

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

June 28, 2016

A regular Board meeting was held on Tuesday, June 28, 2016 at 4:00 p.m. in the Senator Sam Solon Board Room. In attendance were David Ross, Jay Seiler, Greg Fox, Carrie Heffernan, Don Ness, 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, Deb Messer, and Roger Reinert were excused from the meeting. Also in attendance were Jeff Stark, DECC Venue Operations Director, and Krista Duncan, MN State Auditor.

Ross called the meeting to order at 4:04 p.m.

Old Business

Russell introduced Duncan, from the MN State Auditor's office, to present the 2015 Audit Exit. In summation, the 2015 Audit was presented as fairly prepared, and the auditor issued a standard, clean opinion. There were no difficulties in performing the audit, and there were no disagreements with the management.

Prettner Solon arrived at 4:11 p.m. Heffernan arrived at 4:15 p.m.

Russell noted that it was a great financial year and the current ratio of assets to liabilities is in great shape at 1.62, and the goal is to bring it closer to 2. A short discussion followed the presentation of the audit regarding the changes made to the PERA contributions and long-term liabilities reported.

Russell welcomed former Duluth mayor Ness to the Board, beginning a 3-year term at this meeting, and noted that it will be of great advantage to the Board to have his insight and knowledge of City workings.

Ross asked for a motion to approve the minutes from Regular Business Meeting, May 19, 2016. Pionk made the motion to approve, and Heffernan seconded the motion. May's Minutes were approved unanimously.

Duncan departed at 4:23 p.m.

Communications

Russell presented a conference attendee evaluation from the Under One Roof group, in which a guest was appreciative of DECC staff going out of their way to assist them.

Old Business, cont.

Last month's discussion with Chad Scott of AMI on the seawall was a very good starting point, as the City Council voted to hire AMI to assess and potentially fix the seawall from the Great Lakes Aquarium to the end of the Minnesota Slip. Russell has been working with Representative Nolan and Jeff Anderson to work towards 40% contributions so that the City can bond for the remaining 60% from federal funds for the original DECC. Work will also be done with the EPA and MPCA to mitigate the pollution problems that have come to light in the Slip. A discussion followed regarding the funding sources for the fixes needed, and Fox asked Russell, on behalf of the Board, to talk to Mayor Larson about the funding issues.

New Business

Russell introduced Stark, DECC Venue Operations Director, who presented a proposal to keep AMSOIL Arena up to date and current with technology. Stark proposed purchasing a new switcher system with HD capabilities, components needed for the operation, and a transmitter for the roaming cameras used during UMD Hockey games. This has been #1 on the wish list for several

years, and is now more affordable than when originally recommended in 2009. The total cost for the project is \$88K and plans are to install in the first week of August. Funding for the project will come from the windfall received after the UMD locker room bonds were paid off, as the money needs to go towards building improvement.

Ross asked for a motion of approval for the purchase of the new switcher system package. Prettnr Solon made the motion to approve, and Heffernan seconded the motion. The package purchase was approved unanimously.

#### New Business

Russell moved on to the next point on the agenda to approve the International Union of Operating Engineers Local 70 Contract, which have been in negotiations since January. The group approved it unanimously two weeks ago pending Board approval. The hiring climate is very difficult, but the minimum wage increases did not have much impact on the DECC. Starting wage will be increased to \$10 per hour, and the probationary period will also be extended from 90 days to a year, as the DECC would like to make sure staff is here to stay before benefits and full union membership are extended. These changes should help curb turnover and increase employee satisfaction.

Ross asked for a motion to approve the Operating Engineers Local 70 Contract. Fox made the motion to approve, and Seiler seconded the motion. The contract was approved unanimously.

#### Staff Reports

Russell gave the Event Recap, stating that Fourth Fest is a great event coming up, and plans for the 50<sup>th</sup> Anniversary are coming together very nicely. Over 5K tickets have been sold for the Beach Boys & Temptations concert, and all partners will participate in the community open house. Artwork for the empty UMD plaque boards around the DECC Arena concourse is being finalized, featuring images of the artists from historic DECC Arena concerts. James Taylor was a great show with good turnout, and KISS and Keith Urban are selling well. The Broadway series will continue this fall with Celtic Thunder and next spring with Rain: A Tribute to the Beatles, and Grandma's Marathon went very well with great exposure for the upcoming DECC events.

Kaups gave the Finance Report for April and May 2016 and stated that April was an incredible month, over budget in revenues by \$120K. We had John Mellencamp, FMX World Tour, and two weekends of Celebration Talent Competition that were not budgeted for. The Home Show and MACHE (MN Association of Christian Home Educators) both had increased numbers. Expenses were not too far over budget. May was over budget on expenses a little bit more as some property maintenance expenses occurred with engineer turnover, and with the bar manager turnover we also experienced some inventory differences. Monthly parking has decreased as Maurices has moved over to their new building and parking ramp.

Ross asked for a motion to approve the April and May Finance Reports and the Operating Fund Check Registers. Pionk made a motion, and Prettnr Solon seconded it. The motion carried unanimously.

Moore gave the Sales & Marketing Report, noting that four new conventions including Hunger Solutions for its 6<sup>th</sup> year in 2017, and two international conventions for 2018: the NAFSA Association of International Educators, and the International CHARR Symposium. Finally, the MN State Fire Chiefs Association booked for both 2019 and 2021.

Townsend briefly gave the Operations & Upcoming Events Report, noting that July is the quietest month of the summer inside the DECC, but the Bayfront Festival Park schedule is busy with happenings every weekend. Events of note are the Duluth/Växjö Soccer Exchange Banquet on July 5<sup>th</sup> and Jerry Seinfeld performing in Symphony Hall on July 22<sup>nd</sup>.

Heffernan departed at 5:25 p.m.

Russell stated that there was nothing to present for the Attractions Report at this time.

Fox stated that he and Messer met as the Nominating Committee and present the following for the incoming seats of the Board. They nominate Seiler as Chair, Prettner Solon as Chair, and Pelkey to maintain her seat as Secretary. As the outgoing Chair, Ross was presented with a small token of appreciation, and he will serve one additional term for his outstanding chairmanship.

Fox made a motion to accept the Nominating Committee's recommendation, and Ross seconded the motion. The motion carried unanimously.

The next regular meeting is currently scheduled for July 26, 2016 at 4 p.m. in the Senator Sam Solon Board Room.

Ross adjourned the meeting at 5:29 p.m.

Submitted by:

  
David Ross, President  
Crystal Pelkey, Secretary