

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

May 29, 2018

A regular Board meeting was held on Tuesday, May 29, 2018 at 4:00 p.m. in the French River Room. In attendance were Chair Roger Reinert, Vice Chair Don Ness, Secretary Crystal Pelkey, Mary Finnegan-Ongaro, Greg Fox, Carrie Heffernan, Deb Messer, Karen Pionk, Yvonne Prettner Solon, David Ross, and Jay Seiler. Staff members Chelly Townsend, Caty Kaups, and Sue Ellen Moore were present. Jim Filby Williams, City Director of Public Administration, was also in attendance.

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, April 23, 2018 and Special Meeting, May 15, 2018. Ross made the motion to approve, and Messer seconded the motion. The minutes were adopted unanimously.

Communications

Townsend presented the new Event Feedback Report, compiling all the comments and compliments emailed to the DECC from event planners, serving as an event recap. A very nice note from the Proctor Prom organizer was included. Townsend also pointed out on the Media Mentions report that each month, DECC page "likes" continue to grow for both the total page and individual post reactions.

Committee Reports

Pelkey stated that the Finance Committee had a good meeting the previous week with a long conversation about the Irvin and edited the contract with the City slightly, including the request from the City to forgo the season entirely. The April statements were also reviewed and were good.

Seiler arrived at 4:07 p.m.

Messer reported on behalf of the Personnel Committee, commending Townsend's work on the Organizational Chart, which will be ready to share with the Board at next month's meeting. The Executive Director Evaluation draft is in the works, and Board Orientations are also being worked on in preparation for open seats in June and potentially January.

Kaups arrived at 4:09 p.m.

Finnegan-Ongaro reported on behalf of the Governance Committee, with the top priority being to update the bylaws and the legislation. Similar organization bylaws have been researched and passed to the committee in hopes of expediting the revisions, and the committee will also take over the duties of the Nominating Committee and work towards new officers for next month.

Old Business

Reinert reported that following the Special Meeting on May 15, the City immediately worked on a draft to reflect the pledges made to the DECC from the City. The Finance Committee, as stated, made several contributions and restructurings, and a final draft was received today. Townsend clarified that the new financing agreement, rather than the 1:1 agreement of the \$600k price tag, will be that the City will spend \$300k first, and then the \$169k bond refinance fund will be spent prior to the DECC contributing the original \$131k estimated.

Filby Williams arrived at 4:15 p.m.

The new funding plan also takes into account the possibility of cancelling the Irvin season completely. August would have been the tentative opening date, which is one of the quieter months, only bringing in \$40k last year. The temporary mooring would have cost up to \$140k, and labor costs to prepare the ship for a short season would be higher than the potential revenue. October's Haunted Ship season would be at risk at the back dockwall with the potential for bad weather that could jeopardize the ship's structure and the new moorings. Forgoing the season would only necessitate two moves of the Irvin rather than three, and it was asked what the impact would be to the Damiano Center and Second Harvest without holding the coat and food drive held during the Haunted Ship. The answer was unknown at this point, but it would be looked into.

Ness made a motion to forgo the Irvin season and send the ship directly to Fraser Shipyards after removal from the Minnesota Slip, and Pionk seconded the motion. The Finance Committee recommended this for approval. A vote was taken, and the motion was approved unanimously.

Pelkey departed at 4:27 p.m.

Filby Williams was asked if the City would pay above it if the project exceeded the original \$600k threshold, and it was confirmed that this was the case and the threshold was still in place. The City is soliciting bids for insurance and designing and bidding for the move. It was requested that the City communicate with Townsend all estimated costs and actual bids as they are received. The City is working on a state grant for up to \$504k to be used only on the maintenance and painting costs of the Irvin; the funding will be awarded in December.

Reinert asked for a motion to approve the Agreement between the City of Duluth and DECC. Prettner Solon made the motion to approve, and Ness seconded the motion. Upon further discussion, the agreement will be redrafted to remove the language regarding the temporary moorings that are no longer needed. A vote was taken, and the Agreement was approved unanimously.

Reinert asked for a motion to approve the Resolution Authorizing and Approving the Execution, the official act of the Board. Finnegan-Ongaro made the motion to approve, and Seiler seconded the motion. A vote was taken, and the Resolution was approved unanimously.

Filby Williams departed at 4:41 p.m.

Staff Reports

Townsend gave the Event Recap and stated that May has been an astounding month with commencements and community events that return every year.

Townsend gave the Attractions Report and mentioned that during the risk assessment, Julie Kloss Molina of Barr Engineering said that something to "sweeten the deal" for the SHPO approval would be to organize a "return visit" with a party or street dance or other festivities to celebrate the Irvin's successful repair and return to the Slip.

Kaups gave the Finance Report for April 2018, stating that it was a good month, ending over budget with an array of concerts (Foreigner, Kinky Boots, MercyMe, and Jim Gaffigan), the Circus, and Home Show. For revenues, the Ticket Office was over budget as Kinky Boots was our show so we made above and beyond the split of the show and Jim Gaffigan sold out AMSOIL Arena rather than Symphony Hall when he was here in 2013. Parking had a very busy event month and was over budget. For expenses, there weren't too many variances other than Property Maintenance for the steam utility bills. There are still two years left in the contract with Duluth Energy Systems, so the DECC plans to renegotiate. Admin was over

budget from the timing of the audit payment, and the DECC continues to contribute to the Greater Downtown Council for the Clean and Safe Team.

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

Messer departed at 4:55 p.m. Ross departed at 4:58 p.m.

Moore gave the Sales and Marketing Report and mentioned that there are two new conventions sliding into 2019, and Towards Zero Deaths booked for 2020. She also stated that Sales Manager Elise Rigney took another job with St. Louis County, but is confident the next candidate will come along and continue to grow the DECC's clientele.

Continuing with the Operations & Upcoming Events Report, Moore elaborated on the June events, kicking off with the Republican Party of Minnesota's convention, the Battle by the Bay Hockey Tournament, and Daniel O'Donnell. Proctor and East graduations will take place in Symphony Hall, as well a couple more dance recitals. There are two wedding receptions booked through the month, and Grandma's will kick off the true summer season with their Expo, Packet Pick-up, Spaghetti Dinner, and Awards Ceremony. The month ends with the International Charr Symposium and MN Rural Health conventions, and the Thomas Shows in the parking lot. Seiler also mentioned that Bayfront Festival Park was just awarded the Best Outdoor Music Venue by the Star Tribune.

New Business

There was no new business to report at this time.

The next regular meeting is on June 26, 2018 at 4 p.m. in the Senator Sam Solon Board Room. Reinert stated that he would step down as Board Chair effective June 1, and Ness will assume the role through his scheduled 2019 term. Reinert plans to participate with meetings as his deployment schedule allows. The Governance Committee will fill other officer roles. Reinert thanked the Board for their efforts in transitioning and engaging in the committees, and Townsend thanked Reinert for his leadership and the opportunity to learn beside him. Townsend and the Board wished him well on his deployment.

Reinert asked for a motion to adjourn the meeting. Fox made the motion to adjourn, and Heffernan seconded the motion. Reinert adjourned the meeting at 5:10 p.m.

Submitted by:


Don Ness, Chair


Crystal Pelkey, Secretary