

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

April 23, 2018

A regular Board meeting was held on Monday, April 23, 2018 at 4:00 p.m. in the Symphony Hall Mezzanine. In attendance were Chair Roger Reinert, Vice Chair Don Ness, Mary Finnegan-Ongaro, Greg Fox, Carrie Heffernan, Deb Messer, and Jay Seiler. Secretary Crystal Pelkey and members Karen Pionk, Yvonne Prettner Solon, and David Ross were excused from the meeting. Staff members Chelly Townsend, Caty Kaups, and Sue Ellen Moore were present. Also in attendance were Jim Filby Williams, City Director of Public Administration, and Erik Birkeland, City Property and Facilities Manager.

Reinert called the meeting to order at 4:03 p.m. and noted that a quorum had been met. Reinert briefly reviewed the agenda.

Reinert asked for a motion to approve the minutes from Regular Business Meeting, March 27, 2018. Seiler made the motion to approve, and Messer seconded the motion. The March minutes were adopted unanimously.

Communications

Townsend presented a note of appreciation from the League of Minnesota Cities, as well as the Media Mention Report, and stated that she would like DECC Marketing Coordinator Chris Johnson to come to a meeting.

Staff Reports

Townsend gave the Event Recap and remarked that it has been a very intense spring conference schedule with one more week to go in April. Jim Gaffigan is in AMSOIL Arena next week, and both Foreigner and the Home Show went very well. Kinky Boots sold out and had a great response. The AAD Shrine Circus, Jehovah's Witnesses, Stella Maris Academy, and the MercyMe concert were all on the same day. The MercyMe concert helped the booking of The Avett Brothers for a concert on October 13th in the DECC Arena.

Heffernan arrived at 4:05 p.m. Filby Williams arrived at 4:06 p.m.

Townsend made the Operations & Upcoming Events Report brief and stated that Moore would elaborate on the May events in her report later in the meeting, but first mentioned that within a matter of days the focus on the grounds has gone from snow removal to sweeping and spring cleaning.

Townsend gave the Attractions Report and stated that the last survey for moving the Irvin was done today to get the specific information on the removal of the Irvin through the Blue Bridge. The Vista Fleet has been in the news recently, and Townsend assured the Board that the DECC has been in very close contact with the Fleet and working very hard at the checklist for mooring the boats on the dock wall outside of the Blue Bridge. A marketing campaign is in place for a safe fenced walkway for guests to access the Vista boats among all the construction work called "Footpath2Fleet."

Old Business

Townsend introduced Birkeland and Filby Williams to the Board. Filby Williams stated that he just received a message from the Army Corps of Engineers that the SHPO permit should proceed and Veit will be remobilized within three days. The Vista Fleet's bayside boarding sites equipped to specification could be complete by May 1, and the Blue Bridge will reopen after painting on May 4 or 5, which will also provide access to two safe harbor moorings for the Vista boats within the slip. The seawall sheet pilings should be installed and tied back by mid-June, and the walkways complete in August. Birkeland

elaborated on the standing plan and challenges for moving the Irvin. The final dimensions allow 8 inches of clearance for the ship to move through the Blue Bridge. This would require removing pins from the Bridge and replacing them to allow the Bridge to open wider at the top, when the widest point is at the concrete base. In one plan, a temporary mooring would be placed behind the DECC on the front bay dock wall, and a tentative move could take place in mid-May. The MPCA remediation would take place in the fall, and the Irvin must move to complete the remediation. The pinning process could cost \$57k, but it was not known if that included each occurrence of pinning needed for removal and replacement of the Irvin in the Minnesota Slip. If the ship did strike the bridge upon removal or replacement, it would be hitting the concrete abutments and not the bridge itself. It was asked if the MPCA could remediate the Slip with the Irvin still in its current location with the new information regarding the clearance of the bridge, and Filby Williams will follow up with the MPCA to see if the project could change their project and absorb additional cost. Filby Williams reported that another \$670k in damage was assessed on the seawall between the DECC and the aquarium after the mid-April storm, and a county board is voting in the coming days to ask the Governor for a disaster declaration and emergency funding. Mayor Larson stated at a meeting recently that the seawall funding was one of the top priorities for the City at this time.

Birkeland and Filby Williams departed at 4:53 p.m.

Reinert informed the Board that a special meeting may be needed in May before the next scheduled meeting. After further discussion, there was no vote taken, and it was the Board's inclination to not move the Irvin without all of the necessary information and all the associated cost and risk factors. Townsend will communicate this to the City.

Ness departed at 5:09 p.m.

Staff Reports, cont.

Kaups gave the Finance Report for March 2018, stating that it was a good month, ending about \$29k over budget. March was packed full with three concerts, the Harlem Globetrotters, a men's hockey series and playoffs, Robotics, a symphony, a ballet, a large dance competition, and several conventions. Duluth Energy Systems was \$26k over budget for the month, which was \$20k higher than February's bill; we have been in discussion with Duluth Energy Systems about the sustainability of a 90% cost increase over 2017. The Board discussed the options for heating the building for several minutes. On the revenue side of the budget, Building Services was over from rent with men's playoffs and concert suite revenue. Concessions was under budget due to lower attendance at the last few games. The Ticket Office and Parking were each over budget, as Robotics and the concerts filled the seats and the parking lots. For the expenses, ice was in late due to UMD advancing to win a national title, so Building Services labor was over budget with keeping the ice in under the Globetrotters floor. Property maintenance was already discussed with the utility issues, and the ticket office was over with show related expenses. Several Haunted Ship staff attended a national haunting convention and attended haunted attractions and a large trade show, so the Irvin expenses were over budget.

Reinert asked for a motion to approve the March Finance Report and the Operating Fund Check Registers. Messer made a motion to approve, and Heffernan seconded the motion. The items were approved unanimously.

Seiler departed at 5:21 p.m.

Moore gave the Sales and Marketing Report and mentioned that the Blue Bridge is critical for good convention business. Two new medical conventions confirmed for 2019. Continuing the Operations & Upcoming Events Report, Moore commended the building for their efforts during the blizzard as the MN Association for Children's Mental Health had 2,000 of the estimated 2,200 attendees arrive for their

meetings early. Some employees couldn't make it to work with the snowfall, but people in the building pitched in for the large lunches served. May turns the corner from convention season to a community center month. The first week of the month brings the Upper Lakes Food Show, the MN Council of Teachers of Mathematics who have been coming here since 1997, the Lions' Pancake Day, Celebration Talent Competition, two UMD Commencement ceremonies, and a prom. The second week will host the ALLETE Annual Meeting, a United Way luncheon, MASBO, Magic Men Live, two dance recitals, and two more proms. The third week of the month will hold the first I'm A Tourist Too for the area attractions and hospitality industry, Under One Roof, the MN HomeCare Association, the annual Essentia Employee dinner for 1,200 guests, and an electronic recycling event at the Bayfront parking lot. The last weeks of the month will host a Cirrus event, Nick Swardson, the start of the MN Republican Party Convention, and a hockey tournament. Moore recently returned from the XDP (Experience, Design, Project) convention in Washington DC and the focus on clients looking for a "wow" experience from their events. The recent Essentia Physicians' Dinner brings in Event Lab from the Twin Cities and Sound Central to create an experience with lighting, decorations, entertainment, and different displays of food.

Committee Reports

Fox stated that the Finance Committee's report was well covered during the Finance Report, and the utility costs are a main priority.

Messer reported on behalf of the Personnel Committee, noting that the Organizational Chart will be fine-tuned before the next meeting, and that the committee is working on a Board Orientation Tour and the Executive Director Performance Review.

Finnegan-Ongaro reported on behalf of the Governance Committee, stating that the group looked at the enabling legislation and the bylaws. The next meeting will be on May 14 for both Personnel at 8 a.m. and the Governance committee at 9 a.m. at the Sheraton.

New Business

There was no new business to report at this time.

The next regular meeting is on May 29, 2018 at 4 p.m. in the French River Room. It will be the final meeting for Reinert prior to his deployment, so the chairmanship of the Board will be transferred to Ness at that time for his 2019 term. Kaups also mentioned that the audit wrapped up last week, and State Auditor Krista Duncan will attend the May meeting to report on the results. The Board was alerted of the possibility of a special meeting prior to May 29 to discuss the Irvin if any new developments come forth.

Reinert asked for a motion to adjourn the meeting. Messer made the motion to adjourn, and Heffernan seconded the motion. Reinert adjourned the meeting at 5:36 p.m.

Submitted by:



Roger J. Reinert, Chair



Crystal Pelkey, Secretary