



**Audit Committee Meeting
April 25, 2018
Minutes**

The Audit Committee Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority (LVCVA) was held on April 25, 2018, at the Las Vegas Convention Center, 3150 Paradise Road, Las Vegas, Nevada 89109. This meeting was properly noticed and posted in compliance with the Nevada Open Meeting Law.

Audit Committee Members:

Present unless otherwise noted.

- Bill Noonan, Chair**
- Gregory Lee, Vice Chair**
- Councilwoman Michele Fiore
- Mayor Pro Tem Peggy Leavitt
- Councilman George Rapson.....*via telephone*
- Mary Beth Sewald
- Commissioner Lawrence Weekly

LVCVA Executive Staff in Attendance

- Rossi Ralenkotter, Chief Executive Officer
- Steve Hill, President/COO
- Luke Puschnig, Esq., CEM, Legal Counsel
- Barbara Bolender, Chief People Officer
- Ed Finger, Chief Financial Officer
- Jacqueline Peterson, Chief Communications & Public Affairs Officer
- Cathy Tull, Chief Marketing Officer
- Terry Jicinsky, Senior Vice President of Operations

OPENING CEREMONIES

Chair Bill Noonan called the meeting to order at 1:00 p.m.

FLAG SALUTE The Pledge of Allegiance was performed.

COMMENTS FROM THE FLOOR BY THE PUBLIC

There were no comments from the floor by the public.

APPROVAL OF AGENDA

**APPROVAL OF
THE AGENDA
AND MINUTES**

Vice Chair Gregory Lee moved and it was carried by unanimous vote of the voting members present, including Member George Rapson via telephone, to approve the April 25, 2018, Audit Committee Meeting agenda and the February 27, 2018, Audit Committee Meeting minutes.

Chair Bill Noonan thanked the Audit Committee members for their participation in the meeting.

STAFF REPORTS – DISCUSSION AND POSSIBLE ACTION

ITEM A. **Staff Travel Policy Review Update**

Chair Bill Noonan provided a summary of reviewed staff travel policies regarding the use of donated travel benefits, as well as implemented best practices and policy amendments. Chair Noonan discussed the necessary outside review of such policies and introduced the LVCVA's external legal counsel Todd Bice, Founder/Partner of Pisanelli Bice.

Mr. Bice discussed the review process of staff's use of the donated travel benefits, specifically travel cards, as outlined in the attached memorandum, and recognized Eide Bailly as the outside auditing firm retained for the review. Mr. Bice delivered an overview of the findings and provided his recommendations for future policies relating to the use of donated travel benefits.

Chair Noonan welcomed Members Michele Fiore and Mary Beth Sewald to the Audit Committee.

Chair Noonan noted that this report would be provided to the Board of Directors at the May 8 regular meeting and asked Rossi Ralenkotter, Chief Executive Officer, to share his remarks.

Mr. Ralenkotter emphasized his commitment to the LVCVA and Las Vegas, discussed the informal donation of travel cards from airlines to the LVCVA, recognized the lack of proper handling procedures of such benefits in the past, acknowledged his misuse of the travel benefits, apologized for his lack of judgement, and assured the Committee that policies had been implemented to ensure the proper use of such benefits in the future.

Member Lawrence Weekly expressed his appreciation to Mr. Ralenkotter for his comments, entrusted the LVCVA to remedy the situation, and stated that Mr. Ralenkotter had "exemplified nothing but great character and integrity" during Member Weekly's service on the Board.

Member Peggy Leavitt noted that she would like to learn more about the issue prior to commenting.

Member Michele Fiore thanked Mr. Ralenkotter for his comments and recognized how such conflicts may occur without proper procedures in place.

Member Mary Beth Sewald expressed her appreciation to Chair Noonan for his work and comments, as well as Mr. Ralenkotter for his comments.

Vice Chair Gregory Lee inquired about staff's utilization of the LVCVA's Corporate Travel Department. Mr. Ralenkotter discussed the use of the Corporate Travel Department for business travel, stated that staff may also utilize the services for personal travel, and acknowledged his personal utilization of such services. Vice Chair Lee also questioned the use of travel perks such as frequent flyer miles, to which Mr. Ralenkotter stated that the frequent flyer miles and travel points belonged to the personal traveler. Mr. Ralenkotter elaborated that such benefits could be utilized for upgrades on business travel, with remaining points allotted for personal use.

Chair Noonan asserted that the Board held "the highest responsibility of ensuring that every dollar is spent in the service of the destination," assured that future travel benefits would be utilized solely for business travel, recognized that policies had been implemented to ensure proper utilization of travel benefits, stressed the imperativeness of the implementation of best practices, and recognized that future misuse of such benefits would "result in disciplinary action." Chair Noonan expressed his appreciation to Mr. Ralenkotter for his acceptance of responsibility and recognized Mr. Ralenkotter's service and impact to the success of Las Vegas. Chair Noonan also recommended that Mr. Bice's report be presented to the Board and recognized the Finance Department for their findings.

Member George Rapson inquired about the value of travel cards utilized for personal travel. Mr. Bice referenced the findings stated in his memorandum and noted that Mr. Ralenkotter had reimbursed the LVCVA the total amount utilized for his personal travel of \$17,152.17. Mr. Bice also noted that Member Weekly had reimbursed the LVCVA the total amount utilized for his personal travel of \$699.66. Mr. Bice recognized that other instances of the use of travel benefits had been reviewed and determined to be for business purposes.

Member Weekly expressed his gratitude for the opportunity to serve as Chairman of the Board and thanked Mr. Bice for his work. Member Weekly discussed his lack of awareness of the use of travel cards for his personal travel and accepted full responsibility for neglecting to reconcile the amount at the time of his travel.

This was an information item. Not an action item.

ITEM B. **Update on Process of Hiring Vice President of Internal Audit**

Chair Bill Noonan discussed the status of the hiring of a new Vice President of Internal Audit and recognized the interim work of Jerry Carroll, Internal Audit Consultant.

Barbara Bolender, Chief People Officer, announced that a candidate had been selected and that an offer would be extended. Ms. Bolender summarized the resume of the Vice President of Internal Audit candidate and acknowledged staff's confidence in his depth of knowledge.

This was an information item. Not an action item.

SET NEXT MEETING DATE

The next Audit Committee will be at the call of the Chair.

DIRECTORS' RECOGNITION

There were no comments from the Directors.

COMMENTS FROM THE FLOOR BY THE PUBLIC

Mr. Carroll thanked Chair Bill Noonan and the Audit Committee for the opportunity to work with the LVCVA.

ADJOURNMENT

Chair Bill Noonan adjourned the meeting at 1:30 p.m.

Respectfully submitted,

Date Approved: TBD

Courtney Lipski
Executive Assistant to the Board of Directors

Bill Noonan
Audit Committee Chair