

**ENTERTAINMENT AND CONVENTION CENTER AUTHORITY  
REGULAR BOARD MEETING**

October 27, 2015

A regular Board meeting was held on Tuesday, October 27, 2015 at 4:00 p.m. in the Senator Sam Solon Board Room. In attendance were David Ross, Jay Seiler, Crystal Pelkey, Mary Finnegan-Ongaro, Greg Fox, Deb Messer, Karen Pionk, Roger Reinert, and Yvonne Prettner Solon. Staff members Dan Russell, Chelly Townsend, and Caty Kaups were present. Carrie Heffernan was excused from the meeting. Also in attendance were Jeff Stark, Venue Operations Director of the DECC; David Montgomery, Chief Administrative Officer of the City of Duluth; and Nathan Ernst, guest and UMD Student Body President.

Ross called the meeting to order at 4:02 p.m. and noted that a quorum had been met.

Ross asked for a motion to approve the minutes from Regular Business Meeting, September 29, 2015. Prettner Solon made the motion to approve, and Pelkey seconded the motion. September's Minutes were approved unanimously.

Finnegan-Ongaro arrived at 4:04 p.m. Reinert and Seiler arrived at 4:05 p.m.

Communications

Russell presented several pieces of communication, including figures from the summer's DTA shuttle ridership during the Northwest Passage closure, a thank you letter from the AFSCME group, and a Facebook post in appreciation for DECC staff quickly locating her lost child at the UMD vs Minnesota hockey game.

Old Business

The Minnesota Slip Bridge was recently closed to traffic for nearly a month due to a mechanical malfunction, and numbers were compiled by its' operators to show the foot and boat traffic passing by during the operational season, as well as statements on the impact of the bridge being non-operational from convention planners and schedules of shuttles arranged for necessary transportation for convention attendees.

David Montgomery arrived at 4:13 p.m.

Montgomery relayed that there are several options of fixes for the Slip Bridge, but they are mostly dependent on the incoming mayor. The option of filling in the Slip is still on the table, even though it has not been discussed in public for some time, and if this is the chosen option, making drastic changes to the bridge would not be financially sound. The other option would be to engineer the bridge over to a hydraulic operation system instead of the cable system in place currently. The Board discussed the options for timelines, financing, and repairs for some time with Montgomery providing a City outlook on the situation.

New Business

Jeff Stark recapped the DECC's management of Bayfront Park since 2012. Since taking over management of the park's events, the number of events booked has increased, many of them counted as "major" drawing over 1,000 guests to the park. Several popular events have been created by the DECC or other groups during this time, including All Pints North Brewfest, Superior Man Triathlon, annual Trampled by Turtles concerts, Grill Wars, Balloon Festival, Howling Moon Festival, City on the Hill Festival, and many small "specialty runs" which will not continue at the park due to traffic constrictions. 2016 already looks to be another big year with Hockey Day MN

happening on February 6<sup>th</sup> and another possible date on January 23<sup>rd</sup> for Girls' Hockey. The Tall Ship Festival will be returning from August 18 – 21 and will share the space with the popular Art in Bayfront Park. All weekends are booked from June to September, and some concerts are in talks of booking. Weekday events will be key to growth from here out.

David Montgomery departed at 5:01 p.m.

Russell and Kaups presented the 2016 Operating Budget Proposal to the Board. The DECC annually presents the projected Budget to the City Council, and will do so this year on November 5<sup>th</sup>. The convention year is down a little in bookings, so this is reflected in Catering and Building Services. Kaups only budgets for confirmed events so there will be variances month to month reported as we go through the year. Payroll is the biggest challenge for expenses, particularly with the recent minimum wage increases, but health insurance rates are going down for the year so that will help. Plans to increase revenues to help with the variances include increasing prices for Haunted Ship admissions, monthly parking pass rates, and the usual inflations of catering and concession prices. Overall, the year is projected to suffer a loss, but this could easily work itself out through the year with late-booking conventions and events that are not yet confirmed.

Ross asked for a motion to accept the 2016 Operating Budget. Reinert made the motion to approve, and Fox seconded the motion. The budget was approved unanimously.

#### Staff Reports

Kaups gave the Finance Report, and noted that September was a good month that ended a little over budget, so the year-to-date is over as well. Building Services was over due to exhibit rental and rent from the MN Wild practices. The Irvin was down with regular attendance, but the Haunted Ship next month will reflect differently. The Ticket Office was over due to the John Prine concert reschedule. On the expense side, the property maintenance shown was due to electricity and cooling for conventions. The Ticket Office shows a loss due to Last Comic Standing, but parking and beer sales would even it out in other columns. The hockey game cancellation on October 9<sup>th</sup> due to the power outage will be shown in the October numbers, presented at November's meeting. Russell is working with a claims attorney at MN Power on this matter.

Ross asked for a motion to approve the Finance Report and the Operating Fund Check Registers. Messer made a motion to approve, and Prettnier Solon seconded the motion. The motion carried unanimously.

Russell gave the Event Recap, and mentioned that Jackson Browne is selling very well and is over 1,400 sold for November 7<sup>th</sup>. Theresa Caputo was a big hit, regardless of the review the event was given in the newspaper. Buddy the Musical will go on sale in early November. Plans are being made for the 50<sup>th</sup> anniversary of the DECC Arena & Auditorium, which is August 6<sup>th</sup>, 2016. The DECC hopes to have several fun events including a UMD Alumni hockey game in the DECC Arena, an all-employee ice cream social, and a concert on the anniversary date featuring The Beach Boys and The Temptations.

Kaups departed at 5:25 p.m.

Townsend gave her Operations & Upcoming Events Report and mentioned that November is another local-centric month with a lot of repeat events. The month begins with the Holiday Inn Showcase Hockey Tournament and the Jehovah's Witnesses Assembly. Upper Lakes Foods is here with their Fall Show on the 3<sup>rd</sup>, the MN Department of Health will hold some workshops, and the City of Duluth holds their Health Fair here. The first weekend holds the Gales of November

event and the Jackson Browne concert. Hunger Solutions returns for the Food Access Summit the 8<sup>th</sup> – 10<sup>th</sup>, and the annual Veterans Day Event will be in Symphony Hall on the 11<sup>th</sup>. The second weekend of the month is very busy with the PAVSA Dinner & Art Auction, UMD Women vs Wisconsin, UMD Men vs Denver, a DSSO Masterworks concert, and the Festival of Trees in Cityside. NAPA will hold a Pro Show on the 16<sup>th</sup>, Visit Duluth will hold their Board Meeting here on the 18<sup>th</sup>, and Allied Charities of MN returns the 19<sup>th</sup> – 21<sup>st</sup> with 900 guests. The next Board Meeting will be on the 24<sup>th</sup>, followed by the annual Thanksgiving Day Dinner. The UMD Women will host Harvard Thanksgiving weekend; the Skate with the Bulldogs will be on the 29<sup>th</sup>; and Kwik Trip will hold their Year End Meeting here to end our month.

Sales Director Sue Ellen Moore was not present to give the Sales and Marketing Report but Russell noted that the Grand Re-opening of the Northwest Passage was a success and was very well-received. Recent bookings include Under One Roof EMS Conference for May of 2016, 2017, and 2018 with 300 guests and exhibits; MN State Fisheries and State Forestry Joint Conference in February 2016 with 400 guests; and the Northeastern MN Synod in May 2019 with 550 guests, and returning for their Bishop Elections in May 2020 with 650 guests.

Russell gave the Attractions Report, stating that the Haunted Ship has been incredible, even with a lost night of operation due to the power outage. With the final weekend approaching, ticket sales are on track to top last year's numbers.

The next regular meeting is on November 24, 2015 at 4 p.m. in the Senator Sam Solon Board Room.

Ross asked for a motion to adjourn the Regular Business Meeting. Messer made a motion, and Pionk seconded the motion. Ross adjourned the meeting at 5:32 p.m.

Submitted by:

  
David Ross, President

  
Crystal Pelkey, Secretary