

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

May 26, 2015

A regular Board meeting was held on Tuesday, May 26, 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, Carrie Heffernan, Deb Messer, Nick Patronas, Karen Pionk, Yvonne Prettnier Solon, and Roger Reinert. Staff members Dan Russell, Chelly Townsend, Caty Kaups, and Sue Ellen Moore were present. Also in attendance was Krista Duncan, MN State Auditor.

Ross called the meeting to order at 4:04 p.m. and noted that a quorum had been met.

New Business

Russell introduced Krista Duncan, special guest from the MN State Auditor office, who was here to present on the DECC 2014 Audit.

Messer arrived at 4:05 p.m. Heffernan and Patronas arrived at 4:07 p.m. Finnegan-Ongaro and Fox arrived at 4:08 p.m.

In Duncan's presentation of the audit, she reported that there were no difficulties in performing the audit, and there were no disagreements with the management. The official opinion of the audit was standard and clean, with no findings. Questions were asked by the board regarding the depreciation of the assets and the tourism taxes that the DECC pays.

Ross asked for a motion to approve the 2014 Audit Report. Pionk made the motion to approve, and Prettnier Solon seconded the motion. The Audit Report was accepted unanimously.

Duncan and Kaups departed at 4:22 p.m.

Ross asked for a motion to approve the minutes from Regular Business Meeting, April 28, 2015. Finnegan-Ongaro made the motion to approve, and Messer seconded the motion. April's Minutes were approved unanimously.

Communications

Russell presented the communications for the month with a note of appreciation from the MN Teachers of Mathematics, a returning conference that is important business every year. Russell also noted that the NCAA Regional competition will stay as is, as decided by the NCAA coaches and officials at their yearly meeting, and that the DECC is in talks with the WCHA to host their Final Four tournament at AMSOIL every year from here out. AMSOIL Arena also has a bid in to host the Icebreaker Tournament at the beginning of the 2017-2018 season.

Kaups returned at 4:27 p.m.

Old Business

Russell brought up the topic of the Curling Club ice floor and stated that he has been meeting with Bob Magie to come up with a solution for funding the replacement and repairs of the ice floor and plant, respectively. The plan that Russell will formally present to the Board in June is to split the cost of the replacement 50/50 with the Curling Club, which has sought bank assistance and personal fundraising guarantees. Bids will be sought this winter, and 6 weeks will be blocked off after the Dog Show in July 2016 for the construction. The board discussed this topic for some time, and the general consensus is that the board would be more comfortable with a 60/40 agreement, increased rent payments, and a long-term lease of 20 years.

New Business, continued

Russell presented to the board a proposal to increase the Salary Grade for employees by 1.5% in accordance with the average MN CPI for the year. Russell also presented a 2.5% Increase Allowance for Salary Increases for 2015.

Ross asked for a motion to approve both the Salary Grade Increase and the Salary Increase Allowance. Patronas made the motion to approve, and Heffernan seconded the motion. The Salary Increase Allowance and Salary Grade Increase were approved unanimously.

Staff Reports

Russell gave his Event Recap report and mentioned that the Bayfront season is kicking off with a full-size ad in the Star Tribune highlighting the summer schedule, paid for by Visit Duluth. The DECC will self-promote a show featuring Rick Springfield, The Romantics, and MYNX on Thursday July 9th, and Last Comic Standing will bring their post-season tour to Symphony Hall on Sunday September 27th. Jackson Browne will return on Saturday November 7th, and the DECC would like to bring back a limited Broadway series, beginning with Buddy – The Buddy Holly Story on February 23rd, 2016. Other Bayfront shows to note for this summer include Hairball on July 3rd, Fourth Fest on July 4th, and Trampled by Turtles on July 11th. Russell also remarked that over 300 light fixtures are being retrofitted in the common areas and walkways in time for the large MN Quilters show the second week in June.

Kaups gave the Finance Report with April highlights, and noted that April was under budget, but overall year-to-date still over budget. April was fairly busy with the Home & Builders Show, Circus, 4 conventions, a DSSO symphony, a hockey tournament, Celebration Talent, and the UMD Spring Concert. For revenues, Catering was under due to low attendance at the Home Show, and SME was also down on attendance this year. Concessions was under due to the Home Show and Celebration Talent attendees eating here less. The Ticket Office was under due to the UMD Spring Concert with UMD selling most of the tickets and not much sold here, and the circus attendance was down. Parking was down as well due to most factors. For expenses, Kaups noted that there was no snow removal for April, and the outdoor sign package was completed this spring.

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

Moore gave the Sales and Marketing Report, confirming some conventions booked this month. The Economic Development Association will return June 2016, and the MN Medical Group Management Association will be here in July 2016. The MN Society Health-System Pharmacists will return in April 2019. Moore also noted that FIRST Robotics changed its dates by one week for 2016, and several other events including the Women's Expo and a Northland Foundation meeting were both willing to change their dates to allow for Robotics to have a successful event.

Townsend gave her Operations & Upcoming Events Report and previewed the June events at the DECC. Many events at the beginning of the month, within the first 13 days, are in Symphony Hall and are primarily graduations and dance recitals from repeat clients. Bayfront events are also beginning in June. The Economic Development Association of MN will be in the Harborside in concurrence with the DEED/DHS 2015 Joint Counselor Training in Cityside the 3rd through 5th of the month. The month has several wedding receptions scattered throughout when the Ballrooms were available. The large Minnesota Quilters show will be here for a week with half of a week loading in, and the show from the 10th through 13th. Immediately following is the Age & Disabilities Odyssey with over 1200 guests expected, and right after that the building gets ready for Grandma's Marathon with the spaghetti feed, expo, awards ceremony, and a VIP reception. The League of MN Cities will bring in 600 guests, and the Gala of the Royal Horses will be held in

AMSOIL Arena as a last-minute event booking. The Gun Show is always here the last weekend of June, and MN Rural Health closes out the month. June is also the month that the Northwest Passage construction begins and the DTA will be providing free shuttling for our daily parkers and convention/wedding attendees. The DECC will make a presentation to the board in September on our July and August monthly parking figures.

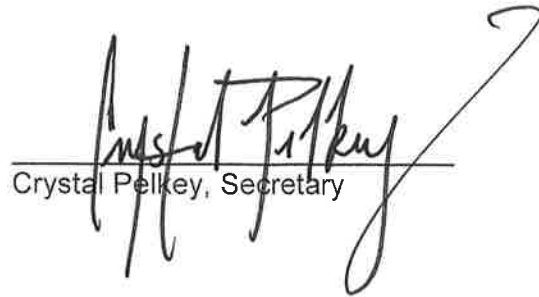
Russell gave the Attractions Report and stated that the Irvin is open for the 2015 season despite the weather, and the movie theater is also doing well.

The next regular meeting is on June 30, 2015 at 4 p.m. in the Senator Sam Solon Board Room.

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

Submitted by:


David Ross, President


Crystal Pelkey, Secretary