developing programs that deliver the LVCVA's brand promise at the Las Vegas Convention Center. The brand promise is delivered to our attendees, exhibitors and show managers when they arrive on site for their event. Examples of brand promise delivery are safe and clean facilities, quality food and beverage at reasonable prices, availability of appropriate business services, up-to-date technology products and services, ease of transportation to and from the facility and professional, helpful employees and stakeholders in the facility.

Key functions include being a liaison among various departments of the LVCVA and establishing campus wide programs and initiatives that will improve customer service and the customer experience. Direct responsibilities include delivery and accountability of performance and quality services provided by our facility partners' (Centerplate, Cox Business, FedEx and AMEX Open).

Additionally, the department reviews services delivered by our facility stakeholders such as general service contractors, exhibitor approved contractors, as well as ensuring compliance with county and city regulatory measures. Providing exceptional customer service in every interaction is the overall goal of Customer Experience.

Goals

- ❖ Track food service provider's performance in food quality and service levels as reported by clients, staff, attendees and exhibitors to assist in providing service to clients that meet or exceed standards.
- ❖ Work with food service provider to re-evaluate usage of additional space, expand product offerings and consider new opportunities to enhance the food and beverage experience at the LVCC.
- ❖ Raise community awareness of the LVCVA mission by providing presentations to local organizations, providing tours to visiting government and tourism officials, as well as addressing Teamster Apprentice classes and General Contractor training sessions.
- ❖ Explore alternative structuring to the telecommunications model, addressing an expansion of the digital signage marketing opportunities, Wi-Fi and pricing of internet services.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Customer Experience Survey Results (overall satisfaction ratings from 1-5)	4.6	4.6	4.7
Community / Industry / Partner Outreach Presentations	15	15	17
Building Partner Goals Reached to Support LVCVA Customer Experience	25	20	20

Prior Year Achievements

- ❖ Successfully oversaw the \$16 million in capital upgrades to food and beverage outlet by food service provider. Construction was completed on schedule to open for SEMA convention in November 2017 and was within budget.
- ❖ Accomplished installation of two sided, 40' LED digital signage display in Grand Lobby. Project was completed prior to opening of CES convention in January 2018.
- ❖ Assisted building partners in a major renovation of two service centers within the LVCC and negotiated contract extensions with two business partners.

MARKETING – CUSTOMER EXPERIENCE

CONVENTION SERVICES

The Convention Services team continues to provide the industry’s bench mark for service standards. Superior customer care leads to years of repeat business. Committed convention service managers quickly adapt to all challenges that the world’s leading convention center presents while taking pride in the fact that our clients are extremely satisfied at the end of their event.

Goals

- ❖ Explore pricing models within telecommunications to identify and integrate potential additional revenues with the goal to make the internet service more useful for show clients.
- ❖ Work with LVCCD design team to integrate client and contractors’ desires into the new building design for practical use of the shows. Facilitate communication with all parties with a vested interest in the new building design.
- ❖ Collaborate with Client Services to improve service related issues with trade shows, booking orders and event operation at LVCC. Form a committee to resolve issues that both departments can integrate into daily routines.
- ❖ Along with the assistance of service contractors, develop a program for net square footage calculations in the exhibit halls for a more accurate invoice procedure, increasing productivity and efficiency of Customer Service Managers’ time.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
In-house Bookings Manages	376	250	250
VIP Bookings Managed	11	12	16
Convention/Events Serviced	277	180	85
Convention/Events Amount Invoiced	\$33,224,952	\$30,311,089	\$29,684,140

Prior Year Achievements

- ❖ Realigned the Convention Services Department in preparation for Las Vegas Convention Center District. Added three Customer Service Managers (CSM) from Cashman to booking and tradeshow at LVCC. Promoted a CSM to the role of communication liaison for the LVCCD building project.
- ❖ Assisted in scheduling the installation of a new, 40’ two-sided digital screen, without impacting client building use.
- ❖ Implemented iPlan, a new cloud based event planning software program used for event setup. This program allowed CSM, show producers and in-house partners to produce and store layouts for meeting rooms, exhibit halls and parking lots.
- ❖ Facilitated new green initiatives with community groups (i.e. Greenourplanet.com) that garnered support for a waste and/or product collection program that benefited local schools gardening projects. In addition, the team organized a “Tool Donation” from the National Hardware show that resulted in new gardens at 15 schools around the Las Vegas valley.

MARKETING – CUSTOMER EXPERIENCE

DESTINATION SERVICES

Destination Services focuses on the logistics of bringing customers to Las Vegas and Clark County to ensure the visitors' experience is pleasant and memorable. Employees in Visitor Information Services (VIS), Registration Services and outlying Visitor Information Centers (VIC) deliver the Las Vegas brand by providing convention staffing assistance and offering destination information on Clark County and Southern Nevada. Additionally, Destination Services communicates the mission of the LVCVA to primary stakeholders and allied partners.

Goals

- ❖ Create electronic filing system for all Registration Services invoices which decreases storage space and reduces paper use, while adhering to the retention schedule.
- ❖ Create a new form for the 2018 hotel survey based on the Elvis system.
- ❖ Work with Marketing Systems department to give VIS Specialists vendor list access and instant messaging capabilities to expedite clients' application process and provide customers with another communication option.

Activity Measures

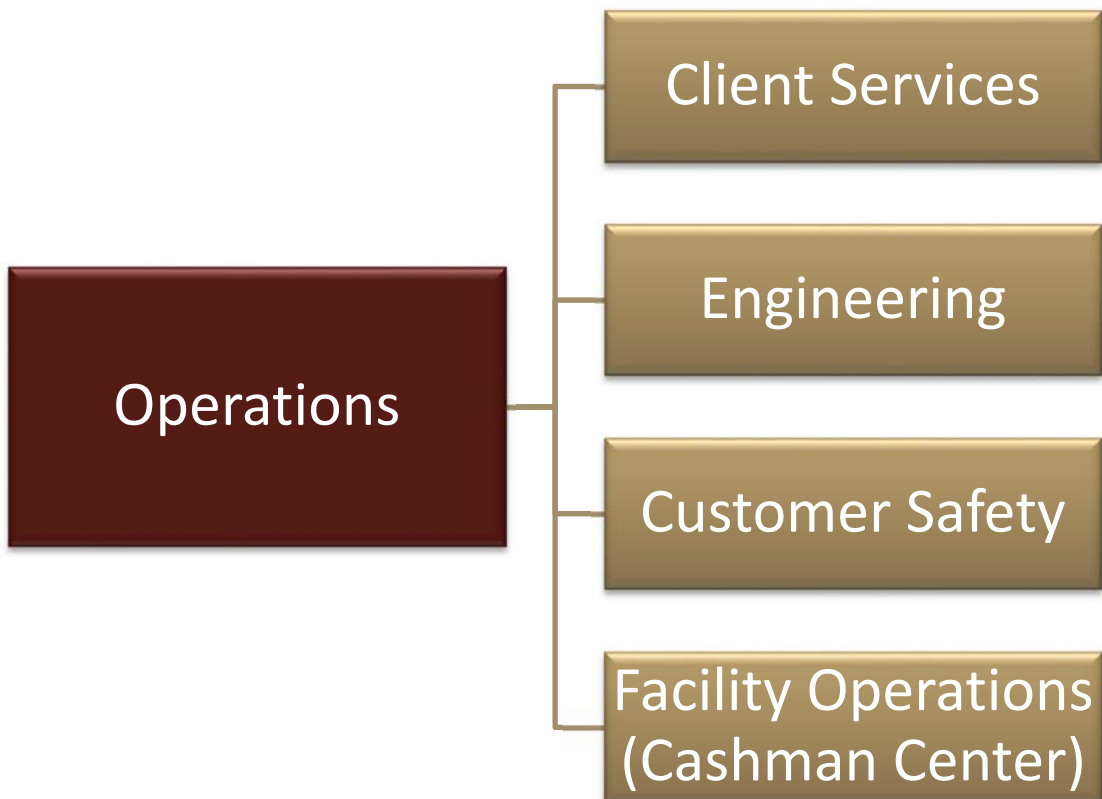
	Actual FY 17	Est. FY 18	Est. FY 19
Total Visitor Volume (all centers)	224,058	205,073	203,145
Visitor Center Brochures Distributions (all centers)	1,317,437	1,202,188	1,100,115
Number of Conventions Serviced by Registration Services	221	215	210
Revenue Billed by Registration Services	\$1,042,212	\$1,009,905	\$937,206
Registration Services - New Clients	42	45	43

Prior Year Achievements

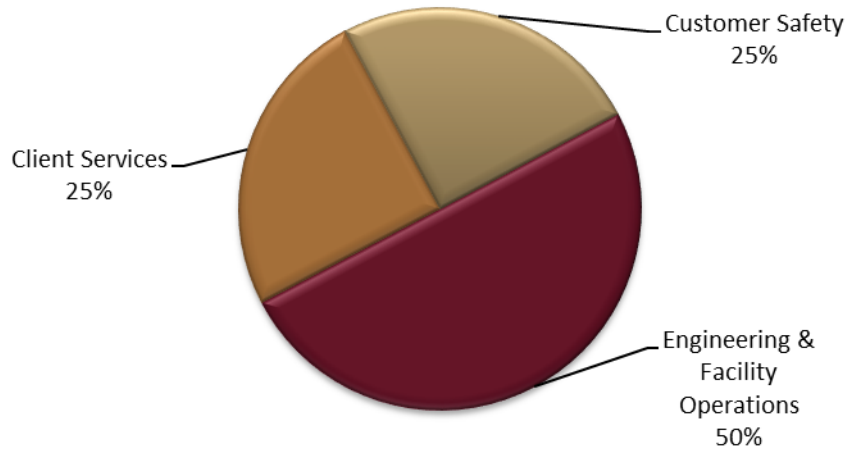
- ❖ Created a Parking Guide pamphlet to help on-call Registration Services staff find parking options at sites other than Las Vegas Convention Center.
- ❖ Successfully produced the quarterly status e-newsletter for the on-call Registration Services staff.

OPERATIONS

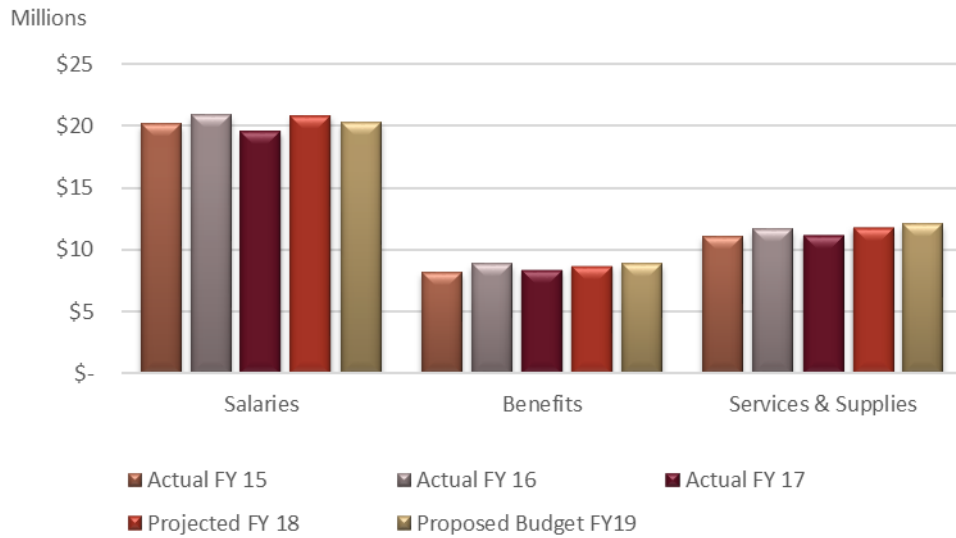
The Operations division has the overall responsibility for the operation, maintenance and safety of the Las Vegas Convention Center and Cashman Center.



OPERATIONS FY 2019 EXPENDITURES



5 Year Expenditure Analysis



OPERATIONS

BUDGET ANALYSIS

The Operations budget reflects an approximately 1% decrease in FY 2019 as compared to FY 2018 projections, mainly due to personnel reduction since the Cashman facility was mothballed on January 1, 2018. Of the services and supplies budget, approximately \$7.8 million is devoted to utilities and \$1.8 million is for repair and maintenance.

ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	EXPENDITURES BY CATEGORY	PROJECTED FY 18	PROPOSED BUDGET FY 19	% CHANGE
\$ 20,165,057	\$ 20,910,579	\$ 19,632,830	Salaries & Wages	\$ 20,923,360	\$ 20,330,300	(3%)
8,189,282	8,853,518	8,402,994	Employee Benefits	8,758,935	8,851,500	1%
11,099,637	11,651,761	11,253,963	Services & Supplies	11,845,038	12,109,000	2%
39,453,976	41,415,858	39,289,787		41,527,333	41,290,800	(1%)
\$ 457,559	\$ 875,681	\$ 403,582	Capital Outlay	\$ 6,732,900	\$ 5,206,982	(23%)
309	316	300	Full-time Personnel	294	294	0%

No new positions were approved for FY 2019 for the Operations division.

Capital items totaling \$5,206,982 (i.e. furniture and equipment over \$10,000) are incorporated this fiscal year, with \$300,000 allocated for Phase II of the multi-year Cart Replacement Program for more efficient and safe equipment and \$2.3 million for roof repairs and an updated emergency notification system. Those requests are accounted for in the capital improvement and replacement fund (see page 78).

The Operations division has the overall responsibility for the operation, maintenance and safety of the Las Vegas Convention Center and Cashman Center.

To fulfill the LVCVA mission, the following goals have been created:

- ❖ Continue with preparations, planning and due diligence phases for the LVCCD project.
- ❖ Introduce initiatives to foster employee development, partner education and stakeholder outreach to ensure a consistent understanding and delivery of the LVCVA brand promise.
- ❖ Fully develop the LVCVA's commitment to sustainability, including the continuation of green operating procedures, increased energy measurement and efficiencies and staff education in sustainable practices.
- ❖ Develop and execute facility improvement, upgrades and renovation programs to maintain the competitive features and offerings of the Las Vegas Convention Center.
- ❖ Develop incremental programming to improve supervisor and management training, employee development and staff accountability.

OPERATIONS - CLIENT SERVICES

CLIENT SERVICES

The Client Services Department is the front line in the LVCVA's effort to provide the highest level of customer service. This effort requires Client Services to manage and meet our clients' needs at the Las Vegas Convention Center and at the Cashman Center. Our success is dependent on collaborating seamlessly with the various internal departments, business partners and contractors; to meet the clients' specifications.

With 3.2 million square feet of exhibit & meeting space at the Las Vegas convention Center, our customers' needs require the Client Services Department to manage a warehouse of cleaning and event equipment. This comprises an inventory of over 30,000 chairs and more than 6,000 tables, in addition to miscellaneous event equipment and cleaning supplies. The overall inventory and logistics is administered by Client Services for the Las Vegas Convention Center.

Goals

- ❖ Enhance and redefine warehouse operations by focusing on supply distribution, equipment inventories, logistics and various efficiencies while implementing a centralized equipment training format for each classification.
- ❖ To better service our customers, research and introduce new technologies that will improve current standards and raise the level of department accountability by addressing efficiency challenges, recordkeeping and trend analysis.
- ❖ Assemble a planning and research team in preparation for the upcoming LVCCD expansion that will focus on new equipment research, processes, innovative products and departmental necessities.
- ❖ In conjunction with Engineering, develop and implement a more robust external grounds maintenance program that will dedicate more tools and resources, to meet current grounds coverage while being positioned to service the LVCCD expansion and future needs.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Recycle Rate (per calendar year)	60%	62%	64%
Scheduled Room Changes	580	598	554
Work Orders Complete	1,390	1,326	1,420
Restroom Support (% of labor-hours used)	36%	34%	36%
Building Maintenance (% of labor hours used)	23%	24%	25%

Prior Year Achievements

- ❖ Modernized the Client Services building by installing additional proximity readers for security purposes, presenting new flooring in one of the locker rooms and creating an environment that is inviting.
- ❖ Administrative standards were implemented within the department due to increased event needs and new processes. This new standard introduced an inner-department branded format, more automation and e-communication.
- ❖ Began the process of enhancing back of house service corridors to create a more organized, efficient and refreshing environment for our ambassadors and partners.
- ❖ Created and implemented a more thorough and inclusive inventory process that adheres to LVCVA internal policies, provides additional controls and increased accuracy.

OPERATIONS - ENGINEERING

ENGINEERING

The Las Vegas Convention Center currently encompasses approximately 3.2 million square feet with exhibit space of approximately 2 million square feet and meeting space of more than 241,000 square feet. It includes 144 meeting rooms with seating capacities from 20 to 2,500. Parking for more than 5,000 cars is available on-site.

The Engineering section encompasses the activities of heating, ventilation and air conditioning (HVAC), plumbing, electrical, carpentry, painting, roofing, parking lots, fencing, welding/fleet/folding walls, computerized maintenance management system (1CALL), grounds, graphics and the Engineering Projects department.

The section's primary objective and responsibility is to maintain and operate all building systems and building components to a level that minimizes customer disruption and supports customer needs. Engineering continuously pursues new technology that improves building efficiencies without compromising the comfort or quality that today's customer expects of the Las Vegas Convention Center.

Engineering staff handles preventative maintenance in all areas, from maintaining over 5,300 doors, including freight doors, to fleet vehicles and resolving HVAC and lighting issues, not only at the Las Vegas Convention Center, but also at the three outlying visitor information centers.

Goals

- ❖ Develop a long-term strategy for utility maintenance, which capitalizes on all opportunities for savings.
- ❖ Revamp the Preventative Maintenance plan and develop the tactical and strategic blueprint for implementation.
- ❖ Execute a tactical strategy for full incorporation of work management mobility into engineering operations.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Maintained and/or Repaired Doors	4,475	5,000	5,000
Maintained and/or Repaired Fleet Vehicles, Carts, and multi-use Lift Equipment	204	204	204
Maintained and/or Repaired Bulbs and Lamps	243,000	245,000	250,000
Maintained Plumbing Fixtures	1,287	1,300	1,400
Maintained Ceiling Components (sq. ft.)	839,200	850,000	850,000
Maintained Restroom Partition Doors and Door Hooks	1,047	1,050	1,050
Maintained and/or Repaired Electrical Power Panels and Disconnects	649	650	675
Maintained Restrooms and Janitor Closets	99 / 32	126 / 32	126 / 32
Maintained and/or Repaired Stand-alone A/C Units	153	174	182
Maintained Freight Doors (86) and Central Plant Doors	84 / 4	86 / 4	86 / 4
Maintained Elevators (24) and Escalators	24 / 20	24 / 20	24 / 20
Maintained and/or Repaired Parking Areas (acres)	97	97	50
Maintained Air Handlers	136	142	142

ENGINEERING (continued)

Prior Year Achievements

- ❖ Collaborated with representatives from Cordell Corporation and developed a collective strategy for the utility packets for all service needs and aspects of the new building. This required coordinated efforts with the major utility companies including NV Energy, Southwest Gas, Las Vegas Valley Water District and Water Reclamation.
- ❖ Worked with the LVCVA Safety Manager to improve the participation of Engineering management and personnel in all aspects of safety. The endeavor included the following: mandatory computerized training modules that allowed staff to schedule time to complete their training in a timely manner, initial medical and fit testing requirements to initiate a respirator program and supervisor conducted weekly meetings and inspections.
- ❖ The Facility Support and previous Cordell office space was completely renovated to carve out space for Traffic employees to move all their operation and management to the warehouse which was previously separated. This effort involved numerous shops coming together to maximize the utilization of the available space while creating a comfortable and beneficial work environment for all three affected departments (Traffic, Facility Support and CMMS).
- ❖ Completed the implementation of Onboarding, Engineering's new hire documentation training program. All new hire training is now accompanied by a thorough listing of all aspects of each specific job-related responsibility. This includes knowledge of the building, company, department and shop rules employees are expected to follow, including safety, behavioral expectations, etc. As each section is completed, the new employee acknowledges understanding of the material.
- ❖ Finalization of the first phase of purchasing for the 3-year cart replacement program. Developed a strategy to minimize expenses associated with delivery of carts by opting for larger quantities being shipped simultaneously. Coordinated space within the exhibit halls for temporary storage to expedite installation of asset tags, branding of carts and attachment of optional items such as racks and tool boxes. Once complete, the facility will have a cohesive inventory of carts with interchangeable parts. This enhances both the aesthetics and functionality of our fleet.

OPERATIONS - ENGINEERING

ENGINEERING PROJECTS

The Engineering Projects department is responsible for overseeing capital improvement projects from conceptual design through the permitting, construction, commissioning and final acceptance process. The department coordinates the work of architects, engineers and construction firms for projects ranging from minor renovations and demolitions to capital projects for building and land improvements. The department works with local government agencies in administration of the Storm Water Protection Plan, ground water well-monitoring (Nevada Division of Environmental Protection), air quality emissions (Clark County Air Quality) and any other type of environmental abatement concerns for any LVCVA properties.

Personnel work closely with LVCVA departments to identify strategic capital improvement projects that will enhance the customer experience and support sustainability initiatives.

Goals

- ❖ Complete final phase of the multiyear fire alarm project, Emergency Notification system, in various areas of the property.
- ❖ Implement the fourth phase of the Door Replacement Program, replacing worn doors and hardware with storefront glass and metal doors.
- ❖ Implement third phase of the exterior lighting upgrades around the Las Vegas Convention Center, ensuring under-lit areas are addressed and improved.
- ❖ Develop and implement a document management strategy to incorporate changes to the building as the construction takes place with the LVCCD project.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Construction (CIP) Pay Applications and Invoices Reviewed and Submitted	210	200	200
Completed Board Approved CIP and Additional Approved CIP Projects	29	25	25

Prior Year Achievements

- ❖ Continued the Restroom Refresh program by upgrading four restrooms, replacing worn plumbing and lighting fixtures, cabinets and restroom partitions.
- ❖ Improved the Central Hall emergency lighting by installing and upgrading lighting to better serve customers in the case of a power outage.
- ❖ Introduced and facilitated a budget tracking mechanism to calculate and track budget commitments and project expenditures to assist Project Managers utilizing the document control software.
- ❖ Designed and built a new seating concept and charging station installed in the east lobby display case area allowing rest areas and communication opportunities for customers improving their customer experience.
- ❖ Installed five tankless on-demand hot water heaters in two major areas of the Las Vegas Convention Center, providing hot water more efficiently and improving energy consumption.

OPERATIONS – CUSTOMER SAFETY

CUSTOMER SAFETY

With over 240 full and part-time employees, Customer Safety is comprised of three sections: Security Operations, Traffic and Safety & Fire Prevention. It is the only department within the organization with a 24/7 presence.

Security Operations includes three sub-sections: (1) Control Center, (2) Surveillance / Investigators and (3) Canine Units. The section also oversees programs such as the Nursing/First-Aid services.

The Control Center is responsible for transmitting emergency/non-emergency (incoming and outgoing) calls for service via telephone, radio and in-person contacts. The Control Center collects and identifies lost and found property, monitors fire alarm systems, issues employee and contractor photo ID badges and handles lighting requests and access control. Programs such as Guest Assist, a text messaging service and Weather Call, a climate notification system are both managed by the Control Center.

Surveillance/Investigators are responsible for operating/actively monitoring and maintaining the integrated security network surveillance system as well as reviewing digital video, processing individuals for access control and maintaining access records and security tours. They also review, develop and approve security plans for incoming shows; as well as provide support to People and Possibilities department with regards to background checks or investigations on an as needed basis. The position works closely with LVMPD's Tourist Safety Unit and must remain on-call 24-hours as necessary.

Canine Units (handler and bomb-detection dog) provide foot patrol of LVCVA facilities at randomly scheduled periods checking objects and areas for explosive contraband. The canine officer responds to reports of suspicious packages commanding the bomb-detection dog to check unattended packages. Areas where special high-profile events are held are also checked by the canine team before the start of the event. The presence of a canine team in our environment is a proven deterrent to criminal activity involving explosives.

Traffic includes two sub-sections: (1) Traffic Control/Paid Parking and (2) Perimeter Security.

Traffic Control/Paid Parking is responsible for the safe and efficient flow of traffic and paid parking operations which include managing traffic staff assigned to crosswalks, intersections and parking lots during show activity. Other responsibilities include ensuring drop-off/pick-up locations for all transportations companies are updated and appropriate show information is provided to them throughout the year. Paid parking services generate revenue for the LVCVA.

Perimeter Security is responsible for maintaining a safe parking experience for all parties involved as well as safeguarding the exterior of the campus. The position monitors and controls access to freight areas and the Administrative Entrance. The position ensures all vehicular traffic on property is authorized.

Safety and Fire Prevention includes three sub-sections: (1) Safety, (2) Fire Prevention and (3) Life Systems.

Safety is responsible for leading employee safety efforts including program management, OSHA compliance, injury prevention and safety training.

Fire Prevention is responsible for ensuring and maintaining a safe and risk-free environment for employees, visitors and guests through the enforcement of regulatory statutes, codes, industry standards and basic risk management theories and practices, primarily related to conventions, trade shows and other events within the facilities.

Life Systems is responsible for ensuring the safety of all building occupants by monitoring/maintaining technologies involving all fire and alarm systems.

OPERATIONS – CUSTOMER SAFETY

CUSTOMER SAFETY (continued)

Over the years, Customer Safety has established a diverse position in the community, collaborating with organizations equally committed to protecting the public’s welfare and core infrastructures. Some of those organizations include but are not limited to the International Tourism Safety Association, Las Vegas Security Chiefs Association and Las Vegas Metropolitan Police Department’s Southern Nevada Counter-Terrorism Center.

Goals

- ❖ Pursue emerging technology solutions to enhance threat recognition, augment prevention strategies, bolster preparedness actions and accelerate recovery efforts.
- ❖ Develop a comprehensive plan to improve campus parking lots to meet the demands of building customers.
- ❖ Continue to foster organizational safety efforts through involvement by leadership and employees using training, information sharing, goals/metrics and mentoring. Continue efforts towards standards compliance by developing necessary safety programs and procedures.
- ❖ Introduce new initiatives designed to improve the service level of contract security.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Lost/Found – Percentage of Items Returned to Owner	50%	51%	51%
Photo ID Badges Created for Building Workers	5,161	5,479	5,500
First Aid Room Contacts (patients treated)	1,857	1,691	1,769
Paid Parking Revenue	\$3,159,440	\$3,123,500	\$2,600,000
Total Guest Assist Text Conversations	680	821	900
Total Guest Assist Text Alerts Released by Control Center	934	955	1,000
Number of Individuals Receiving Guest Assist Text Alerts	31,442	33,500	35,000

Prior Year Achievements

- ❖ Focused heavily on show requirements for Consumer Technology Association (CTA) and the 2018 Consumer Electronics Show (CES) by participating in several complex meetings which included a (pre-show) presentation provided to CTA Board of Directors. Customer Safety was influential in CTA’s decision to employ one company to oversee show security operations. Staff also worked with U.S. Department of Homeland Security and the Las Vegas Metropolitan Police Department to successfully obtain a SEAR 2 (Special Event Assessment Rating) designation for the event. Lastly, enhanced security measures were implemented at the recommendation of Customer Safety staff. Those enhancements included strategies to protect pedestrians from vehicle ramming, a robust law enforcement presence and the command (operations) center to name a few.
- ❖ Attained approval from Clark County Public Works to place LVCVA owned digital (messaging) signage in up to 20 locations within the Las Vegas Convention Center District. Messages provide convention attendees directions to LVCC entrance locations for parking.
- ❖ Conducted tabletop exercises with key building staff on multiple topics such as Active Shooter, Food Defense, Power Outages, Public Health Emergencies, Shelter-in-Place, etc., as well as Bomb Threat training for all front-line phone operators at the LVCC.
- ❖ Implemented use of new walk-up service window in the Customer Safety offices, which allows for the Control Center to focus primarily on the show’s immediate needs.
- ❖ Implemented computer-based safety training which allowed for self-paced learning by LVCVA employees as well as flexibility of scheduling and comprehensive tracking of OSHA-mandated safety training.

OPERATIONS – FACILITY OPERATIONS (CASHMAN CENTER)

FACILITY OPERATIONS

Cashman Center is located on 51 acres near downtown Las Vegas. This facility provides an 10,000-seat stadium and is home to a Triple A baseball franchise, the Las Vegas 51s; The theater accommodates 1,898 patrons, with seating on the main floor and balcony areas. The campus contains fourteen meeting rooms with approximately 13,000 square feet of space and two exhibit halls with 98,100 square feet of space for small conventions, seminars, receptions and other events.

In March 2017, the Board of Directors approved a property transfer agreement turning the meeting rooms, exhibit halls and theater over to the City of Las Vegas and that portion of the building was decommissioned on December 31, 2017. The LVCVA continues to operate the sports stadium and parking lots surrounding it through the duration of the LV 51s lease, or when a new facility is complete. In March 2018 USL’s Las Vegas Lights FC began their inaugural season at Cashman Center consisting of 17 regular season matches through mid-October 2018.

Goals

- ❖ Research and collaborate with stadiums hosting dual sports to identify field maintenance best practices and alternate turf maintenance procedures to maintain safe and playability conditions
- ❖ Implement revised maintenance plans and schedules to improve stadium operations efficiencies.
- ❖ Support the Las Vegas Lights FC field conversion process to complete in the most time efficient manner while adhering to stringent baseball specifications.

Activity Measures

	Actual FY 17	Est. FY 18	Est. FY 19
Work Orders Completed (%)	95%	90%	90%
Scheduled Preventative Maintenance Completed (%)	91%	95%	100%
Ball Field Maintenance (labor hours)	6,720	7,800	8,400

Prior Year Achievements

- ❖ Completed conversion to LED lighting in all stadium restrooms.
- ❖ Implemented enhanced safety netting features in anticipation of baseball and soccer needs.
- ❖ Completed all requirements and received the Nevada Division of Environmental Protection DeMinimis Permit, which ensures discharge of clean water.
- ❖ Successfully completed conversion procedures to “mothball” meeting rooms, exhibit hall and theater on time.

FY 2019 Expenditures



5 Year Expenditure Analysis

Millions



Collection Allocation

Actual FY15 Actual FY16 Actual FY17 Projected FY18 Proposed Budget FY19

COMMUNITY SUPPORT

BUDGET ANALYSIS

Personnel and capital are not a budget category for this section.

Collection allocation increases and decreases proportionally with room taxes, as it is based on 10% of the amount of room taxes and gaming fees collected. However, in October 2016 the Nevada State Legislature passed SB1. Revenues generated from the one-half of one percent (0.5%) room tax are excluded from the collection allocation, as those revenues are wholly restricted to the LVCCD project. Additionally, SB1 imposed a cap of \$25 million on the total annual collection allocation eligible to be returned to the collecting entities under NRS 244A.645. The excess of collection allocation over the capped amount is restricted for use in the LVCCD Capital Fund and is included in the transfers out to other funds.

Other financing uses is comprised of transfers out which represents appropriations for capital outlay, LVCCD, other post-employment benefits and debt service as discussed in the following capital, debt service and OPEB fund sections.

Reserve for contingency contains funding for unforeseen expenses that must be approved by the Board.

ACTUAL FY 15	ACTUAL FY 16	ACTUAL FY 17	EXPENDITURES BY CATEGORY AND OTHER FINANCING SOURCES	PROJECTED FY 18	PROPOSED BUDGET FY 19	% CHANGE
\$ 24,104,565	\$ 26,161,392	\$ 25,000,000	Collection Allocation	\$ 25,000,000	\$ 25,000,000	0%
79,988,725	76,510,457	111,751,681	Other Financing Uses	117,615,286	110,994,200	(6%)
-	-	-	Reserve for Contingency	-	100,000	0%
\$ 104,093,290	\$ 102,671,849	\$ 136,751,681		\$ 142,615,286	\$ 136,094,200	(5%)

10% of the total room taxes and gaming fees collected are set aside to be returned to the county and the cities or transferred to LVCCD Capital Fund. The division of this collection allocation to the collecting entity is set forth in an agreement between the various entities and may be designated by the individual entities for any purpose. The distribution to the county and its incorporated cities is mainly based upon the governor-certified population figures as prepared by the state demographer. The agreement adopted in FY 2007 maintained the reimbursement allocation up to the level as paid in FY 2007 ("Baseline"). Distribution above the baseline is remitted to the entity that collected the increase. If revenue falls below the FY 2007 level, the agreement reverts back to the one adopted in 1995 which is based solely on population with a set percentage for the cities of Mesquite and Boulder City. As collection allocation budget in FY 2019 is above the FY 2007 level, the entity distribution is based on the 2007 agreement of up to \$25 million.

The financial impact of that cap, will be reflected in the collection allocation distribution for the fourth quarter of the fiscal year, and the excess over \$25 million transferred at year end.

LVCCD CAPITAL FUND

In October 2016, the Nevada State legislature passed SB1 approving the development of the LVCCD project, which provides an increase in the transient lodging tax of one-half of one percent (0.5%) to support funding for the project. The new revenues are legislatively restricted to support the capital financing program for the LVCCD project. SB1 imposed a cap of \$25 million on the total annual collection allocation eligible to be returned to the collecting entities under NRS 244A.645. The excess of collection allocation over the capped amount is restricted for use in the LVCCD Capital Fund and is included in the transfers out to other funds. Therefore, the LVCVA is moving forward with the expansion and renovation to provide our clients the increased space they need to grow and succeed.

In January 2017, the LVCVA Board of Directors created the LVCCD Capital Fund. This is the capital fund for Phase Two (expansion) and Phase Three (renovation) of the LVCCD project. It records the restricted revenues from SB1 for the project. This capital fund is shown separately for enhanced transparency of the fund.

	ACTUAL FY 2016	ACTUAL FY 2017	PROJECTED FY 2018	PROPOSED BUDGET FY 2019	% CHANGE FY19/18
REVENUES:					
Room Tax	-	\$ 11,246,673	\$ 28,140,000	\$ 28,984,200	3%
Interest	-	80,289	266,500	2,639,800	891%
Total Revenues	-	11,326,962	28,406,500	31,624,000	11%
EXPENDITURES:					
Construction in progress	-	904,470	98,064,800	500,000,000	410%
Noncapitalized assets	-	5,124	-	-	0%
Total Expenditures	-	909,594	98,064,800	500,000,000	410%
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	10,417,368	(69,658,300)	(468,376,000)	572%
OTHER FINANCING SOURCES (USES):					
Transfers In	-	23,255,000	47,500,000	45,000,000	-5%
Transfers In - Excess Collection Allocation	-	3,298,262	3,300,000	4,144,200	26%
Transfers Out - LVCCD Debt Fund	-	-	(1,935,200)	(21,507,500)	1011%
Proceeds from Debt	-	-	200,000,000	500,000,000	150%
Total Other Financing Sources (Uses)	-	26,553,262	248,864,800	527,636,700	112%
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES					
	-	36,970,630	179,206,500	59,260,700	-67%
FUND BALANCE, BEGINNING (from CAFR)	-	-	36,970,630	216,177,130	485%
FUND BALANCE, ENDING (from CAFR)	\$ -	\$ 36,970,630	\$ 216,177,130	\$ 275,437,830	27%

LVCCD CAPITAL FUND

A capital improvement plan for the LVCCD project is a financial planning model and management tool that lists proposed expansion and renovation costs for a rolling five-year period. This multi-year document identifies and prioritizes the need for the improvements and acquisitions and coordinates their funding and optimal time frames for completion. It is also a process that provides order and continuity to construction and development of the project.

LAS VEGAS CONVENTION & VISITORS AUTHORITY LVCCD CAPITAL PLAN PROJECT EXPENDITURE LISTING FISCAL YEARS 2019-2023

	FY 19	FY 20	FY 21	FY 22	FY 23
Phase Two Expansion	\$ 450,000,000	\$ 350,000,000	\$ 30,000,000		
Phase Three Renovation	50,000,000	110,000,000	185,000,000	135,000,000	60,000,000
TOTAL – FIVE YEAR CAPITAL PLAN	\$ 500,000,000	\$ 460,000,000	\$ 215,000,000	\$ 135,000,000	\$ 60,000,000

The Guaranteed Maximum Price (CMP) contract for the expansion is expected to be received in the first quarter of FY 2019, therefore cashflow projections will be adjusted at that time. Phase Two is anticipated to open December 2020, in time for the January 2021 Consumer Electronic Show (CES). Phase Three is still under development.



LVCCD DEBT SERVICE FUND

In February 2018, the LVCVA Board approved the first \$400 million bond issuance for Phase Two of the LVCCD project through Clark County, utilizing the County’s general obligation backing. To date, \$200 million of these bonds have been issued. Correspondingly, in March 2018, the LVCVA Board of Directors created the LVCCD Debt Service Fund, a restricted fund established to account for all debt issuances related to the LVCCD project.

Also, in May 2018, the LVCVA Board authorized and approved the request to issue the remaining \$500 million of these bonds, which are needed before entering into a Guaranteed Maximum Price (GMP) contract for Phase Two of the project. The first series of these bonds are expected to be issued in late calendar year 2018 or earlier calendar year 2019, depending upon timing of marketing conditions and other considerations. Bond proceeds and interest earnings will be restricted solely to the LVCCD project.

	ACTUAL FY 2016	ACTUAL FY 2017	PROJECTED FY 2018	PROPOSED BUDGET FY 2019
REVENUES:				
Interest & Investment Earnings	\$ -	\$ -	\$ -	\$ 7,300
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,300</u>
EXPENDITURES:				
Interest	-	-	-	5,938,896
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,938,896</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(5,931,596)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	1,935,200	21,507,500
Total Other Financing Source (Uses)	<u>-</u>	<u>-</u>	<u>1,935,200</u>	<u>21,507,500</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	-	-	1,935,200	15,575,904
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,935,200</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,935,200</u>	<u>\$ 17,511,104</u>

For overall LVCVA indebtedness, including bond issuance process, debt compliance, 30-year debt service coverage and historical debt, please see the Debt Service Fund Summary on pages 93-99.

Transfers from the LVCCD Capital Fund are made to fund interest payments due on January 1 and principal and interest payments due on July 1. The budgeted ending fund balances of the LVCCD Debt Service Fund are sufficient to pay principal and interest due on the first day (July 1) of the next fiscal year. The budgeted ending fund balance is estimated to be \$17.5 million.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition of capital assets and the construction of new facilities or improvements of the LVCVA. The LVCCD Capital Fund, which accounts for all Phase Two and Phase Three costs of the LVCCD Project, is shown as a separate external fund to enhance transparency.

CAPITAL IMPROVEMENT AND REPLACEMENT FUND

The Capital Improvement and Replacement Fund is used to account for capital expenditures for furniture, equipment, construction work-in-progress, land, buildings, improvements to land and buildings and leaseholds.

The LVCVA allocates the cost of tangible property over a period of time, rather than expensing the entire cost in one year, to more closely align with the expected life of the asset. Generally, at the end of an asset's useful life, the net value of the asset (original cost less accumulated depreciation) will equal the salvage value of the asset.

The requirement for maintaining controls over capital assets is found in the Nevada Revised Statutes and Nevada Administrative Code. The latter spells out the following inventory guidelines:

- (1) The governing body of every local government shall take an inventory at least once every two years of all its equipment and other personal property that constitute fixed assets.
- (2) Each item of property subject to the inventory must be assigned an identifying number and be labeled as belonging to the local government.

CAPITALIZATION THRESHOLD

Nevada Administrative Code 354.750 sets guidelines for the establishment of capitalization thresholds by resolution.

A capital asset is property such as equipment having a useful life greater than one year. There are two major types: real property, such as land, land improvements (excavation, filling, utilities, removal, retaining walls, fencing, etc.) buildings, building improvements and personal property including vehicles, machinery, equipment and furniture and fixtures. Capital assets may also include patents, goodwill, trademarks and leaseholds.

Capital Fund Threshold

Assets with a unit cost less than \$10,000 shall be treated as operating supplies and funded from the initiating department's operating budget. Assets with a unit acquisition cost greater than \$10,000 will be funded from the LVCVA's Capital Fund.

Capitalization Threshold

State statutes allow the governing body to adopt a resolution establishing the thresholds for required capitalization. Capitalization assumes the following: the item is generally tangible in nature (computer software is the major exception); the item has a useful life greater than one year; and the item is not a repair part or supply item. The LVCVA has established the following thresholds for determining the cost at which items should be classified as a capital asset.

- Assets with a unit acquisition cost greater than \$10,000.
- Bulk capital asset purchases are defined as a single purchase or an acquisition of a quantity of similar items with unit costs of less than the threshold. Bulk capital asset purchases will be capitalized if those items are part of the rolling stock of recurring purchases. Typical bulk capital assets are setup tables and chairs, podiums, barricades and amplifiers. While individually costing less than the threshold, these items will be combined and capitalized as a group of assets.

CAPITAL PROJECTS FUND

BUDGET PROCESS

Planning for capital acquisitions is a continuous process throughout the year. Individual employees originate proposals for acquiring new and replacement equipment and furniture. If the supervisor agrees with the proposal, it is added to the section's capital requests.

During the budget process, each organizational unit submits its requests to acquire equipment and furniture. These requests must be justified as replacements for existing items that have failed or become obsolete, or as new acquisitions that will enhance and improve the efficiency and/or effectiveness of the LVCVA's operations. All requests are reviewed and discussed during the executive budget review process. The acquisitions that are approved through this process are consolidated into the final budget. Some are moved to subsequent years for future consideration.

Factors that can influence an increase or decrease in the land and building improvement accounts are:

- ✧ The LVCCD project, where the older parts of the facility will be updated and modernized.
- ✧ Due to the number of shows and events using the exhibit halls and meeting rooms, projects must wait for an open time frame before proceeding.

Capital land and building improvement project requests have a similar, although more involved, budget process. The capital improvement program is described on page 84.

These expenditures are funded from current operations or bond proceeds.

IMPACT ON GENERAL FUND

Capital projects can have an impact on the LVCVA's operating budget in several ways. Costs of acquiring or replacing equipment and constructing additional exhibit space impact personnel costs, maintenance expenses and utility charges. Some of the capital projects are multi-year programs, and the fiscal impact can be spread across many fiscal years.

Building and land improvements are listed on pages 82-83. Included is a description of the project and any quantifiable impacts on the general fund.

The majority of the furniture/fixtures and equipment purchases are for replacement due to damage, obsolescence or theft. When repairing damaged equipment is no longer cost-effective, it is replaced. However, depending on the type of equipment, many departments utilize damaged equipment for parts, thereby reducing repair costs.

BUDGET ANALYSIS

FY 2019 capital projects and purchases are funded with a transfer to the Capital Projects Fund from the operating budget. The FY 2019 transfer of \$3.3 million shows a slight increase compared to the projected FY 2018 as most of the capital budget is allocated towards the LVCCD Capital Fund. During FY 2019, the Capital Projects Fund will be used for a variety of small improvement projects, including land improvement, building improvements and routine replacement of furniture and equipment.

The capital improvement program (CIP) for FY 2019 is comprised of strategic capital and economic reserves.

Non-CIP building and land Improvements total \$2.7 million and furniture, equipment and computer appropriations total \$857,500.

Additional capital projects related to Phase Two and Phase Three of the LVCCD project are shown on pages 75-76.

CAPITAL PROJECTS FUND

NEVADA DEPARTMENT OF TRANSPORTATION

As authorized by Nevada Revised Statute 244A.637, the LVCVA issued bonds to provide funding to the Nevada Department of Transportation (NDOT) for road projects along Interstate 15. A legislative mandate required the LVCVA to contribute the lesser of \$20,000,000 a year for a period of 30 years for debt service or a total of \$300,000,000 in principal to the NDOT for projects in Clark County. All bonds have been issued related to this obligation. This accounts for the expenditures of funds to the Nevada Department of Transportation. The principal and interest on outstanding debt is accounted for in the debt service section. All remaining funds have been appropriated in the FY 2018 budget for the Tropicana Pedestrian Bridge project and therefore, no planned expenditures are budgeted for in FY 2019.

HISTORICAL SCHEDULE OF CAPITAL PROJECTS FUND

The historical schedule below includes all internal capital project funds, and is shown as a single fund for external financial reporting purposes, except the LVCCD Capital Funds, which is reported separately (thus not included below).

	ACTUAL	ACTUAL	PROJECTED	PROPOSED	%
	FY 2016	FY 2017	FY 2018	BUDGET	CHANGE
				FY 2019	FY19/18
REVENUES:					
Interest and Investment Earnings	\$ 546,659	\$ 323,975	\$ 377,013	\$ 637,900	69%
Miscellaneous	850,703	1,320,442	1,134,400	-	-100%
Total Revenues	1,397,362	1,644,417	1,511,413	637,900	-58%
EXPENDITURES:					
Capital Outlay:					
Land	26,931,369	19,706,870	-	-	0%
Land Improvements	5,046,914	626,893	2,256,100	177,000	-92%
Buildings	2,426,287	2,955,426	3,316,300	2,483,315	-25%
Furniture and equipment	578,226	1,400,099	3,445,261	721,361	-79%
Construction in progress	392,396	338,367	191,690	31,536,167	16352%
Noncapitalized Assets	2,601,593	1,040,512	-	-	0%
Capital grants to other government	671,219	17,754,180	9,500,000	-	-100%
Debt Service:					
Principal	114,440	72,672	123,793	129,957	5%
Interest	5,964	10,162	12,345	6,182	-50%
Total Expenditures	38,768,408	43,905,181	18,845,491	35,053,982	86%
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,371,046)	(42,260,764)	(17,334,078)	(34,416,082)	99%
OTHER FINANCING SOURCES (USES):					
Transfers In	14,000,000	11,500,000	3,200,000	3,250,000	2%
Transfers Out	-	(3,255,000)	-	-	0%
Capital Leases	-	379,273	-	-	0%
Total Other Financing Sources (Uses)	14,000,000	8,624,273	3,200,000	3,250,000	2%
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES					
	(23,371,046)	(33,636,491)	(14,134,078)	(31,166,082)	121%
FUND BALANCE, BEGINNING (from CAFR)	102,557,696	79,186,650	45,550,159	31,416,082	-31%
FUND BALANCE, ENDING (from CAFR)	\$ 79,186,650	\$ 45,550,159	\$ 31,416,082	\$ 250,000	-99%

CAPITAL PROJECTS FUND

The summary below represents capital projects and purchases by organizational unit. A more detailed listing follows it.

EXPENDITURE SUMMARY

IMPROVEMENTS

Building Improvements

Las Vegas Convention Center	\$ 2,483,315
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Reserves

Economic Reserve	29,400,000
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Strategic Capital Fund Reserve	2,136,167
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Land Improvements

Las Vegas Convention Center	177,000
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Subtotal

34,196,482

FURNITURE /FIXTURES & EQUIPMENT

General Government

Information Technology	447,000
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Operations

Engineering	310,000
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Security	45,000
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Traffic	55,500
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Subtotal

857,500

\$ 35,053,982

Project numbers listed on the following three pages encompass a range of projects from FY 2012 to FY 2019. A project may have expenses in a prior year and also have funding in the new budget year. Additionally, a project which has been canceled in a prior year may receive funding in the new budget year. Using the original project number, we are better able to report the projects' timeline and to track the entire cost.

CAPITAL PROJECTS FUND

CONVENTION CENTER

BUILDING IMPROVEMENTS

Building improvements include such projects as additions, expansions or renovations to current buildings and upgrades or replacements of equipment attached to the buildings. Project numbers flow from year to year which allows us better tracking of the entire cost of a project.

	<u>BUDGET</u> <u>FY 2019</u>
00000.12.003 Emergency Notification System	\$1,174,315
00000.19.001 Roof Repairs - C3-C5	1,100,000
00000.19.002 Additional LVCC Surveillance Cameras	63,000
00000.19.003 Door Standardization (Lower Annex & North Road)	55,000
00000.19.004 Carpet Replacement C2 Prefunction and S1 Lobby Stairs	30,000
00000.19.005 Exterior Aesthetics of Security Control Center	16,000
00000.19.006 C-5 Loading Dock Bumper Repair	15,000
00000.19.007 ADA and Show Mgmt Post Standardization	30,000
	<u>\$2,483,315</u>

LAND IMPROVEMENTS

Land improvements are defined as land attachments of a permanent nature, other than buildings and include such items as roads, bridges, tunnels, walks, parking lots, etc.

	<u>BUDGET</u> <u>FY 2019</u>
00000.19.008 Bollards - Freight Door 9 and Porte Cochere Island	\$ 95,000
00000.19.009 Smoker's Plaza Prototype - FD 11	35,000
00000.19.010 Bronze Lot Parking Enhancement	20,000
00000.19.011 Seal Coat Silver Lot 1&2	15,000
00000.19.012 Platinum Lot Parking Enhancement	12,000
	<u>\$ 177,000</u>

MAJOR PROJECTS FOR FY 2019

EMERGENCY NOTIFICATION SYSTEM – Fire alarm strobe lights will be moved within the South Halls. In previous years this project was funded to move fire panels throughout the facility and to move fire alarm strobe lights in the Central and North Halls. This life-safety project will bring the LVCC into compliance with current building and safety codes.

ROOF REPAIRS – Field observations made during the roofing study shows that the roofing membrane over C3, C4 and C5 has deteriorated leaving openings in membrane. This allows water to penetrate the roofing system. Working with Independent Roofing Consultants, it has been determined, the roof can be restored by adding fabric reinforcement patching over the damaged areas of the membrane prior to adding an application of white acrylic topcoat over the entire section of the roof.

CART REPLACEMENT – A vast majority of the Authority's cart inventory is greater than ten years old and from a variety of manufacturers. The replacement project, which started in FY 2018 (\$650,000), aims to narrow the number of cart types which will standardize the look of the vehicles. Fewer cart types reduce the downtime for repairs as parts become interchangeable. Finally, the new carts will be street-legal in order to traverse our growing campus.

CAPITAL PROJECTS FUNDIMPACT ON OPERATING BUDGET

The various major projects are anticipated to reduce repair and maintenance costs and increase efficiency. However, none of these projects are expected to increase general fund expenditures, such as personnel.

 Departmental Furniture & Equipment

	<u>FURNITURE</u>	<u>EQUIPMENT</u>
<u>GENERAL GOVERNMENT</u>		
<u>INFORMATION TECHNOLOGY</u>		
11000.19.001 A/V Furniture	\$ 25,000	
11000.19.002 Cisco Nexus Switches		\$ 50,000
51000.17.004 PC/Laptop Leasing		186,000
11000.19.003 Safety Inspection Tablets		20,000
11000.19.004 VMWare Refresh		186,000
	<u>25,000</u>	<u>442,000</u>
 <u>OPERATIONS</u>		
<u>ENGINEERING</u>		
55041.18.001 Cart Replacement		300,000
55041.19.001 Xenotech Engraver Update		10,000
		<u>310,000</u>
 <u>SECURITY</u>		
55057.19.001 Garrett Metal Detectors		25,000
		<u>25,000</u>
 <u>TRAFFIC</u>		
55057.19.001 Double-sided LED Information Signs w/Trailers		45,000
55057.19.002 Xtreme Green Sentinel Chariots		10,500
		<u>55,500</u>
 <u>TOTALS</u>	 <u>\$ 25,000</u>	 <u>\$ 832,500</u>
	 Grand Total	 <u>\$ 857,500</u>

FIVE YEAR CAPITAL IMPROVEMENT PLAN

A Capital Improvement Plan (CIP) is a financial planning and management tool that lists proposed capital projects and capital acquisitions for a rolling five-year period. This multi-year document identifies and prioritizes the need for the improvements and acquisitions and coordinates their funding and optimal time frames for completion. It is also a process that provides order and continuity to the repair, replacement, construction or expansion of the LVCVA's facilities.

The LVCVA prepared a five-year capital improvement plan for fiscal years 2019 – 2023. It includes not only all planned capital acquisitions or projects in one fiscal year, but also multi-year equipment replacements and additions regardless of estimated individual cost. Current year projects and equipment estimated to be less than \$30,000 are included in the capital furniture and equipment listing on page 83. The first year projects (FY 2019) operating impacts have already been discussed on pages 82-83. If there are any impacts on the operating budgets for FY 2020 – 2023, they will be noted below the project name.

Following the five-year capital improvement listing is a brief narrative about the projects, in fiscal year order, with expected budgets over \$250,000. Each project narrative identifies and prioritizes the need for the improvements and acquisitions and coordinates their funding and optimal time frames for completion. Also presented are general fund impacts of said projects (personnel, services and supplies). The listing is sorted by fiscal year, location and category.

Nevada Revised Statute 350.013 requires that capital improvement plans be submitted to the Nevada State Department of Taxation and the County Clerk with the entity's Debt Management Policy and Indebtedness Report on August 1.

BUDGET PROCESS

In conjunction with the review and update of departmental objectives and preparation of the departmental annual budget, each department is required to identify and submit individual capital project requests to their respective executive.

Departments are urged to carefully assess their equipment necessities and planned improvement programs to determine the full five-year needs in an effort to encourage long-range planning instead of short-term, stop-gap, or "emergency" repairs or rehabilitation work.

For each project/acquisition, the submitter must provide a description, justification, documentation and amount of funding that is expected to be needed. In addition, any effects that the project will have on future annual operating budgets must be identified and quantified if possible. Based on the individual project details, summaries of capital funding needs over the next five years can be prepared and sources of funding identified.

The Finance Department then compiles a preliminary listing of capital projects and acquisitions for the executive review process. It is during this review process that project recommendations are accepted, deferred to later years, or changed either in time frame or funding.

Year one of the plan (budget year) is submitted to the Board of Directors for their acceptance and approval in the budget. Any projects or purchases that may have an impact on the operating budget will be footnoted and quantified if possible. The CIP does not include reserves.

FIVE YEAR CAPITAL IMPROVEMENT PLAN

LAS VEGAS CONVENTION & VISITORS AUTHORITY CAPITAL IMPROVEMENT PLAN PROJECT EXPENDITURE LISTING FISCAL YEARS 2019-2023

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
CONVENTION CENTER					
Building Improvements					
Emergency Notification System	\$ 1,174,315				
Roof Repairs - C3-C5	1,100,000				
Additional LVCC Surveillance Cameras	63,000				
Door Standardization (Lower Annex & North Road)	55,000				
Carpet Replacement C2 Prefunction and S1 Lobby Stairs	30,000				
ADA and Show Mgmt Post Standardization	30,000				
Exterior Aesthetics of Security Control Center	16,000				
Loading Dock Bumper Repairs	15,000				
Exterior Building Lighting Project		\$ 210,000	\$ 150,000		
Central Plant - Condenser Pump & VFD		188,000			
Central Plant Hot Water Boilers Burner Upgrade		138,500			
Aggregate Wall Conversions - N & C Halls		95,000			
Blue Lot-Bronze Lot Ride Share Shade Structures		85,000			
South Hall Water Heater Upgrade		85,000			
South Hall Security Office Remodel		60,000			
South Hall Roof Drain Relining			275,000		
Central Plant - Ventilation Wall of Cooling Tower Area			150,000		
Rapid Roll-Up Door Replacements			123,500		
S-1 Lobby Receptacles			80,000		
Vertical Metal Gray Siding Repair			75,900		
White Wall Insulation Panels - C3-C5				\$ 200,000	
Subtotal	2,483,315	861,500	854,400	200,000	-
Land Improvements					
Bollards - Freight Door 9 and Porte Cochere Island	95,000				
Smoker's Plaza Prototype - FD 11	35,000				
Seal Coat Silver Lot 1 & 2	20,000				
Bronze Lot Parking Enhancement	15,000				
Platinum Lot Parking Enhancement	12,000				
Orange Lot-C Halls Concrete, Curbing & FD Aprons Replacement		598,000			
Wash Rack Covered Storage - Orange Lot		160,000			
Blue Lots Reconfiguration		90,000			
JW Brown Landscaping/Fence/Gates			175,000		
Bronze Lot (Fog seal and re-stripe lot)			80,000		
Orange Lots 1&2 Surface Repairs				559,600	
Platinum Lot - Crack seal, seal coat and re-stripe				125,000	
S2 Plaza Reconfiguration				79,500	
Loading Dock 7 & 8 - Wall Protection Installation				60,000	
Subtotal	177,000	848,000	255,000	824,100	-

FIVE YEAR CAPITAL IMPROVEMENT PLAN

**LAS VEGAS CONVENTION & VISITORS AUTHORITY
CAPITAL IMPROVEMENT PLAN
PROJECT EXPENDITURE LISTING
FISCAL YEARS 2019-2023**

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
CONVENTION CENTER					
Furniture & Equipment					
Cart Replacement	300,000	300,000			
Capital Computer Lease	186,000	186,000	200,000	200,000	200,000
VMWare Refresh	186,000				
Other (less than \$30K)	90,500	109,500	71,500	46,000	55,000
Cisco Nexus Switches	50,000				
LED Information Signs w/Trailers	45,000				
Boardroom Voting System Replacement		249,000			
VMWare Workspace		165,800			
Skywatch		140,000			140,000
Sweeper Truck		115,000			
HP Direct Printer		95,000			
Mobile Surveilannce Trailer		75,000			
Patrol Vehicle		35,000			
Tables			134,000	150,000	170,000
Scrubber			65,000	106,000	65,000
Chairs				500,000	500,000
DOT Signs					35,000
Utility Truck					35,000
Subtotal	857,500	1,470,300	470,500	1,002,000	1,200,000
TOTAL – FIVE YEAR CAPITAL PLAN	\$ 3,517,815	\$ 3,179,800	\$ 1,579,900	\$ 2,026,100	\$ 1,200,000

The five year capital plan related to Phase Two and Phase Three of the LVCCD project is shown on page 76.

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Emergency Notification System**

Project Number **0000012003.09**

Project Description

Fire alarm strobe lights have already been moved in the North and Central Halls. In addition, fire panels were replaced throughout the whole facility and new strobe lights and speakers were installed. In FY 2019 strobe lights will be moved in the South Hall.



Project Justification

The fire alarm strobe lights, used as a visual notification system to building occupants in an emergency situation, can easily become blocked from view during shows in the Central, North and South Halls. The blocked strobes create building and life safety code violations with government agencies and create a risk management situation for the facility. Relocating the fire alarm strobes to higher elevations will remove the life safety risk, increase client safety and satisfaction, and bring the LVCC into compliance with current building and life safety codes.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

Expenditures	2019	2020	2021	2022	2023	Total
Land Improvements						
Building Improvements	\$ 1,174,315					\$ 1,174,315
Capital Improvement Program						

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Roof Repairs C3-C5**

Project Number **0000019001.09**



Project Description

A 2017 independent roofing consultant surveyed all of the LVCC roofs. The survey identified the C-Halls as the most deteriorated and as such C1-C2 (247,541 sq ft) were completed in FY 2018. The balance of the C-Halls (477,647 sq ft) will be completed in FY 2019.

Project Justification

Staff have been working with Independent Roofing Consultants since 2017. Field observations made during the roofing study shows that the roofing membrane over C3, C4 and C5 has deteriorated leaving openings in membrane. This allows water to penetrate the roofing system. Working with Independent Roofing Consultants, it has been determined the roof can be restored by adding fabric reinforcement patching over the damaged areas of the membrane prior to adding an application of white acrylic topcoat over the entire section of the roof. This process will restore the integrity of the roofing surface.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

Expenditures	2019	2020	2021	2022	2023	Total
Land Improvements						
Building Improvements	\$ 1,100,000					\$ 1,100,000
Capital Improvement Program						

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Exterior Building Lighting**

Project Number **0000017005.09**



Project Description

Remove and replace all existing HID light fixtures throughout the campus with LED efficient lighting.

Project Justification

Existing exterior HID lighting is inefficient technology. Many of these fixtures are original to the facility and the lumens produced are below industry standards in areas of aesthetics and security. Many of the current fixtures are now obsolete with replacement parts becoming hard to find. The EPA continues to improve energy standards and guidelines; banning incandescent lighting, followed by fluorescent, and soon, HID's will be banned as well. Improving the aesthetics of the area will increase usability and efficiency. LED's will increase lumens, improve quality of light, improve security, and lower energy consumption by as much as 70%.

Fiscal Impact

This project is expected to reduce maintenance and staffing costs associated with lighting repairs by approximately \$12,000 annually.

Expenditures	2019	2020	2021	2022	2023	Total
Land Improvements						
Building Improvements		\$ 210,000	\$ 150,000			\$ 360,000
Capital Improvement Program						

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Orange Lot Freight Door Aprons**

Project Number **FY 2020 Project**



Project Description

Replace all freight doors' concrete, including aprons and curbing, from Orange Lot 1 into Central Halls; approximately 7,200 square feet.

Project Justification

Constant use has seriously deteriorated the concrete to a point that patching and making repairs would not help prolong the useful life of the surface. Replacement of the existing concrete with new, high strength concrete, would help to withstand the heavy use in these areas. Also, removing most of the curb and gutter and sloping the concrete from the building to match the grade of the lot would make access easier in these areas.

Fiscal Impact

This project is expected to reduce maintenance and staffing costs associated with concrete repairs by approximately \$10,000 annually.

Expenditures	2018	2019	2020	2021	2022	Total
Land Improvements			\$ 598,000			\$ 598,000
Building Improvements						
Capital Improvement Program						

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **South Hall Roof Drain Relining**

Project Number **FY 2021 Project**



Project Description

Reline 27 South Hall roof drains.

Project Justification

Air conditioning condensation lines in the South Hall are deteriorating. Lines are scaling, rusting and chipping; constantly blocking the flow of waste water to the main drain. Deteriorated drains are causing water backup damage in client booths.

Fiscal Impact

Reduction of risk and potential costs from water damage.

Expenditures	2019	2020	2021	2022	2023	Total
Land Improvements						
Building Improvements			\$ 275,000			\$ 275,000
Capital Improvement Program						

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Orange Lot Resurfacing**

Project Number **FY 2022 Project**



Project Description

Resurfacing or repaving of Orange Lots 1&2.

Project Justification

In the last twenty years the asphalt in both Orange Lots 1 and 2 has endured exhibit space usage, weather, UV light damage, and pooling water which have deteriorated the asphalt surface. Additionally, multiple construction projects have removed and resurfaced areas on the Orange Lot asphalt several times making the lot visually displeasing. Continued usage will begin to increase the safety risk to staff, visitors, and vehicles.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

Expenditures	2019	2020	2021	2022	2023	Total
Land Improvements				\$ 559,600		\$ 559,600
Building Improvements						
Capital Improvement Program						

DEBT SERVICE FUND SUMMARY

Most of the LVCVA's outstanding debt obligations are general obligation (G.O.) bonds of Clark County, acting by and through the LVCVA. General obligation bonds are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, represented primarily by room taxes. The LVCVA has never resorted to the use of property taxes for debt service, using only net pledged revenues derived from operations. In fact, no ad valorem property tax revenues are allocated to the LVCVA for any purpose. No change in this practice is contemplated. Three of LVCVA's obligations are revenue bonds, which are secured by room taxes and the facilities revenue generated by the LVCVA.

As required by Nevada Revised Statute 244A.637 the LVCVA issued bonds to provide funding for the Nevada Department of Transportation (NDOT). A legislative mandate in 2007 required the LVCVA to contribute the lesser of \$20 million a year for a period of 30 years for debt service or a total of \$300 million in principal to NDOT for projects in Clark County. The initial issuance of \$26,455,000 was completed in August 2008. In January 2010, an additional \$99,640,000 was issued and the remaining balance of \$173,905,000 was issued in December 2010. The FY 2010 and FY 2011 issuances for NDOT funding included over \$226 million in Build America Bonds (BAB's), which are anticipated to save more than \$65 million, factoring in federal sequestration reductions, in interest expenses over the term of the bonds as a result of a federal subsidy. The 2008 and 2010C issuances have been refunded in FY 2017 and FY 2018 respectively, resulting in over \$20 million of total savings. Additionally, the 2010C was completed as a crossover refunding, so the full outstanding principal remains on the LVCVA's outstanding debt list until the ten-year call date in 2020. The \$138.8 million in refunding is held in escrow to pay principal and interest until 2021 and then pays off the bonds.

Obligation Name and Type	Original Issue	Semi-Annual Interest	Final Maturity	Outstanding Principal 6/30/2018
07/08 NDOT (G.O.)	26,455,000	4.0-5.0%	FY 2019	\$ 630,000
2010A NDOT BABS (G.O.)	70,770,000	6.5-6.7%	FY 2039	70,770,000
2010B NDOT (G.O.) ¹	28,870,000	2.0-5.0%	FY 2023	13,660,000
2010B Refunding (G.O.) ¹	24,650,000	2.0-5.0%	FY 2027	24,010,000
2010C NDOT BABS (G.O.)	155,390,000	4.0-7.0%	FY 2039	146,620,000
2012A Land (G.O.)	24,990,000	2.0-4.0%	FY 2033	20,805,000
2014 LVCC Expansion & Renovation Phase I (G.O.)	50,000,000	2.0-5.0%	FY 2044	50,000,000
2015 Refunding Series (G.O.) ²	72,370,000	2.0-5.0%	FY 2022	44,285,000
2015 Refunding Series LOC (G.O.) ²	109,435,000	2.0-5.0%	FY 2045	109,435,000
2016 Line of Credit (Revenue) ³	300,000,000	variable	FY 2019	1,000,000
2016C Refunding Land (Revenue)	100,705,000	3.0-5.0%	FY 2047	100,705,000
2017 2008 Refunding (G.O.)	21,175,000	3.0-5.0%	FY 2039	21,175,000
2017B Refunding 2010E (Revenue)	71,005,000	3.25-5.0%	FY 2041	71,005,000
2017C Refunding 2010C Crossover (G.O.)	126,855,000	3.0-5.0%	FY 2039	126,855,000
2018A LVCCD Phase Two (G.O.) ⁴	200,000,000	3.5-5.0%	FY 2048	200,000,000
Total Outstanding Principal as of 6/30/18				\$ 1,000,955,000

⁽¹⁾ Total Issue for 2010 B was \$53,520,000

⁽²⁾ Total Issue for 2015 was \$181,805,000

⁽³⁾ Subordinate debt

⁽⁴⁾ LVCCD restricted debt

Included in the overall outstanding debt of the LVCVA is bond issuances restricted to the LVCCD project. Specific information regarding revenues, expenditures and fund balance can be found in the LVCCD Debt Service Fund on page 77.

DEBT SERVICE FUND SUMMARY

Monthly transfers from the General Fund are made to fund interest payments due on January 1 and principal and interest payments due on July 1. These funds are invested in the interim, and interest earned on the investments is transferred back to the General Fund. The budgeted ending fund balances of the Debt Service Funds are sufficient to pay principal and interest due on the first day (July 1) of the next fiscal year. The budgeted ending fund balance in the Debt Service Funds at June 30, 2019 is \$178.4 million. Of that balance, \$138.8 is retained in escrow related to the 2017C crossover refunding bonds of the 2010C NDOT bonds.

BOND ISSUE PROCESS

As a governmental entity, the LVCVA must follow Nevada Revised Statute 350.013. This statute requires filing several reports with the Debt Management Commission prior to August 1 of each year regardless if new debt is being contemplated or not. These reports include a complete statement of current general obligation debt and a report of current debt and retirement schedules, a complete statement of general obligation debt contemplated, the entity's debt management policy and a five-year capital improvement plan.

The debt management policy must contain the following discussions:

- A discussion of ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;
- A discussion of capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;
- A discussion of general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this state;
- A discussion of general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;
- Policy regarding the manner in which the municipality expects to sell the debt;
- A discussion of sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;
- A discussion of its operational costs and revenue sources, for the ensuing five fiscal years, associated with each project included in its plan for capital improvement.

LVCVA Debt Compliance Policy

The LVCVA Debt Issuance Compliance Policy was adopted in FY 2010 and is applicable to all debt issuance activities of the LVCVA. In 2017 the policy received the "Certification of Excellence" from the Association of Public Treasurers of the US and Canada. The policy establishes the requirements and procedures for ensuring compliance with federal laws relating to the issuance and post-issuance monitoring of tax-exempt bonds and taxable Direct Pay Bonds.

Post-issuance compliance responsibilities include:

- Tracking that proceeds of a debt issuance are spent on qualified tax-exempt debt purposes;
- Maintaining detailed records of all expenditures and investments related to debt funds;
- Ensuring the project financed is used in a manner consistent with the legal requirements;
- Providing necessary disclosure information regarding financial and operating status annually.

DEBT SERVICE FUND SUMMARY

DEBT SERVICE FUNDS

	ACTUAL FY 2016	ACTUAL FY 2017	PROJECTED FY 2018	PROPOSED BUDGET FY 2019
REVENUES:				
Interest & Investment Earnings	\$ 197,823	\$ 154,298	\$ 191,100	\$ 170,300
Federal Grant Subsidy	<u>4,773,723</u>	<u>4,711,257</u>	<u>4,663,956</u>	<u>3,419,871</u>
Total Revenues	<u>4,971,546</u>	<u>4,865,555</u>	<u>4,855,056</u>	<u>3,590,171</u>
EXPENDITURES:				
Principal	27,665,000	98,020,000	27,865,000	28,210,000
Interest	34,310,622	35,372,829	38,173,190	48,448,293
Debt Issuance Costs	-	<u>1,013,919</u>	<u>1,553,923</u>	-
Total Expenditures	<u>61,975,622</u>	<u>134,406,748</u>	<u>67,592,113</u>	<u>76,658,293</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,004,076)	(129,541,193)	(62,737,057)	(73,068,122)
OTHER FINANCING SOURCES (USES):				
Transfers In	58,082,039	67,436,648	61,115,286	58,500,000
Proceeds of Debt Issuance	-	192,080,000	197,860,000	-
Premium on Debt Issuance	-	13,870,085	19,359,398	-
Refunding Bonds Issued	-	(135,516,402)	(84,532,839)	-
Transfers Out	<u>(192,000)</u>	<u>(1,192,918)</u>	<u>(191,100)</u>	<u>(170,300)</u>
Total Other Financing Source (Uses)	<u>57,890,039</u>	<u>136,677,413</u>	<u>193,610,745</u>	<u>58,329,700</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	885,963	7,136,220	130,873,688	(14,738,422)
FUND BALANCE, BEGINNING	<u>54,210,795</u>	<u>55,096,758</u>	<u>62,232,978</u>	<u>193,106,666</u>
FUND BALANCE, ENDING	<u><u>\$ 55,096,758</u></u>	<u><u>\$ 62,232,978</u></u>	<u><u>\$ 193,106,666</u></u>	<u><u>\$ 178,368,244</u></u>

DEBT SERVICE FUND SUMMARY

Since the LVCVA's establishment in 1959, room taxes have provided sufficient funding for debt service. The economic forecast does not indicate any reversal of this trend. Annual bonded fixed rate debt service requirements, for both the LVCCD and non-LVCCD Debt, for the next 30 years:

FYE	Principal (in \$)	Interest (in \$)	Total (in \$)
6/30/2019	\$ 28,210,000	\$ 44,203,267	\$ 72,413,267
6/30/2020	27,830,000	44,816,841	72,646,841
6/30/2021	15,855,000	43,851,411	59,706,411
6/30/2022	22,280,000	42,994,281	65,274,281
6/30/2023	26,125,000	41,777,026	67,902,026
6/30/2024	30,315,000	40,329,753	70,644,753
6/30/2025	31,720,000	38,722,975	70,442,975
6/30/2026	33,185,000	37,043,721	70,228,721
6/30/2027	35,750,000	35,244,030	70,994,030
6/30/2028	32,000,000	33,483,515	65,483,515
6/30/2029	33,460,000	31,708,721	65,168,721
6/30/2030	34,970,000	29,925,050	64,895,050
6/30/2031	36,500,000	28,087,748	64,587,748
6/30/2032	38,090,000	26,183,672	64,273,672
6/30/2033	39,715,000	24,255,893	63,970,893
6/30/2034	39,525,000	22,369,408	61,894,408
6/30/2035	41,085,000	20,481,120	61,566,120
6/30/2036	42,720,000	18,497,832	61,217,832
6/30/2037	44,370,000	16,457,479	60,827,479
6/30/2038	46,115,000	14,336,717	60,451,717
6/30/2039	44,735,000	12,163,038	56,898,038
6/30/2040	17,420,000	10,733,386	28,153,386
6/30/2041	18,120,000	10,018,295	28,138,295
6/30/2042	13,315,000	9,383,518	22,698,518
6/30/2043	13,855,000	8,833,769	22,688,769
6/30/2044	14,410,000	8,262,494	22,672,494
6/30/2045	52,370,000	6,923,800	59,293,800
6/30/2046	47,830,000	4,919,800	52,749,800
6/30/2047	50,245,000	2,958,300	53,203,300
6/30/2048	48,835,000	976,700	49,811,700
	\$ 1,000,955,000	\$ 709,943,558	\$ 1,710,898,558

*Payment for the 2010C is a crossover refunded bond and will not be paid out of existing resources, but out of escrow.

Currently, the LVCVA's bonds issued through Clark County are rated "AA+" by Standard and Poor's and "Aa1" by Moody's. LVCVA's underlying bond rating is "A+" issued by Standard and Poor's and "A1" issued by Moody's.

DEBT LIMITS AND CAPACITY

CLARK COUNTY, NEVADA
AS OF JUNE 30, 2017

	Las Vegas Convention & Visitors Authority	Clark County
Approximate Assessed Valuation (1)	\$ 77,201,273,046	\$ 77,201,273,046
Bonded Debt Limit (2)	5%	10%
Statutory Debt Limitation	3,860,063,652	7,720,127,305
Less:		
Amount of Debt Applicable to Debt Limit	527,450,000 (3)	1,403,176,292 (4)
Total General Obligation Indebtedness Available	\$ 3,332,613,652	\$ 6,316,951,013

(1) This is the net total assessed value for the secured and estimated unsecured property for Clark County, Nevada for FY 2017. It includes the assessed valuation of the redevelopment agencies. These values are included for purposes of calculating the debt limit but are not subject to County taxation for the retirement of general obligation bonded indebtedness. This valuation is used to determine the LVCVA's debt margin since our debt is issued in the name of the County as described below.

(2) State statute requires debt issued by the LVCVA to be issued in the name of the County. The LVCVA's Board of Directors is empowered to issue general obligation bonds, which are secured by the full faith and credit of the County and are additionally secured by a pledge of revenues derived by the LVCVA. Nevada Revised Statute (NRS) 244A.653 states that the County may not become indebted in excess of 5 percent of the total last assessed valuation of taxable County property for the issuance of general obligation bonds designated for County recreational purposes. This requirement applies to the LVCVA.

NRS 244A.059 limits the aggregate principal amount of the County's general obligation debt to 10 percent of the County's total reported assessed valuation.

(3) The LVCVA's Outstanding General Obligation includes general obligation bonds and medium-term obligations.

(4) Clark County's Outstanding General Obligation Indebtedness includes general obligation bonds, general obligation revenue bonds, notes and medium-term obligations.

DEBT SERVICE – BOND COVERAGE

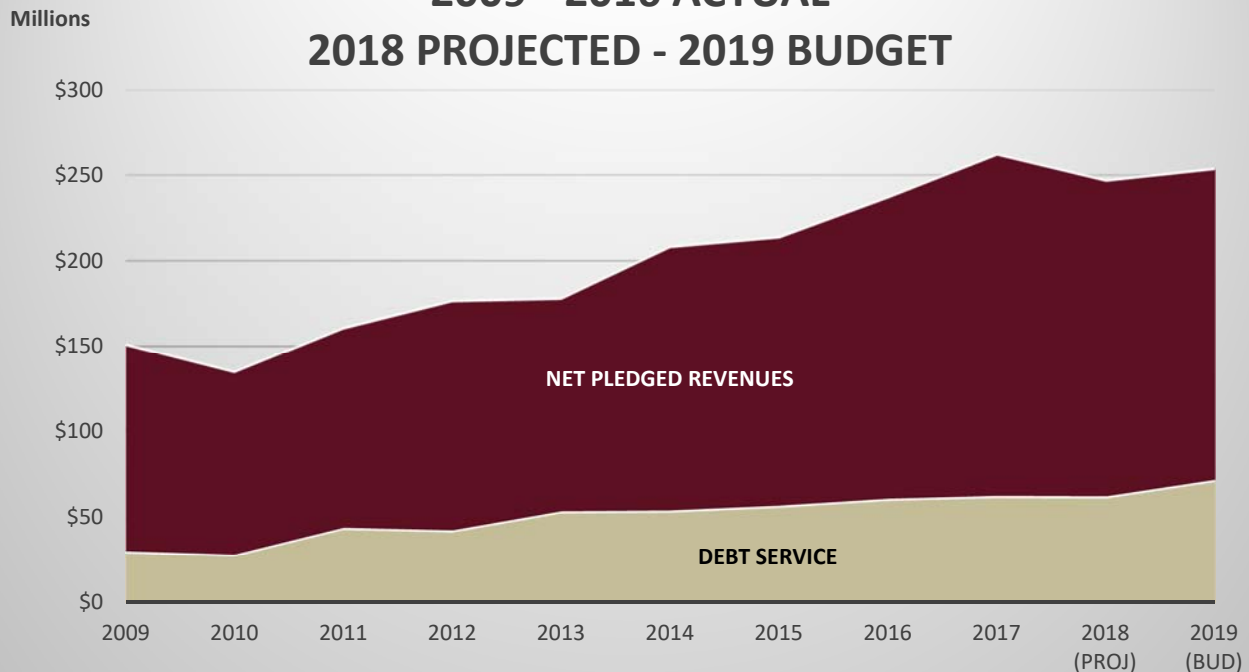
The LVCVA's general obligation bonds constitute direct and general obligations of Clark County. All debt is additionally secured by a pledge of revenues consisting of gross revenues derived from the operation and use of facilities, plus room and gaming taxes (gross pledged revenues), less operating and maintenance expenses of the facilities and collection allocation.

Gross pledged revenues also include interest income and miscellaneous fees and charges in the General Fund and transfers in from the Debt Funds. Operating and maintenance expenditures include general government, operations and collection allocation. Also included are those marketing expenditures related only to the sales effort of the Las Vegas Convention Center. The calculation below is based on general obligation bond documents.

FISCAL YEAR	GROSS REVENUES	MAINTENANCE EXPENDITURES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL AND INTEREST	DEBT SERVICE COVERAGE
2008	282,743,913	81,762,821	200,981,092	23,989,130	8.4x
2009	225,682,302	74,174,827	151,507,475	30,454,599	5.0x
2010	200,886,994	65,614,509	135,272,485	28,562,969	4.7x
2011	227,600,497	66,460,656	161,139,841	44,321,298	3.6x
2012	250,917,732	73,815,376	177,102,356	42,754,341	4.1x
2013	253,121,291	74,631,057	178,490,234	53,951,716	3.3x
2014	285,749,837	77,050,163	208,699,674	54,393,473	3.8x
2015	293,340,228	78,998,993	214,341,235	57,183,145	3.7x
2016	322,769,973	85,126,979	237,642,994	61,252,680	3.9x
2017	351,597,011	88,906,255	262,690,756	62,892,859	4.2x
2018 (proj)	341,829,400	94,368,200	247,461,200	62,693,064	3.9x
2019 (bud)	349,005,400	94,769,700	254,235,700	72,347,189	3.5x

*Includes both LVCCD and non-LVCCD Debt

DEBT SERVICE AND NET PLEDGED REVENUES 2009 - 2016 ACTUAL 2018 PROJECTED - 2019 BUDGET



DEBT SERVICE – HISTORICAL PERSPECTIVE

The schedule below presents a historical record of all debt issued by the LVCVA since it was established.

DATE ISSUED	ORIGINAL ISSUE AMOUNT	INTEREST RATE	PURPOSE	STATUS	DATE RETIRED/DEFEASED
2018A ¹	200,000,000	3.5-5.0%	G.O. - LVCCD Phase II G.O. Debt Issuance.	Outstanding - Final payment FY 2048	Outstanding
2017C	126,855,000	3.0-5.0%	G.O. - Crossover refunding of 2010C	Outstanding - Final Payment date FY 2039	Outstanding
2017B	71,005,000	3.25-5.0%	Revenue - Advance refunding of 2010E	Outstanding - Final payment FY 2041	Outstanding
2017A	21,175,000	3.0-5.0%	G.O. - Advance refunding of 2008 GO	Outstanding - Final Payment date FY 2039	Outstanding
2016C	100,705,000	3.0-5.0%	Revenue - Refund 11/07 Bonds (\$41,505,000) and 2016B Payoff Term Loan (\$69,200,000)	Outstanding - Final Payment date FY 2047	Outstanding
2016 LOC ²	300,000,000	variable	Revenue - Revolving Line of Credit up to \$300 million, with a maximum of \$100 million outstanding at any time	Outstanding - Final Payment date FY 2019	Outstanding
2015	181,805,000	2.0-5.0%	G.O. - \$72,370,000 to refund 3/05 and partial 5/07; \$109,435,000 for principal reduction on Line of Credit	Outstanding - Final Payment date FY 2022 and FY 2022	Outstanding
2014	50,000,000	2.0-5.0%	G.O. - LVCC expansion and renovation project Phase I	Outstanding - Final Payment date FY 2044	Outstanding
2012A	24,990,000	2.0-4.0%	G.O. - Purchase land	Outstanding - Final Payment date FY 2033	Outstanding
2010E	81,925,000	4.0-5.5%	Refund Commercial Paper	Refunded by 2017B-Closed 12/21/17	12/21/2017
2010D	18,515,000	3.0-5.0%	Nevada Department of Transportation	Outstanding - Final Payment date FY 2016	7/1/2015
2010C	155,390,000	4.0-7.0%	G.O. - Nevada Department of Transportation	Outstanding - Final Payment date FY 2039	Outstanding
2010B	53,520,000	2.0-5.0%	G.O. - \$28,870,000 - NDOT; \$24,650,000 refund 1998A bonds	Outstanding - Final Payment date FY 2023 and FY 2027	Outstanding
2010A	70,770,000	6.55-6.75%	G.O. - Nevada Department of Transportation	Outstanding - Final Payment date FY 2039	Outstanding
FY 2008	80,000,000	variable	Issue commercial paper for the Las Vegas Convention Center's Master Plan Enhancement Program	Partially issued. Board authorized issuance of \$822,000,000, (\$680 million in Feb. 2006 and \$142 million in May 2007). Program closed. Revenue bonds in January 2011 to fully redeem all outstanding commercial paper.	1/31/2011
07/08	26,455,000	4.0-5.0%	G.O. - Nevada Department of Transportation	Outstanding – Advance refunding by 2017A and final payment FY 2019	Outstanding
FY 2007	16,000,000	variable	Issue commercial paper for the Las Vegas Convention Center's Master Plan Enhancement Program	Partially issued. Board authorized issuance of \$822,000,000, (\$680 million in Feb. 2006 and \$142 million in May 2007). Program closed. Revenue bonds in January 2011 to fully redeem all outstanding commercial paper.	1/31/2011

¹ LVCCD restricted debt

² Subordinate debt

DEBT SERVICE – HISTORICAL PERSPECTIVE

HISTORICAL RECORD (continued)

DATE ISSUED	ORIGINAL ISSUE AMOUNT	INTEREST RATE	PURPOSE	STATUS	DATE RETIRED/DEFEASED
11/07	50,000,000	4.0-6.0%	Purchase land	Refunded with 2016C	7/20/2016
05/07	38,200,000	4.0-5.5%	Refunded 8/96 Bonds	Advance refund in April 2015. Final payment date FY 2018	7/20/2015
03/05	118,745,000	3.0-5.25%	Refund a portion of the 11/99 bonds	Refunded in April 2015. Final payment date FY 2016	7/1/2015
05/03	35,075,000	1.2-2.1%	Refund 8/93 Bonds	Retired	7/1/2008
11/99	150,000,000	4.8-6%	Expansion of Convention Center	Partially refunded by 3/05 – Called in FY 2011	6/30/2011
4/1/98B	5,020,000	4.50%	Grant to the University of Nevada Las Vegas for the purpose of improvements to the Thomas and Mack Center and Sam Boyd Stadium	Retired	7/1/2003
4/1/98A	36,200,000	4.7-5.1%	Refund a portion of 8/1/93 and 9/1/96 bonds	Refunded by 01/10 B	1/31/2010
9/1/1996	97,425,000	5.4-6%	Expansion of Convention Center & Cashman Center, refund 6/1/86 bonds	Partially refunded by 98A and 5/07	7/1/2008
8/1/1993	80,530,000	4.8-5.2%	Purchase land; refund a portion of 6/1/88 bonds	Partially refunded by 98A and 5/03	7/1/2003
6/1/1988	35,000,000	7-10%	Expansion of Convention Center	Partially refunded by 8/1/93 bonds	7/1/1998
6/1/1986	38,240,000	5.9-8%	Refund portion of 12/1/82 bonds	Refunded by 9/1/96 bonds	9/1/1996
12/1/1982	52,825,000	7-10.9%	Refund 7/73, 8/76, 7/80 and 10/80 bonds	Retired	7/1/1993
10/1/1980	20,000,000	9%	Purchase land; expansion of East Hall and cafeteria; construction of pedestrian bridge; \$2.5 million for recreation grants	Refunded by 12/1/82 bonds	12/1/1982
7/1/1980	22,000,000	7-8.5%	Cashman Center construction	Refunded by 12/1/82 bonds	12/1/1982
8/31/1976	12,225,000	6.2-6.3%	Refund 5/1/75 bonds	Refunded by 12/1/82 bonds	12/1/1982
5/1/1975	12,000,000	7-8%	East Hall and kitchen expansion; warehouse and meeting rooms annex construction	Refunded by 8/31/76 bonds	8/31/1976
7/1/1973	6,960,000	4.5-5.3%	Refund 1/15/71 bonds	Refunded by 12/1/82 bonds	1/1/1985
1/15/1971	7,500,000	4.5-5%	East Hall expansion - \$6,500,000; stadium construction - \$1 million	Refunded by 7/1/73 bonds	1/15/1982
7/15/1963	4,790,000	3.50%	Refund 1/15/57 and 12/15/58 bonds	Retired	7/15/1973
12/15/1958	1,000,000	4-4.25%	\$500,000 for construction; \$500,000 for recreation grants	Refunded by 7/15/63 bonds	1/15/1968
1/15/1957	4,500,000	5%	Original construction of Convention Center	Refunded by 7/15/63 bonds	1/15/1977

OPEB FUND

Employees of state and local governments may earn benefits over their years of service that will not be received until after their employment with the government ends through retirement or other reason for separation. Post-employment benefits generally take the form of pensions and healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. LVCVA retirees may participate in the employee health insurance programs, which results in an implicit rate impact that affects the plan premiums. These rate impacts are considered Other Post-Employment Benefits (OPEB) obligation.

The Governmental Accounting Standards Board (GASB) established standards for how governmental employers should account for and report on OPEB through GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB believes that OPEB is part of the compensation that employees earn each year, even though these benefits are not received until after employment has ended. Therefore, the cost of these future benefits should be reported as a part of the cost of providing public services today.

The LVCVA has complied with GASB 45 reporting standards since FY 2008 and reports our accumulating liability for future OPEB costs. However, we have continued a “pay-as-you-go” program of funding only current year premium costs, which is consistent with most other state and local governments. This practice does not provide for the compounding growth of the unfunded liability, which is reported in our annual financial statements.

Accumulating funds specifically restricted for the OPEB liability is a fiscally responsible practice and credit rating agencies factor this action into their assessment of credit ratings. In September 2011, the Board approved a policy statement addressing OPEB and establishing a formal plan of action to fund the growing liability. The statement directed the creation of an OPEB Fund to account for cash held in reserve to offset the liability for post-employment benefits. The LVCVA has completed yearly transfers to this fund since FY 2013. For FY 2019, the tentative budget incorporates a total of \$28 million in assets allocated to OPEB funding. The annual funding requirement will be re-evaluated based on biannual actuarial studies and new GASB pronouncements.

	ACTUAL FY 2016	ACTUAL FY 2017	PROJECTED FY 2018	PROPOSED BUDGET FY 2019	% CHANGE FY19/18
REVENUES:					
Interest	\$ 144,485	\$ 210,917	\$ 203,900	\$ 464,500	128%
Unrealized Gain/(Loss)	116,811	(144,538)	-	-	0%
Total Revenues	<u>261,296</u>	<u>66,379</u>	<u>203,900</u>	<u>464,500</u>	<u>128%</u>
EXPENDITURES:					
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	261,296	66,379	203,900	464,500	128%
OTHER FINANCING SOURCES (USES):					
Transfers In	4,500,000	10,500,000	2,500,000	100,000	-96%
Source (Uses)	<u>4,500,000</u>	<u>10,500,000</u>	<u>2,500,000</u>	<u>100,000</u>	<u>-96%</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	4,761,296	10,566,379	2,703,900	564,500	-79%
FUND BALANCE, BEGINNING	<u>9,585,558</u>	<u>14,346,854</u>	<u>24,913,233</u>	<u>27,617,133</u>	<u>11%</u>
FUND BALANCE, ENDING	<u>\$ 14,346,854</u>	<u>\$ 24,913,233</u>	<u>\$ 27,617,133</u>	<u>\$ 28,181,633</u>	<u>2%</u>

PERSONNEL ALLOCATION

SUMMARY OF PERSONNEL REQUESTS

Budget Process

In the early stages of the budget process, personnel requests along with detailed justifications and other supporting documentation are submitted. Budget meetings and further analysis result in a reduction of requests. Every effort is made to limit the number of new employees while ensuring efficient operation of the LVCVA.

The LVCVA's commitment to and investment in the organization's employees is a fundamental objective of the updated strategic business plan. In FY 2011, 67 vacant positions were eliminated from the overall number of authorized positions. The Authority held flat at the 505 position level for three years, then was approved for five additional Perimeter Security Officer positions in both FY 2014 and FY 2015.

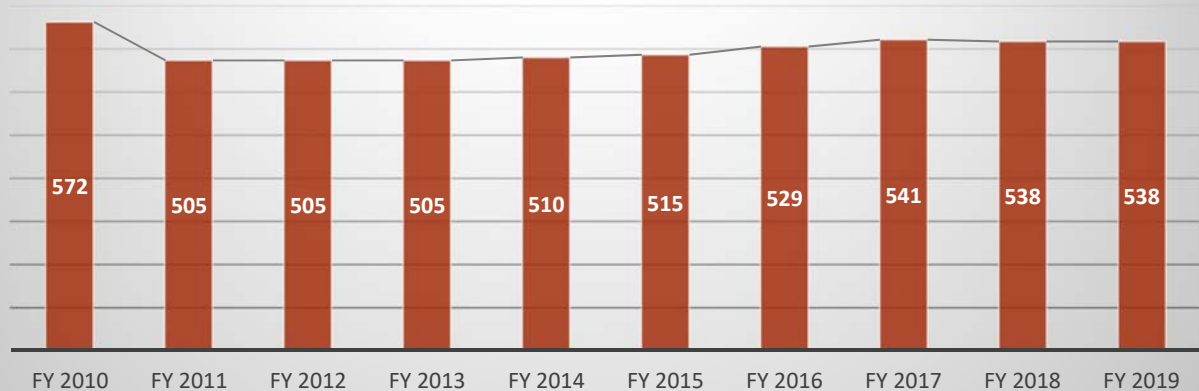
In FY 2016, the LVCVA Board approved 14 new positions, of which six were allocated to the Customer Safety Department to ensure the safety of our facilities for our meeting and tradeshow attendees. The other positions were needed to meet the increased demand of day to day operations and to support the leadership structure for LVCVA's Five-Year Vision Plan.

Additionally, the LVCVA Board approved 12 new full-time positions for FY 2017. Of those positions, four are devoted to the Customer Safety Department to demonstrate our continued efforts to enhance security presence both in the facility as well as around the campus. Five new positions were added in FY 2018 to primarily focus on and support increasing technology demands, operational efficiency, network security and will be used to provide support for LVCVA's international efforts as we continue to expand and position ourselves as a global tourism leader.

On January 1, 2018, all meeting, convention and theater space at Cashman Center was closed pursuant to the Real Property Transfer Agreement with the City of Las Vegas. Therefore, eight positions associated with that space were eliminated from the authorized positions.

Although the LVCVA has 538 authorized positions, it is still 5.9% below our pre-recession FTE level of 572.

FULL-TIME EMPLOYEE 10 YEAR HISTORY



PERSONNEL ALLOCATION

SUMMARY OF AUTHORIZED POSITIONS by Organizational Unit/Section

	FYE 6/30/2015	FYE 6/30/2016	FYE 6/30/2017	FYE 6/30/2018	FYE 6/30/2019
<i>GENERAL GOVERNMENT</i>	81	83	107	106	106
Executive	16	16	17	13	13
Finance ¹	37	39	61	64	64
People & Possibilities	8	10	11	11	11
Public Affairs	20	18	18	18	18
<i>MARKETING</i>	125	130	134	138	138
Sales	33	35	37	37	38
Convention Services	15	15	15	15	14
Marketing Systems	7	7	7	7	7
International Sales	9	9	16	16	14
Leisure Sales	10	11	10	10	10
Registration	4	4	4	4	4
Research Center	7	7	7	7	7
Sports Marketing	1	1	1	1	3
Industry Relations	7	8	8	8	8
Visitor Information	17	17	17	17	17
Brand Strategy	11	12	7	11	11
Customer Experience	4	4	5	5	5
<i>OPERATIONS</i>	309	316	300	294	294
Client Services	112	112	112	108	108
Engineering	92	94	96	92	92
Engineering Projects	4	3	2	4	4
Information Technology ¹	21	21	--	--	--
Fire Prevention	5	5	5	5	5
Customer Safety	47	62	64	64	64
Traffic	28	19	21	21	21
<i>TOTAL LVCVA</i>	515	529	541	538	538

1. In FY 2017, a realignment took place and Information Technology was moved into the Finance department under the General Government division.

PERSONNEL ALLOCATION

ENGINEERING PROJECTS (Operations)	4	CLIENT SERVICES (Operations)	108
Senior Vice President of Operations	1	Director of Client Services	1
Project Manager	2	Services Manager	3
Executive Assistant	1	Administrative Secretary	1
		Services Supervisor	9
ENGINEERING (Operations)	92	Services Support Technician	3
Director of Engineering	1	Service Worker	43
Director of Facility Operations	1	Custodian	48
Senior Manager of Engineering	4		
Grounds Manager	1	TRAFFIC (Operations)	21
CMMS Administrator	1	Traffic Manager	1
Project Analyst	1	Administrative Traffic Supervisor	1
Administrative Secretary	2	Traffic Field Supervisor	2
CMMS Coordinator	1	Perimeter Security Supervisor	3
Building Engineer Supervisor	2	Perimeter Security Officer	14
Electrician Supervisor	1		
Engineering Maintenance Supervisor	2	CUSTOMER SAFETY (Operations)	64
Exterior Engineering Supervisor	1	Executive Director of Customer Safety	1
Facility Support Supervisor	1	Senior Manager of Safety & Fire Prevention	1
Graphics Supervisor	1	Senior Manager of Security	1
HVAC Supervisor	1	Canine Supervisor	1
Mechanic/Welder Supervisor	1	Control Center Supervisor	1
Plumber Supervisor	1	Administrative Assistant	1
Engineering Assistant Supervisor	1	Surveillance Investigator	2
Grounds Supervisor	2	Canine Officer	1
Building Engineer	20	Security Sergeant	7
Damage Assessment Technician	1	Security Officer	39
Electrician	7	Secretary	1
Exterior Engineer	5	Security Dispatcher	8
Facility Support Technician	2		
Graphics Technician	2	FIRE PREVENTION (Operations)	5
HVAC Technician	8	Fire Prevention Manager	1
Mechanic/Welder	5	Fire Prevention Coordinator	1
Plumber	6	Life Systems Coordinator	1
Groundskeeper	10	Fire Prevention Technician	2

PERSONNEL ALLOCATION

POSITION CLASSIFICATIONS

The FY 2019 salary schedule, which begins on July 1, 2018 is below. Due to current salary and benefits negotiations with the union, the schedule reflected remains the same as the July 1, 2017 salary range for the bargaining class employees.

GRADE	CLASS TITLE	CLASSIFICATION	SALARY SCHEDULE (\$)	
BARGAINING CLASS				
9	Custodian	B	30,888.00	- 45,822.40
9	Perimeter Security Officer	B		
12	Mail Clerk	B	34,798.40	- 51,480.00
13	Administrative Specialist	B	36,171.20	- 53,435.20
13	Visitor Information Clerk	B		
13	Visitor Information Specialist	B		
14	Service Worker	B	37,585.60	- 55,660.80
15	Security Dispatcher	B	39,166.40	- 58,011.20
16	Accounting Specialist	B	40,768.00	- 60,216.00
16	Business Service Specialist	B		
16	Database Marketing Coordinator	B		
16	Distribution Center Specialist	B		
16	Secretary	B		
16	Services Support Technician	B		
17	Groundskeeper	B	42,307.20	- 62,524.80
17	Security Officer	B		
18	Photographer	B	43,950.40	- 65,083.20
18	Purchasing Assistant	B		
20	A/V Technician	B	47,569.60	- 70,491.20
20	Accounting Technician	B		
20	Building Engineer	B		
20	Damage Assessment Technician	B		
20	Electrician	B		
20	Exterior Engineer	B		
20	Facility Support Technician	B		
20	Graphics Technician	B		
20	HVAC Technician	B		
20	Mechanic/Welder	B		
20	Perimeter Security Supervisor	B		
20	Plumber	B		
22	Engineering Assistant Supervisor	B	51,480.00	- 76,190.40
22	Fire Prevention Technician	B		
22	Grounds Supervisor	B		
22	Lead Accounting Technician	B		
22	Security Sergeant	B		
22	Services Supervisor	B		
25	A/V Supervisor	B	58,011.20	- 85,758.40
25	Building Engineer Supervisor	B		
25	Electrician Supervisor	B		
25	Engineering Maintenance Supervisor	B		
25	Exterior Engineering Supervisor	B		
25	Facility Support Supervisor	B		
25	Fire Prevention Coordinator	B		
25	Graphics Supervisor	B		
25	HVAC Supervisor	B		
25	Life Systems Coordinator	B		
25	Mechanic/Welder Supervisor	B		
25	Plumber Supervisor	B		

PERSONNEL ALLOCATION

POSITION CLASSIFICATIONS (continued)

GRADE	CLASS TITLE	CLASSIFICATION	SALARY SCHEDULE (\$)
PROFESSIONAL CLASS			
18	Account Representative	P	44,200.00 - 65,400.00
18	Assistant to the Board	P	
18	Customer Experience Specialist	P	
18	Records Management Specialist	P	
20	Administrative Secretary	P	47,800.00 - 70,700.00
20	Advertising Coordinator	P	
20	Archivist	P	
20	Canine Officer	P	
20	CMMS Coordinator	P	
20	Communications Assistant	P	
20	Communications Coordinator	P	
20	Contracts Coordinator	P	
20	Convention Services Coordinator	P	
20	Payroll Technician	P	
20	Sports Marketing & Special Events Coordinator	P	
22	Administrative Assistant	P	51,700.00 - 76,500.00
22	Analyst	P	
22	Communications Specialist	P	
22	Financial ERP Technician	P	
22	Financial Systems Technician	P	
22	Information Technology Coordinator	P	
22	Lead Accountant	P	
22	Lead Payroll Technician	P	
22	Lead Records Management Technician	P	
22	Media Specialist	P	
22	News Bureau Assistant	P	
22	People Records Technician	P	
22	Registration Services Supervisor	P	
22	Surveillance Investigator	P	
22	Traffic Field Supervisor	P	
22	Visitor Information Center Supervisor	P	
22	Visitor Information Services Supervisor	P	
23	Administrative Coordinator	P	53,700.00 - 79,500.00
23	Administrative Services Coordinator	P	
23	Contracts Administrator	P	
23	Database Marketing Administrator	P	
23	Digital Communications Specialist	P	
23	Digital Marketing Coordinator	P	
23	Executive Assistant	P	
23	Executive Assistant to the Board	P	
23	Legal Assistant	P	
23	Senior Systems Technician	P	
23	Telecommunications Specialist	P	

PERSONNEL ALLOCATION

POSITION CLASSIFICATIONS (continued)

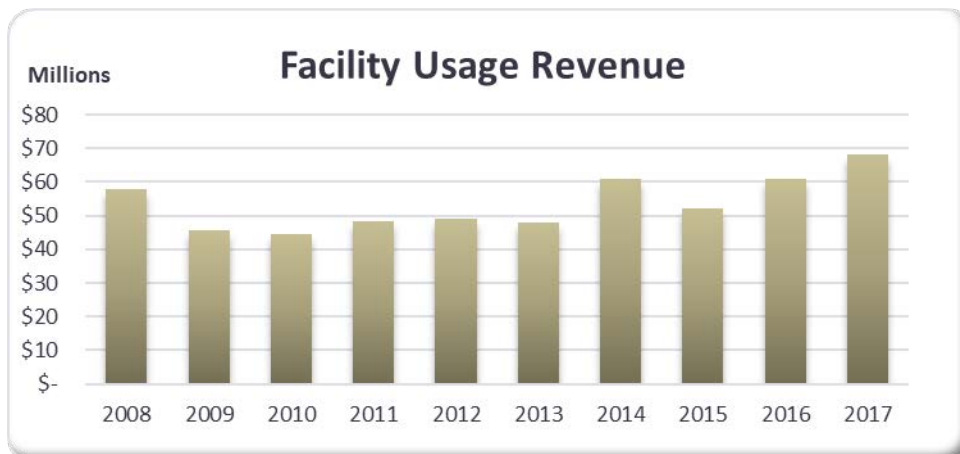
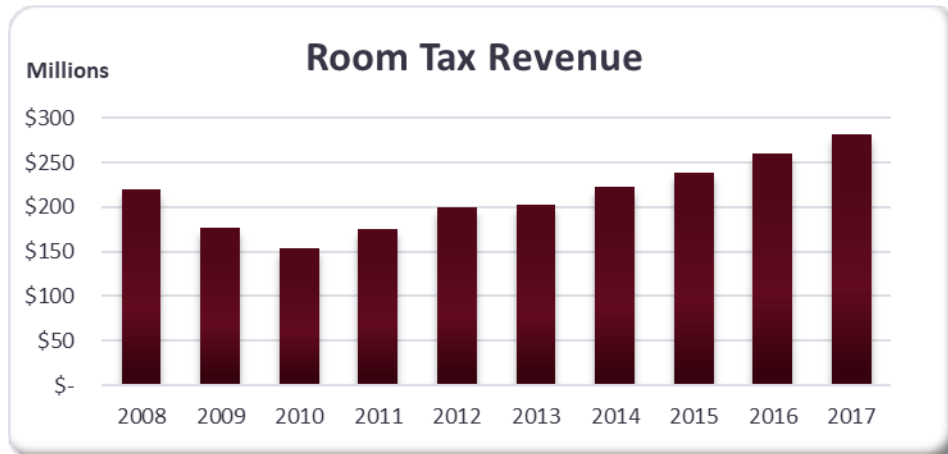
GRADE	CLASS TITLE	CLASSIFICATION	SALARY SCHEDULE (\$)	
24	Executive Assistant to the CC and PAO	P	56,000.00	- 82,900.00
24	Executive Assistant to the CFO	P		
24	Executive Assistant to the CMO	P		
24	Executive Assistant to the CPO	P		
24	Executive Assistant to the President/COO	P		
24	Transportation Coordinator	P		
25	Administrative Traffic Supervisor	P	58,200.00	- 86,100.00
25	Canine Supervisor	P		
25	Control Center Supervisor	P		
25	People Rewards Administrator	P		
25	Project Analyst	P		
25	Registration Services Senior Supervisor	P		
25	Research Analyst	P		
25	Visitor Information Senior Supervisor	P		
26	Digital Engagement Specialist	P	60,500.00	- 89,500.00
26	Digital Marketing Analyst	P		
26	Financial Analyst	P		
26	Internal Auditor	P		
26	Senior Research Analyst	P		
29	CMMS Administrator	P	68,100.00	- 100,800.00
29	Financial Systems Administrator	P		
29	Network Specialist Administrator	P		
29	People & Possibilities Administrator	P		
29	Programmer Analyst	P		
29	Systems Administration Specialist	P		
30	Executive Assistant to the CEO	P	70,800.00	- 104,800.00
31	Senior Web Developer	P	73,600.00	- 108,900.00
MANAGEMENT				
M5	Manager	M	58,400.00	- 90,500.00
M4	Manager	M	67,100.00	- 104,000.00
M3	Senior Manager	M	77,200.00	- 119,700.00
M2	Director	M	86,900.00	- 134,700.00
M1	Senior Director	M	95,800.00	- 148,500.00
EXECUTIVE				
E4	Vice President(s)/Executive Director(s)	E	137,500.00	- 244,100.00
E3	Senior Vice President(s)	E	171,900.00	- 305,100.00
E3	Chief Communications & People Officer(s)	E	171,900.00	- 305,100.00
E2	Chief Financial, Marketing & Operating Officer(s)	E	212,200.00	- 424,400.00
-	Chief Executive Officer	E	Board of Directors Discretion	

STATISTICAL DATA

GENERAL FUND REVENUES BY SOURCE LAST TEN FISCAL YEARS

The schedule below includes only revenues earned in the General Fund. It does not include other financing sources such as transfers into the General Fund or sale of capital assets. The percentage shown in the column boxes indicate the percent of increase or decrease for that column compared to the preceding year.

Fiscal Year	Total Revenues	Room Taxes	Facility Usage	Gaming Fees	Interest & Other
2008	\$ 281,918,942	\$ 220,733,128	\$ 57,689,079	\$ 1,851,848	\$ 1,644,887
2009	225,143,479	176,726,992	45,640,631	2,101,166	674,689
2010	200,737,367	154,046,265	44,535,733	1,960,431	194,938
2011	226,060,028	175,425,978	48,158,659	1,919,186	556,204
2012	250,820,583	199,592,498	49,168,968	1,813,548	245,569
2013	253,051,353	203,196,429	47,846,895	1,831,589	176,440
2014	285,635,383	222,781,385	60,786,406	1,710,108	357,484
2015	293,207,376	239,318,802	51,968,374	1,726,843	193,357
2016	322,649,558	259,967,636	60,835,569	1,646,281	200,072
2017	351,387,322	281,389,017	68,007,099	1,593,600	397,606

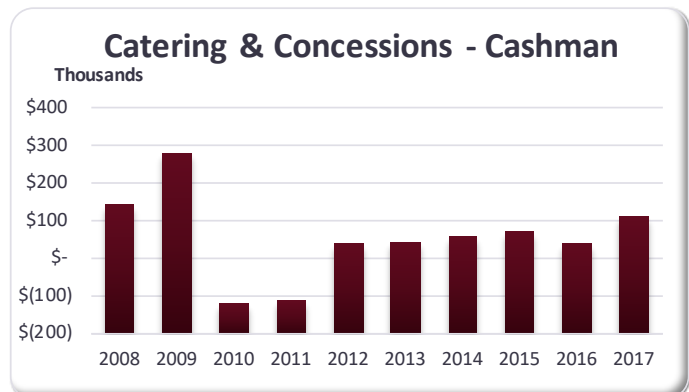
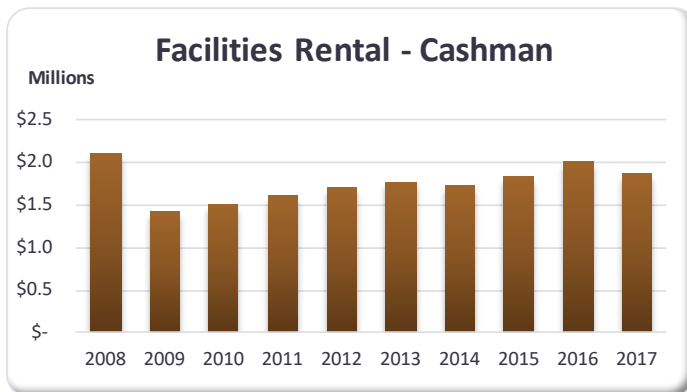
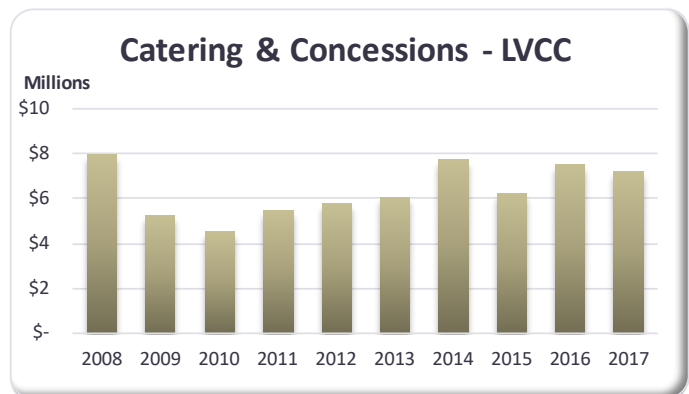
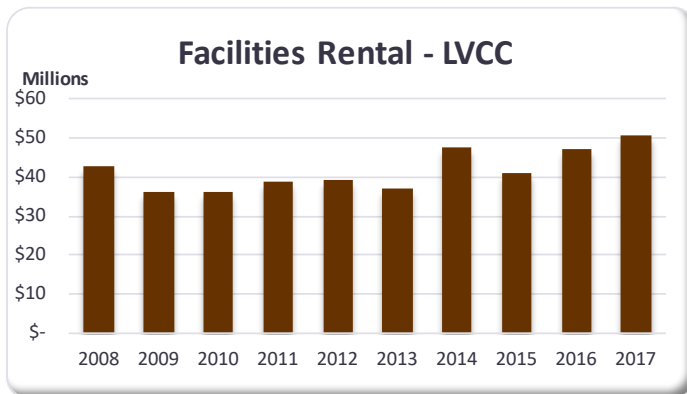


STATISTICAL DATA

GENERAL FUND REVENUES BY SOURCE LAST TEN FISCAL YEARS (continued)

The components of "Facility Usage" are shown below: the percentages shown in the column boxes indicate the percent increase or decrease for that column compared to the preceding year.

Fiscal Year	Total Revenues	CONVENTION CENTER				CASHMAN CENTER				
		Facilities Rental		Catering & Concessions		Facilities Rental		Catering & Concessions	Other Fees & Charges	
2008	\$ 57,689,079	\$ 42,873,520	18%	\$ 7,974,530	15%	\$ 2,102,463	-4%	\$ 144,345	16%	\$ 4,594,221
2009	45,640,631	36,227,413	-16%	5,247,263	-34%	1,428,416	-32%	281,434	95%	2,456,105
2010	44,535,733	36,002,880	-1%	4,547,121	-13%	1,511,102	6%	(121,721)	-143%	2,596,351
2011	48,158,659	38,688,753	7%	5,468,941	20%	1,597,635	6%	(113,475)	7%	2,516,805
2012	49,168,968	39,256,965	1%	5,747,299	5%	1,716,416	7%	36,267	132%	2,412,021
2013	47,846,895	37,165,086	-5%	6,063,135	5%	1,772,441	3%	42,774	18%	2,803,459
2014	60,786,406	47,388,553	28%	7,748,847	28%	1,734,836	-2%	55,487	30%	3,858,683
2015	51,968,374	40,837,099	-14%	6,257,047	-19%	1,836,856	6%	70,768	28%	2,966,604
2016	60,835,569	47,276,902	16%	7,554,524	21%	2,016,529	10%	36,789	-48%	3,950,825
2017	68,007,099	50,780,815	7%	7,229,597	-4%	1,862,846	-8%	111,503	203%	8,022,338



STATISTICAL DATA

GENERAL FUND EXPENDITURES BY SOURCE LAST TEN FISCAL YEARS

The schedule below includes only expenditures in the General Fund. It does not include other uses such as transfers for OPEB, Debt Service or Capital Project Funds. The percentages shown in the column boxes indicate the percent of increase or decrease for that column compared to the preceding year.

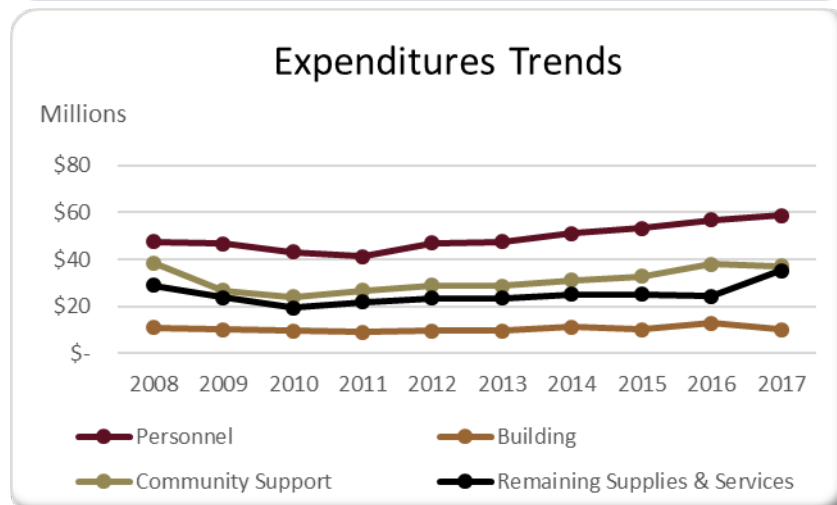
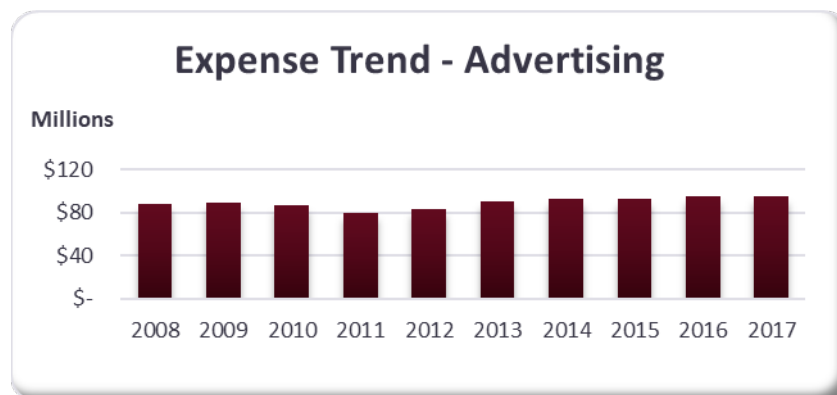
Fiscal Year	Total Expenditures	Personnel	Advertising	Building	Community Support	Remaining Supplies & Services
2008	\$ 214,001,753	\$ 47,513,648	\$ 87,857,388	\$ 10,934,926	\$ 38,640,536	\$ 29,055,255
2009	196,747,731	46,804,234	89,342,627	10,151,104	26,802,232	23,647,534
2010	183,028,495	43,202,760	86,924,843	9,413,393	24,088,340	19,399,159
2011	178,389,411	41,324,899	79,423,380	9,041,566	26,842,989	21,756,577
2012	192,381,692	47,003,176	83,539,239	9,471,115	28,854,382	23,513,780
2013	199,569,062	47,428,784	90,466,753	9,467,068	28,736,573	23,469,884
2014	210,907,570	51,085,181	92,470,992	11,181,464	31,020,039	25,149,894
2015	214,520,535	53,261,897	93,148,972	10,108,151	32,870,164	25,131,351
2016	226,938,805	56,961,314	95,012,365	12,717,952	37,826,676	24,420,498
2017	237,018,620	58,828,010	95,905,154	9,990,686	37,196,297	35,098,473

(A) The column labeled "Personnel" includes salaries and employee benefits.

(B) Advertising includes only the services and supplies.

(C) The "Building" column includes repairs and maintenance (excludes computers and portable equipment), utilities and insurance costs for the Convention and Cashman Center. Many repair and maintenance items can only be performed when the buildings are empty which results in fluctuating costs from year to year.

(D) The "Community Support" column includes collection allocation, grants and special events.

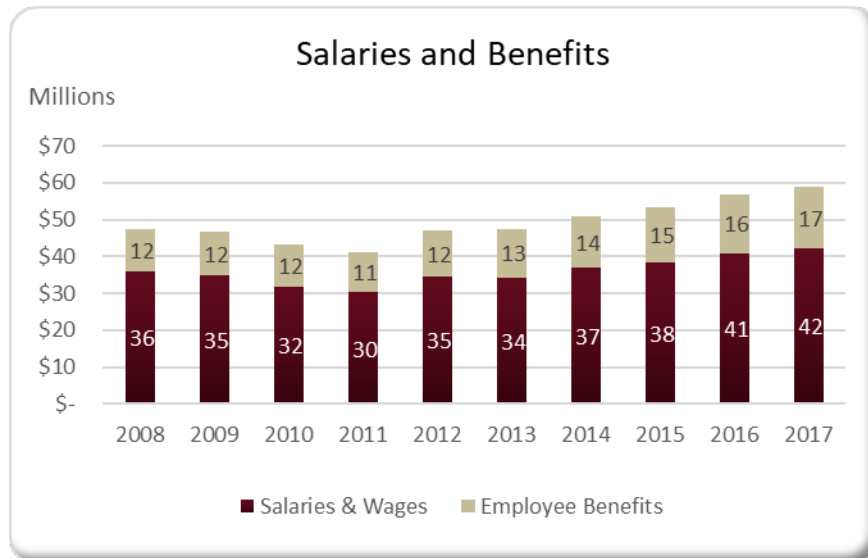


STATISTICAL DATA

GENERAL FUND EXPENDITURES BY SOURCE LAST TEN FISCAL YEARS (continued)

The components of personnel expenditures are shown below. The percentages shown in the column boxes indicate the percent of increase for that column compared to the preceding year. The meeting space at Cashman Center closed in December 2017, pursuant to an agreement with the City of Las Vegas to take over and redevelop the space.

Fiscal Year	Personnel Expenditures	Salaries & Wages		Employee Benefits		Benefits as a Percent of Salaries
2008	\$ 47,513,648	\$ 35,931,995	8%	\$ 11,581,653	6%	32%
2009	46,804,234	34,897,735	-3%	11,906,499	3%	34%
2010	43,202,760	31,685,192	-9%	11,517,568	-3%	36%
2011	41,324,899	30,243,257	-5%	11,081,642	-4%	37%
2012	47,003,176	34,722,818	15%	12,280,358	11%	35%
2013	47,428,784	34,333,989	-1%	13,094,795	7%	38%
2014	51,085,181	36,890,086	7%	14,195,095	8%	38%
2015	53,261,897	38,466,086	4%	14,795,811	4%	38%
2016	56,961,314	40,972,715	7%	15,988,599	8%	39%
2017	58,828,010	42,128,113	3%	16,699,897	4%	40%



STATISTICAL DATA

FACILITY CHARGES AND SERVICES LAST TEN FISCAL YEARS

While many of those conventions and events are held at resort hotels, the LVCVA has also benefited from activities held at the Las Vegas Convention Center and Cashman Center. Facilities charges and services revenue does not include catering/concessions revenues or reimbursed services.

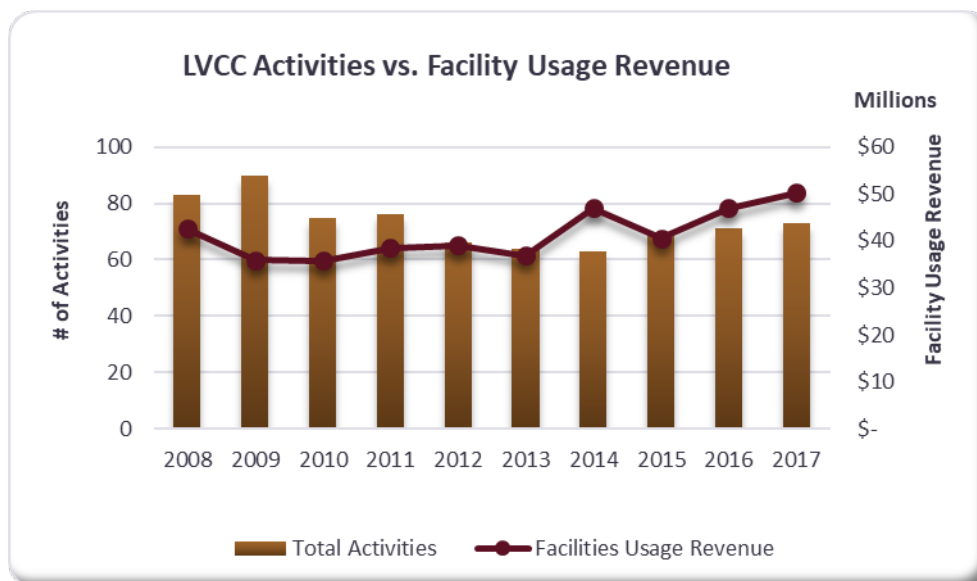
LAS VEGAS CONVENTION CENTER - BUILDING UTILIZATION

FISCAL YEAR	CONVENTIONS / TRADESHOWS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
2008	66	12	5	83	\$ 42,587,445
2009	68	15	7	90	35,951,249

In FY 2011, the methodology used in determining the event category was updated to be more specific regarding events other than conventions and tradeshow. Historical data going back two years was adjusted under the new method.

FISCAL YEAR	CONVENTIONS / TRADESHOWS	SPECIAL EVENTS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
2010	64	7	2	2	75	\$ 35,783,911
2011	60	8	3	5	76	38,483,619
2012	53	7	3	3	66	39,022,683
2013	47	9	7	1	64	36,854,055
2014	47	12	1	3	63	47,067,894
2015	51	11	5	3	70	40,605,461
2016	51	9	10	1	71	46,954,668
2017	50	12	7	4	73	50,282,592

Source: Las Vegas Convention and Visitors Authority – Research Center and Finance departments



STATISTICAL DATA

FACILITY CHARGES AND SERVICES LAST TEN FISCAL YEARS (continued)

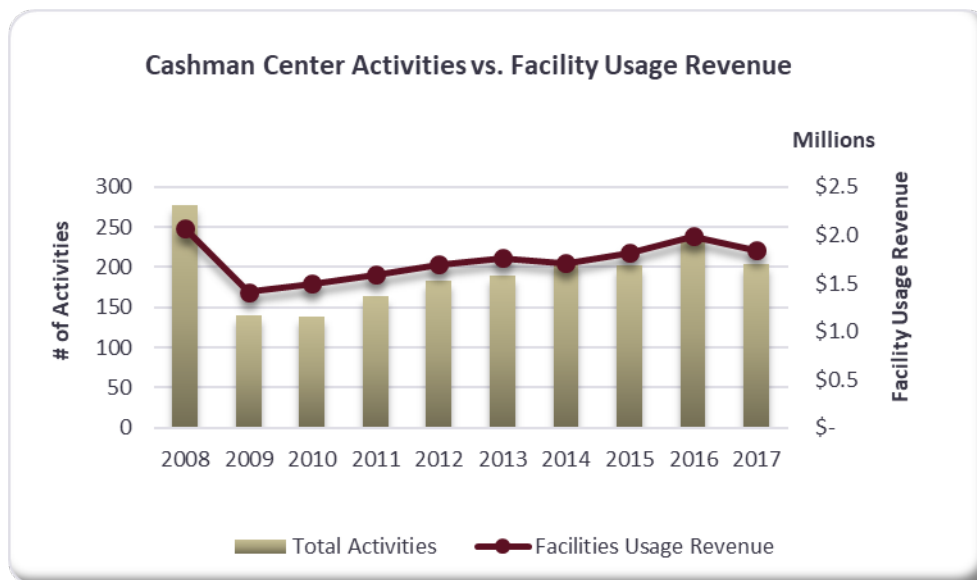
CASHMAN CENTER - BUILDING UTILIZATION

FISCAL YEAR	CONVENTIONS / TRADESHOWS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
2008	2	163	112	277	\$ 2,069,376
2009	0	102	38	140	1,412,766

In FY 2011, the methodology used in determining the event category was updated in order to be more specific regarding events other than conventions and tradeshow. Historical data going back two years was adjusted under the new method.

FISCAL YEAR	CONVENTIONS / TRADESHOWS	SPECIAL EVENTS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
2010	1	6	94	38	139	\$ 1,497,930
2011	1	3	124	36	164	1,592,040
2012	1	2	142	38	183	1,699,204
2013	2	3	149	35	189	1,760,894
2014	1	5	164	35	205	1,708,593
2015	1	3	152	47	203	1,815,341
2016	1	9	164	62	236	1,989,571
2017	1	11	143	49	204	1,844,901

Source: Las Vegas Convention and Visitors Authority – Research Center and Finance departments



EXCERPT OF RENTAL RATES PER FACILITY

Below is a current basic rate guide for the Las Vegas Convention Center.

LAS VEGAS CONVENTION CENTER

CONVENTION/TRADE SHOW AND PUBLIC EVENTS

When used for commercial exhibits, the cost per individual exhibit hall is either the minimum daily rate or \$0.33 per net square foot (effective July 1, 2016), whichever is greater. Beginning in FY 2019 net square foot cost will increase to \$0.35. Exhibit halls used for catered food functions or general sessions only, are at no charge. The total number of move-in/move-out days equal to one (1) times the number of show days, are also at no charge. Additional move-in/move-out days are at 50% of the charged rate per day.

When exhibit halls are used for commercial exhibits and meeting rooms are used for association's use, meeting rooms will be provided in the amount of 10 complimentary meeting rooms per 100,000 square feet of exhibit space used in the North and Central Halls. Meeting rooms in the South Halls are assigned. Additional rooms will be charged the minimum daily room rate (ranges from \$150 to \$1,650). This includes a one-time set-up per day – i.e. lights, heat, air, custodial services and sound services. Change-overs and revised room set-ups will be charged the daily room rate. Meeting rooms used as exhibits are charged double the daily rate. If meeting rooms are sublet, they will be charged the minimum daily rate or 15% of their sublease rate, whichever is greater. Rental of meeting rooms only, are charged at the daily rate. In April 2015, the Board approved incremental rate increases over the next three fiscal years. Please see pages 31-32 for more details.

CASHMAN CENTER

On June 1, 2017, the LVCVA transferred the Cashman Center property and land to the City of Las Vegas. The transfer agreement is joined to a management agreement, where the LVCVA continued to operate the meeting and exhibit hall facilities at Cashman Center until the end of December 2017. The building is currently on dormant status until such time the entire campus is handed over to the City. In addition, per the management agreement, the LVCVA will continue to operate Cashman Field (the stadium) until the expiration of the baseball team lease or until the team terminates the lease with sufficient notice, whichever comes first. This budget is built on the expectation that the baseball team will open the 2019 season at the new Las Vegas ballpark and our management obligations will cease.

In FY 2019, the LVCVA has budgeted to receive parking revenue and stadium rental from the scheduled baseball games.

STATISTICAL DATA

DEMOGRAPHIC STATISTICS - CLARK COUNTY, NEVADA LAST TEN FISCAL YEARS

Even though Clark County combines the glamorous gaming and entertainment mecca of Las Vegas alongside rural living, it is not much different from other counties its size. There are parks, museums, libraries and religious centers.

Per the Census Bureau, Clark County is the most populous county in the state of Nevada. The population in FY 2017 grew 1.3% compared to FY 2016.

The cities of Las Vegas, North Las Vegas and Henderson have a total population of 1,177,076 which makes up 54% of the total Clark County population of 2,193,818. Labor force at 2017 stands at 1,061,707 a slight increase compared to 2016. Unemployment rate at 2016 is 5.1%, which has continued to decline since 2010.

Entity	Incorporation Date	2017 Population	Square Miles (approx.) *
Clark County	1909	979,783	7,441
Las Vegas	1911	633,028	134
N. Las Vegas	1946	243,339	100
Henderson	1953	300,709	105
Boulder City	1958	16,121	208
Mesquite	1984	20,838	32

Source: population estimates - Nevada State Demographer, square miles from the Clark County.

Further statistics that reflect the local economy are shown below.

AS OF JUNE 30	POPULATION (A)	LABOR FORCE (B)	UNEMPLOYMENT RATE (B)
2008	1,967,716	983,657	6.3%
2009	1,952,040	969,122	11.8%
2010	1,968,831	986,342	13.8%
2011	1,967,722	995,312	13.5%
2012	1,988,195	1,001,349	11.4%
2013	2,031,723	1,009,219	9.9%
2014	2,069,450	1,019,373	8.0%
2015	2,118,353	1,049,522	7.1%
2016	2,166,181	1,059,667	6.4%
2017	2,193,818	1,061,707	5.1%

Sources:

(A) Population from the Nevada State Demographer.

(B) Labor force statistics and unemployment rates from the Nevada Dept. of Employment, Training & Rehabilitation – Information Development & Processing Division – Research & Analysis Bureau.

(C) Starting with calendar year 2008 - median age calculation includes entire population; previously it was the adult population only.

All other statistics are as of December 31 and are from the Las Vegas Perspective.



Source: <http://gisgate.co.clark.nv.us/gismo/gismo.htm>

AS OF DEC 31,	MEDIAN HOUSEHOLD INCOME *	MEDIAN AGE (C) *	SCHOOL ENROLLMENT *
2008	57,403	35.7	330,519
2009	58,148	35.3	323,607
2010	58,432	35.4	323,637
2011	54,255	34.5	322,555
2012	50,962	36.2	325,179
2013	50,454	36.4	329,034
2014	50,274	36.8	318,040
2015	52,865	37.2	319,713
2016	54,307	37.5	320,559
2017	n/a	n/a	n/a

* Note: CY2016 Median Household Income, Median Age and School Enrollment are not available at the time of printing.

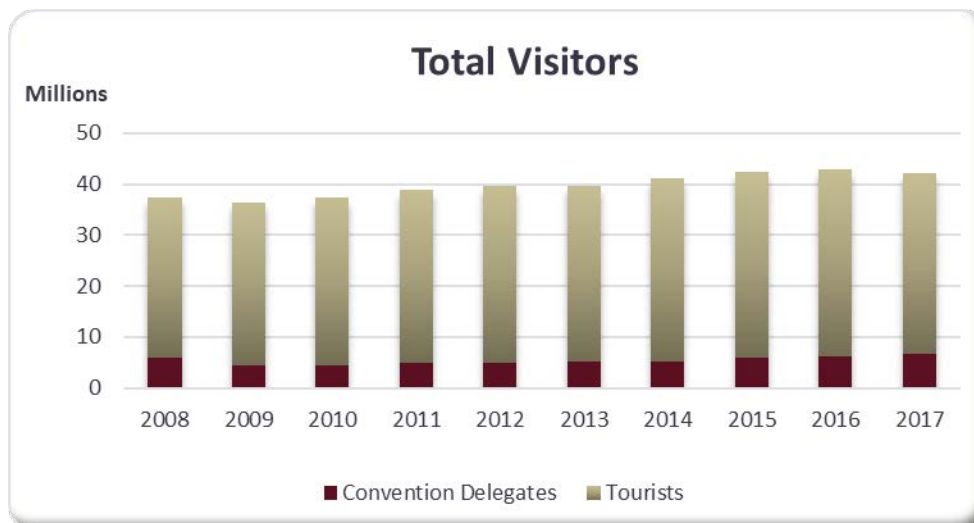
STATISTICAL DATA

VISITOR ANALYSIS LAST TEN CALENDAR YEARS

In its role of promoting Las Vegas as a travel destination, the LVCVA contributes to the growth of the entire local economy. The Las Vegas economy is heavily dependent on the tourism industry. In 2017, the total number of visitors to Las Vegas was 42.2 million a decrease of approximately 2% compared to 2016.

CALENDAR YEAR	CONVENTION ATTENDANCE	% OF TOTAL VISITORS	TOURISTS	% OF TOTAL VISITORS	TOTAL VISITORS	INCREASE / (DECREASE)
2008	5,899,725	16%	31,581,827	84%	37,481,552	-4%
2009	4,492,275	12%	31,859,194	88%	36,351,469	-3%
2010	4,473,134	12%	32,862,302	88%	37,335,436	3%
2011	4,865,272	12%	34,063,436	88%	38,928,708	4%
2012	4,944,014	12%	34,783,008	88%	39,727,022	2%
2013	5,107,416	13%	34,560,805	87%	39,668,221	0%
2014	5,169,054	13%	35,957,458	87%	41,126,512	4%
2015	5,891,151	14%	36,421,065	86%	42,312,216	3%
2016	6,310,616	15%	36,625,484	85%	42,936,100	1%
2017	6,646,200	16%	35,568,000	84%	42,214,200	-2%

Source: Las Vegas Convention and Visitors Authority - Research Center department



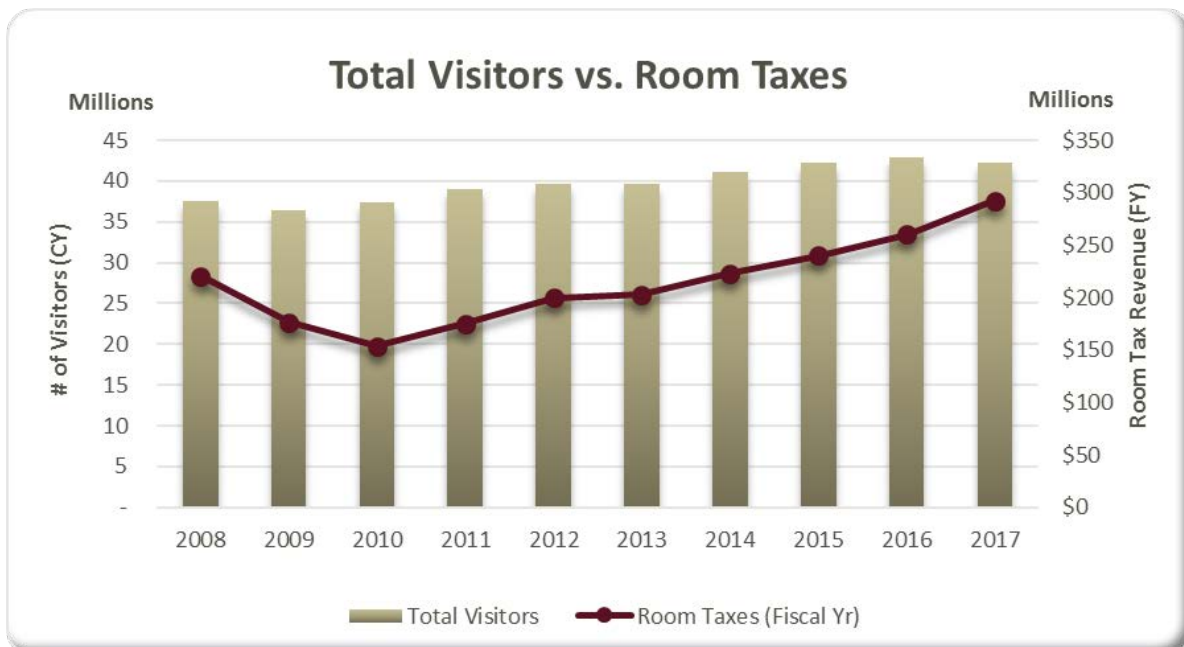
STATISTICAL DATA

VISITOR ANALYSIS LAST TEN CALENDAR YEARS (continued)

Strong visitor levels produce beneficial secondary effects in other industries as well, since visitors purchase a significant amount of goods and services while they visit the area. Indicators of the economic impact include total gaming revenues in Clark County and room taxes collected on behalf of the LVCVA. In FY 2017, the LVCVA collected a total \$292.6 million in room tax revenue which included \$11.2 million in room tax - SB1 revenue housed in the LVCCD Capital Fund. In 2017 gaming revenues total \$9.9 billion, a slight increase from 2016.

CALENDAR YEAR	TOTAL VISITORS	INCREASE / (DECREASE)	GAMING REVENUES (000)	INCREASE / (DECREASE)	ROOM TAXES (Fiscal Year)	INCREASE / (DECREASE)
2008	37,481,552	-4%	\$ 9,796,723	-10%	\$220,733,128	4%
2009	36,351,469	-3%	8,838,235	-10%	176,726,992	-20%
2010	37,335,436	3%	8,908,630	1%	154,046,265	-13%
2011	38,928,708	4%	9,222,680	4%	175,425,978	14%
2012	39,727,022	2%	9,399,882	2%	199,592,498	14%
2013	39,668,221	0%	9,676,458	3%	203,196,429	2%
2014	41,126,512	4%	9,554,002	-1%	222,781,385	10%
2015	42,312,216	3%	9,616,463	1%	239,318,802	7%
2016	42,936,100	1%	9,712,796	1%	259,967,636	9%
2017	42,214,200	-2%	9,979,230	3%	292,635,690	13%

Source: Las Vegas Convention and Visitors Authority - Research Center and Nevada State Gaming Control Board



STATISTICAL DATA

VISITOR DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

The Las Vegas Convention and Visitors Authority conducts and compiles various research information on visitors to gain a better understanding of the composition of the Clark County visitor and to tailor advertising campaigns. In 2017, the median age is 44.3 with 45% of visitors between the ages of 21 to 39, 34% between 40 and 59 and 22% over 60. The majority of visitors are married and employed. Further statistics regarding visitors to Las Vegas are shown below:

AS OF DECEMBER 31,	GENDER		AVERAGE AGE	MARITAL STATUS			JOB CATEGORIES		
	Male	Female		Married	Single	Other*	Employed	Retired	Other**
2008	51%	49%	50.6	80%	13%	7%	66%	28%	6%
2009	50%	50%	50.0	78%	15%	7%	65%	28%	7%
2010	50%	50%	49.2	79%	14%	7%	66%	27%	7%
2011	51%	49%	49.0	77%	15%	8%	66%	25%	9%
2012	51%	49%	44.8	75%	18%	7%	69%	19%	12%
2013	50%	50%	45.8	79%	15%	6%	67%	20%	13%
2014	49%	51%	45.2	80%	14%	6%	64%	20%	16%
2015	51%	49%	47.7	79%	14%	8%	67%	24%	9%
2016	50%	50%	44.0	70%	22%	8%	71%	17%	12%
2017	50%	50%	44.3	74%	18%	8%	72%	17%	11%

Source: [Las Vegas Visitor Profile Study](#)

*Marital Status - Other includes separated, divorced, or widowed. Numbers may not foot due to rounding.

** Job Categories - Other includes student, homemaker, or unemployed.

AS OF DECEMBER 31,	UNITED STATES OF AMERICA				
	Foreign	Eastern States	Southern States	Midwestern States	Western States
2008	15%	8%	13%	12%	52%
2009	14%	7%	11%	12%	55%
2010	18%	6%	11%	12%	54%
2011	16%	6%	12%	11%	55%
2012	17%	7%	11%	11%	54%
2013	20%	6%	12%	10%	52%
2014	19%	7%	12%	9%	53%
2015	16%	7%	13%	11%	53%
2016	19%	7%	15%	10%	49%
2017	16%	7%	15%	9%	52%

Source: [Las Vegas Visitor Profile Study](#)

Eastern states: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont.

Southern States: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

Midwestern States: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

Western States: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada (excluding Clark County), New Mexico, Oregon, Utah, Washington and Wyoming.

STATISTICAL DATA**PRINCIPAL ROOM TAX PAYERS
DECEMBER 31, 2017**

The primary source of revenue for the LVCVA is from room taxes imposed on hotels and motels in Clark County. The hotels listed below represent the ten largest hotel properties in Clark County and, accordingly, are in the group that generates the greatest volume of room taxes for the LVCVA.

	Approximate Rooms at December 31, 2017
MGM Grand	4,968
Luxor	4,400
Venetian	4,027
Aria	4,004
Excalibur	3,981
Bellagio	3,933
Caesars Palace	3,793
Circus Circus	3,763
Flamingo Las Vegas	3,466
Mandalay Bay	<u>3,211</u>
Total Top 10 Hotels	39,546
Total Jean/Primm	3,043
Other hotels/motels	<u>106,307</u>
Total Las Vegas metropolitan area	148,896
Total Laughlin	9,862
Total Mesquite	<u>1,895</u>
Total Inventory of Rooms	<u>160,653</u>

Source: Las Vegas Convention and Visitors Authority - Research Center department
Note: Other hotels/motels do not include timeshare properties.

STATISTICAL DATA

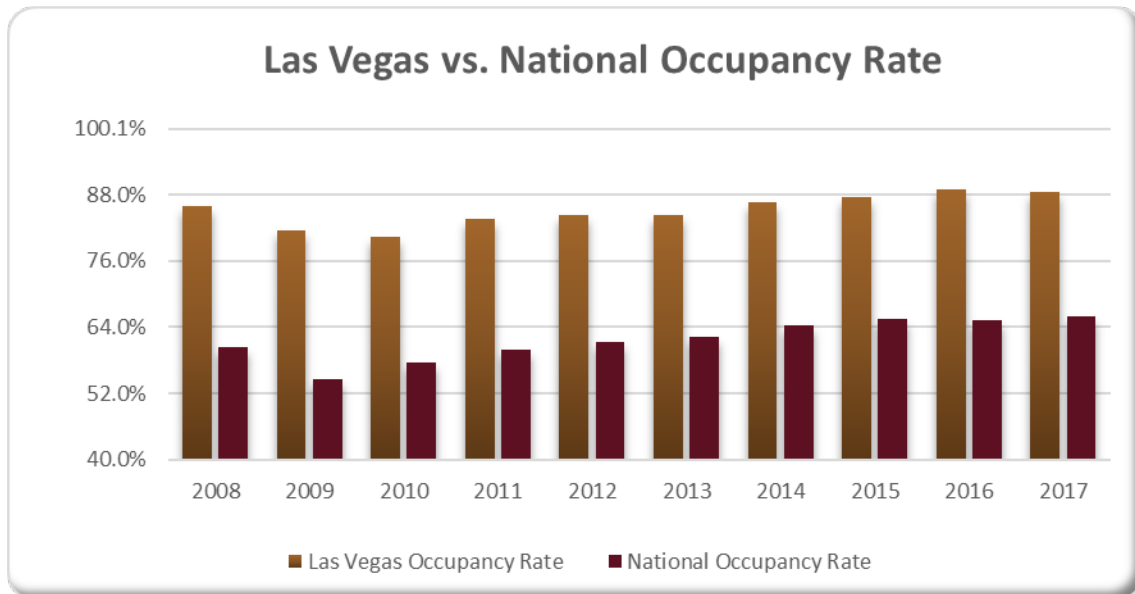
OCCUPANCY RATE LAST TEN CALENDAR YEARS

In spite of the increasing availability of rooms over the last decade, the occupancy rate for Las Vegas continues to grow, exceeding the national average by 22.8 points for calendar year 2017.

Calendar Year	Total Visitor Volume	Rooms Inventory*	Occupancy Percentage	Average Rooms Occupied Daily	Average Daily Rate	National Occupancy Percentage
2008	37,481,552	140,529	86.0%	120,855	\$ 119.2	60.3%
2009	36,351,469	148,941	81.5%	121,387	93.06	54.5%
2010	37,335,436	148,935	80.4%	119,744	94.91	57.5%
2011	38,928,708	150,161	83.8%	125,835	105.11	59.9%
2012	39,727,022	150,481	84.4%	127,006	108.08	61.3%
2013	39,668,221	150,593	84.3%	126,950	110.72	62.2%
2014	41,126,512	150,544	86.8%	130,672	116.26	64.4%
2015	42,312,216	149,213	87.7%	130,860	120.67	65.6%
2016	42,936,100	149,339	89.1%	133,061	125.96	65.5%
2017	42,214,200	148,896	88.7%	132,071	129.41	65.9%

Source: Las Vegas Convention and Visitors Authority- Research Center department

*Total Las Vegas metropolitan area includes properties in the Jean/Primm area.



STATISTICAL DATA

ROOM TAX RATE DISTRIBUTION BY JURISDICTION AS OF JUNE 30, 2018

	CLARK COUNTY			LAS VEGAS	
	Resort Hotels	Others Within 35 miles ¹	Others Outside 35 miles ¹	Resort Hotels	Others
<u>Distributed to:</u>					
State of Nevada ²	3 3/8	3 3/8	3 3/8	3 3/8	3 3/8
Clark County School District Collecting Jurisdiction	1 5/8	1 5/8	1 5/8	1 5/8	1 5/8
County Transportation ³	1	2	2	1	2
LVCVA	1	1	1	1	1
LVCVA - LVCCD Dedicated	5	4	2	5	4
Stadium Authority ⁴	1/2	1/2	1/2	1/2	1/2
Total Room Tax Rate	7/8	1/2	-	1/2	1/2
	13 3/8	13	10 1/2	13	13

	NORTH LAS VEGAS		HENDERSON		BOULDER CITY		MESQUITE
	Resort Hotels	Others	Resort Hotels	Others	Resort Hotels	Others	All
<u>Distributed to:</u>							
State of Nevada ²	3 3/8	3 3/8	3 3/8	3 3/8	3 3/8	3 3/8	3 3/8
Clark County School District Collecting Jurisdiction	1 5/8	1 5/8	1 5/8	1 5/8	1 5/8	1 5/8	1 5/8
County Transportation ³	1	2	2	2	-	-	2
LVCVA	1	1	1	1	1	1	1
LVCVA - LVCCD Dedicated	5	4	5	4	6	4	4
Stadium Authority ⁴	1/2	1/2	1/2	1/2	1/2	1/2	1/2
Total Room Tax Rate	1/2	1/2	1/2	1/2	1/2	1/2	-
	13	13	14	13	13	11	12 1/2

Source: Annual City/County Transient Lodging Tax Report as filed with the State of Nevada – Department of Taxation.

¹ Reference is to distance from the Las Vegas Convention Center.

² A portion of proceeds are allocated to NV Commission on Tourism. This applies only to counties whose population exceeds 300,000. (I.e. Clark and Washoe Counties only). The monies generated by this additional room tax are to fund education and other state programs.

³ Enacted by the Clark County Commission in 1991.

⁴ Stadium Authority established in 2016 receives 0.5% room tax from lodging establishments with in a 25-mile radius of the stadium district and 0.88% for properties located in the primary gaming corridor. The primary gaming corridor can be found on the Clark County Business license website at www.clarkcountynv.gov/business-license/pages/default.aspx

RESORT HOTEL DEFINITIONS BY JURISDICTION

Clark County – An establishment having a casino containing not less than three games.

Las Vegas – A hotel having seventy-five or more rooms.

North Las Vegas – A hotel having one hundred or more rooms and a casino containing not less than three games.

Henderson – An establishment renting rooms and having a casino on the same premises containing not less than three games.

Boulder City – An establishment having one hundred or more rooms.

Mesquite – No distinction between resort hotels and other transient lodging establishments.

GLOSSARY

The annual budget contains terminology unique to governmental finance and budgeting. To assist the reader of the budget document in understanding these terms, the following glossary has been compiled.

Account Group

A self-balancing set of accounts that have no expendable financial resources. Account groups are used to maintain records of general long-term debts and general capital assets.

Accounting System

The total set of records and procedures that are used to record, classify and report information on the financial status and operations of an organization.

Accrual Basis Accounting

A system of accounting in which revenues and expenses are recorded as they are earned and incurred, not necessarily when cash is received or paid.

Activity

A financial and budgeting classification of similar endeavors or groupings of organizational units performing a specific and distinguishable type of work. In the LVCVA's organizational chart, activities generally relate to departments.

Appropriation

An authorization made by the Board of Directors that permits the LVCVA to incur obligations and to make expenditures of resources.

Augmentation

An action increasing total appropriations. Augmentations are governed by state statute and require formal resolution by the Board of Directors.

BABS

An abbreviation for Build America Bonds.

Balanced Budget

A budget in which proposed funds or revenues available are equal to or exceed planned fund expenditures and uses.

Bond

A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance.

Budget

A financial plan for a specified period of time (fiscal year).

Budget Document

The instrument prepared by the Finance Department and supporting staff that presents a comprehensive budget.

Budget Message

The opening section of the budget document that provides a general summary of the most important aspects of the budget and discusses significant changes from the current and previous fiscal years.

GLOSSARY

Budgetary Control

The control or management of a governmental unit in accordance with an approved budget for keeping expenditures within the limitations of authorized appropriations and available resources.

Build America Bonds

A financial tool state and local governments used to access conventional corporate debt markets and issue taxed bonds with a direct federal subsidy on the interest. The program lowered net borrowing costs and allowed governments to reach more sources of borrowing than with more traditional tax-exempt bonds.

CAFR

An abbreviation for Comprehensive Annual Financial Report.

Capital Asset

A financial resource meeting all the following criteria: (1) generally tangible in nature (software is the exception); (2) useful life greater than one year; (3) not a repair part or supply item; and (4) original cost greater than the capitalization threshold.

Capital Budget

A plan of proposed capital outlays and the means of financing them.

Capital Expenditure (aka Capital Outlay)

A purchase or improvement of a capital asset (i.e. land, buildings, furniture) with a cost of \$10,000 or more and a useful life of at least one year.

Capital Improvement Plan

A financial planning and management tool that lists proposed capital projects and capital acquisitions for a rolling five-year period.

Capital Projects Fund

A fund used to account for financial resources to be used for the acquisition or construction of capital assets.

Capitalization Threshold

The level of cost at which an asset becomes subject to control and reporting as a capital asset.

Cash Basis Accounting

A system of accounting in which transactions are recorded, and revenues and expenses are recognized, only when cash is received or paid.

CC

An abbreviation for Cashman Center.

CIP

An abbreviation for capital improvement plan.

Client

Person or organization able to bring tourism or convention/meeting business to Las Vegas.

CMMS

An abbreviation for Computerized Maintenance Management Software.

GLOSSARY

Commercial Paper

A short-term negotiable paper arising from business transactions.

Contact Management System

A software program that enables users to store and find contact information such as names, addresses and telephone numbers.

CRM

Abbreviation for Customer Relationship Management system.

Customer Relationship Management

A strategy for managing an organizations interactions or contacts with customers, clients and sales prospects.

Debt Service Fund

A fund established to account for the accumulation of resources for and the payment of principal and interest on debt.

Debt Service Requirements

The amount of resources that must be provided so that all principal and interest payments can be made in full on schedule.

Defeased

Retirement of debt of a state or local governmental unit in an indirect manner.

Department

A grouping in the organizational structure of related sections or units.

Depreciation

The process of allocating the cost of tangible property over a period, rather than expensing the entire cost in one year. Generally, at the end of an asset's useful life, the net value of the asset (original cost less accumulated depreciation) will equal the salvage value of the asset.

Division

A major grouping in the organizational structure of related activities within a functional area.

EAC

An abbreviation for Exhibitor Appointed Contractor.

EFT

An abbreviation for electronic funds transfer; an automated means of payment.

Employee Benefits

A budget category that is comprised of retirement, insurance, unemployment, Medicare and educational assistance expenses.

Encumbrance

The legal commitment of appropriated funds to purchase an item or service. To encumber means to set aside or commit funds for a future expenditure.

GLOSSARY

Expenditure

The amount of cash paid or to be paid for a service rendered, goods received or an asset purchased.

FAM

An abbreviation for familiarization trip. An organized tour for LVCVA clients; that lets them become familiar and experience LVCVA partner offerings.

Fiduciary Fund Type

A fund used to account for assets held by a government in a trust capacity or as an agent for others.

Fiscal Year (FY)

A consecutive twelve-month period signifying the beginning and ending period for recording financial transactions. The LVCVA has designated July 1 to June 30 as its fiscal year.

FIT business

“Fully Independent Traveler” a leisure tourist that is independent, planning their own travel, itinerary or route; without the assistance of a group tour, pre-arranged schedule or other group setting.

FTE

An abbreviation for full-time employee.

FYE

An abbreviation for fiscal year ending.

Function

Financial and budgeting classification of a group of related activities aimed at accomplishing a broad goal or a major service. In the LVCVA's organizational chart, functions generally relate to divisions.

Fund

A separate self-balancing accounting entity. Resources are allocated to and accounted for in a fund based on the purposes of expenditures and the means of controlling them.

Fund Balance

The excess of assets and deferred outflows over its liabilities, and deferred inflows in a fund.

GAAP (Generally Accepted Accounting Principles)

A body of accounting and financial reporting standards set by the Governmental Accounting Standards Board (GASB) for state and local governments, and by the Financial Accounting Standards Board (FASB) for private sector organizations.

Gaming Fee

A quarterly license fee imposed on operators of games based on the number of table games and slot machines in operation.

General Fund

The general fund accounts for all the financial resources not specifically accounted for in another fund.

GLOSSARY

General Obligation Bonds

G.O. bonds have the full faith and credit of the LVCVA pledged to the repayment of the bonds. They are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, represented basically by room taxes. The LVCVA has never resorted to the use of property taxes for debt service, using only net pledged revenues derived from operations. In fact, no ad valorem property tax revenues are allocated to the LVCVA for any purpose.

GFOA

An abbreviation for Government Finance Officers Association.

Goal

A statement of broad direction, purpose, or intent.

Governmental Fund Type

A fund used to account for general governmental activities. Includes the general fund, capital projects funds and debt service funds.

Grant

A contribution or gift to be used or expended for a specified purpose or activity.

Green Items

Products and services with reduced effects on human health and the environment.

Intranet

A network operating like the Internet but having access restricted to a limited group of authorized users (such as employees of a company).

Inventory

The process of verifying physical fixed assets with records of capital assets.

LGBT

Abbreviation for Lesbian, Gay, Bisexual and Transgender.

LVCC

Abbreviation for Las Vegas Convention Center.

LVCCD Capital Fund

Abbreviation for Las Vegas Convention Center District Capital Fund. A restricted fund established to account for all project revenues, including those received from SB1 legislation, as well as all related expenditures.

LVCCD Debt Service Fund

Abbreviation for Las Vegas Convention Center District Debt Fund. A restricted fund established to account for all debt issuances related to the LVCCD project.

Las Vegas Territory

Refers to the area that encompasses the City of Las Vegas and surrounding towns and cities located within Clark County.

Line-Item Budget

A budget that lists each expenditure category (salary, telephone, travel, etc.) separately, along with a dollar amount budgeted for each specific account.

GLOSSARY

Line of Credit

An arrangement between a financial institution, usually a bank and a customer that establishes a maximum loan balance that the bank will permit the borrower to maintain. The borrower can draw down on the line of credit at any time, if the borrower does not exceed the maximum set in the agreement.

Long-Term Debt

Debt with a maturity of more than one year after a fiscal year end.

MICE

Abbreviation for Meeting Incentive Conference Exhibition.

Modified Accrual Accounting

A basis of accounting. Revenues are recognized, and any related receivable is recorded, when they become both measurable and available. Expenditures are recognized when the liability is incurred, except for unmatured principal and interest on long-term debt, which is recognized when due.

NAC

An abbreviation for Nevada Administrative Code.

NASCAR

An abbreviation for National Association for Stock Car Auto Racing.

NDOT

An abbreviation for Nevada Department of Transportation.

NRS

An abbreviation for Nevada Revised Statutes.

Objective

A statement of specific direction, purpose, or intent based on the goals established for a function.

OPEB

An abbreviation for Other Post-Employment Benefits.

OPEB Fund

A restricted fund used to accumulate reserves for future other post-employment benefit costs.

Operating Budget

The portion of the budget that pertains to daily operations. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel and fuel.

Organizational Unit

Financial and budgeting classification for a responsibility unit within a government. Organizational units, which relate to sections in the structure of the LVCVA are the basic unit of the operating budget.

Original Cost

The invoice amount paid to the supplier of an item plus any other costs incurred to make the item capable of being used. Original cost includes shipping and installation.

GLOSSARY

Other Post-Employment Benefits

Post-employment benefits generally take the form of healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. Las Vegas Convention and Visitors Authority (LVCVA) retirees may participate in the employee health insurance programs, which results in an implicit rate impact that affects the plan premiums.

PERS

An abbreviation for Public Employees Retirement System.

P/R

An abbreviation for public relations.

Purchase Order

A document authorizing the delivery of specific merchandise or the rendering of specific services.

Resources

Total dollars available for appropriations including estimated revenues, fund transfers and beginning fund balances.

Revenue Bonds

Bonds that pledge a specific dedicated LVCVA revenue source for their repayment.

Revenues

Resource increases from the sale of services or goods derived primarily from normal operations.

Room Tax

A tax levied on hotels, motels and other lodging establishments throughout Clark County and the incorporated cities.

Salaries and Wages

A budget category comprised of all full-time and temporary employee salaries including overtime and retirement payouts.

Salvage Value

The estimated amount for which the asset could be sold at the end of its useful life.

Services and Supplies

A budget category that includes those goods and services that are consumed and purchased on a regular basis (i.e. office supplies, utilities, repair and maintenance).

SMERF

An abbreviation for Social, Military, Education, Religious and Fraternal markets.

Social Media

Software tools that allow users to generate content, engage in conversations and exchange content.

Tangible

An item capable of being touched.

TASK

An abbreviation for Travel Agents Skills and Knowledge.

GLOSSARY

Transfer

Legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

Useful Life

The number of months or years that an asset is estimated to be used for the purpose for which it was purchased.

Vertical

Business niches where vendors serve a specific audience and their set of needs. Vertical markets are increasingly being served via ecommerce businesses because of the minimal overhead and ability to reach a worldwide audience.

Vertical Market

A market in which vendors offer goods and services specific to an industry, trade, profession, or other group of customers with specialized needs.

Weighted Net Gain

Used for estimating room tax revenue, the number of new rooms of the destination based on opening dates throughout the fiscal year.

Zero-based Budgeting

The budget is created using zero-based budgeting techniques where staff are required to estimate all revenues and expenditures as though each revenue and/or expenditure was being initiated for the first time.



Las Vegas Convention and Visitors Authority
3150 Paradise Road, Las Vegas, Nevada, 89109-9096
702-892-0711 | LVCVA.com