

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

June 30, 2015

A regular Board meeting was held on Tuesday, June 30, 2015 at 4:00 p.m. in the Senator Sam Solon Board Room. In attendance were David Ross, Jay Seiler, Greg Fox, Carrie Heffernan, Deb Messer, Nick Patronas, Karen Pionk, and Yvonne Prettner Solon. Staff members Dan Russell, Chelly Townsend, Caty Kaups, and Sue Ellen Moore were present. Secretary Crystal Pelkey and members Mary Finnegan-Ongaro and Roger Reinert were excused from the meeting.

Ross called the meeting to order at 4:09 p.m. and noted that a quorum had been met.

Ross asked for a motion to approve the minutes from Regular Business Meeting, May 26, 2015. Fox made the motion to approve, and Prettner Solon seconded the motion. May's Minutes were approved unanimously.

Communications

Russell brought in two pieces of communication, including a note from the Lions Club thanking the DECC for a great Pancake Day, and a card from the retiring Managing Director of the Minnesota Ballet who thanked the DECC for a great collaboration during her tenure.

New Business

Russell informed the board that several projects are underway, including fixing the elevator in the main ticket lobby and retrofitting over 300 light fixtures in common areas that will result in significant rebates from MN Power.

Heffernan arrived at 4:18 p.m.

The Northwest Passage remodeling is underway, and they are demolishing the current skywalk over Railroad Street and the frontage road that leads from 5th Avenue West to Lake Avenue. They currently plan to reopen some lanes on Railroad Street for the 4th of July festivities at Bayfront and Canal Park. Russell also mentioned that an exciting event will be taking place at the DECC in the DECC Arena and Pioneer Hall this coming month, and asked Moore to elaborate. The Minnesota Dental Association's Mission of Mercy will bring in over 1,000 volunteers over a two-day period to provide free dental service to up to 2,000 patients. This event has drawn big crowds in Mankato and Bemidji in the past few years, with guests waiting overnight for dental care.

Patronas arrived at 4:24 p.m.

Old Business

Russell has had communications with Bob Magie of the Curling Club Board and they have a potential agreement. The DECC has asked the DCC to agree to a minimum of \$300,000 to fund the ice floor fix out of the projected \$425,000 cost, which would make the agreement 70/30 rather than 50/50 as previously discussed. This would be paid before bids are executed, and as it's a single-use space, there would be a long-term payback in place with a 3% escalator and an annual increase to rent of \$10,000 per year until paid. The lease would potentially be 20 years, even though the projected life of the floor would be 40-50 years. Parking was also discussed, to increase the individual member parking pass cost by \$15 every 4 years until it reaches \$120 per pass after 20 years. The DECC would like to be a part of naming rights and advertising, with no exterior signage, only interior and only during the curling season. Separate insurance in case of catastrophes will be negotiated. Potential dates for construction have been blocked off from July 18 through September 11, 2016.

Ross asked for a motion to approve the Preliminary Agreement with the Curling Club. Patronas made a motion, and Heffernan seconded the motion. The motion carried unanimously.

Staff Reports

Kaups gave the Finance Report with May highlights, and noted that May was a good and busy month. We had 6 conventions, 3 weddings, 3 dance recitals, 3 college commencements, a hockey tournament, a symphony, a ballet student performance, and a roller derby. On the revenue side, both Building Services and Catering were over budget due to Battle of the Bay hockey, MN Association of School Business Officials, and the Upper Lakes Foods show and AMSOIL University being larger than expected. Concessions was over from the hockey tournament, and the Irvin was over due to attendance being up for the first month, but parking was under because Kaups thought that many walked here rather than parking here. On the expense side, Catering was over due to food costs, and parking was over due to receiving a March snow plow bill mid-May.

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

Moore gave the Sales and Marketing Report, confirming some conventions booked this month. The MN Association of Nurse Anesthetists booked for October 2016, and AMSOIL University booked their 45th Anniversary Convention for July 2018, even though they will not be holding the annual event here every year anymore. Compudyne Techfest has booked for September 2016, and Moore had a great conversation with the organizer of MN Rural Health, who has been here for 10 consecutive years and do not plan on booking anywhere else for the future because nothing compares to Duluth as a destination and the DECC customer service and great food.

Townsend gave her Operations & Upcoming Events Report and previewed the July events at the DECC and Bayfront Festival Park. The Thomas Carnival is moving in to be in place through Sunday, and Bayfront is busy with shows and festivals. Hairball is on the 3rd and Fourth Fest is the following day, with Rick Springfield on the 9th with The Romantics and MYNX. The Duluth Kennel Club Dog Show is on the 9th-12th, with Trampled by Turtles performing at Bayfront on the 11th. Reggae Fest takes the third weekend on the 18th, All Pints North on Saturday the 25th, the 2015 Kidney Walk will be on the 30th, and the Howling Moon Festival is a country show on Friday the 31st with a Christian show on the 1st of August. Inside the DECC, lots of repeat events will take place with MN Propane and Greater MN Cities, the Northern Exposure Hockey Tournament, and lots of weddings. Russell noted that with the sale of ZMC Hotels, the new owners decided to not renew the suite contract. Wells Fargo will now be in Suite 302.


Russell gave the Attractions Report and there is a book planned to be written on the Irvin by Tony Dierckins, who has written many historical books on Glensheen and the Duluth area.

Ross then read a Resolution commending Nick Patronas on his service to the DECC Board since 2009, and thanking him for the fine quality of his service as a member of the board. Russell presented Patronas with a farewell reception.

The next regular meeting is on July 28, 2015 at 4 p.m. in the Senator Sam Solon Board Room.

Ross adjourned the meeting at 5:06 p.m.

Submitted by:



David Ross, President



Crystal Pelkey, Secretary