

**ENTERTAINMENT AND CONVENTION CENTER AUTHORITY**  
**REGULAR BOARD MEETING**  
July 31, 2019

A Regular Board Meeting was held Wednesday, July 31, 2019 at 11:30 AM in the Symphony Hall Mezzanine.

Board Members Present: Chair Don Ness, Vice Chair Karen Pionk, Roz Randorf, Bill Nelson, Mary Finnegan-Ongaro, David Ross, Pat Mullen, Carrie Heffernan

Board Members Absent: Secretary Crystal Pelkey, Roger Reinert, Lynne Williams

DECC Staff Members Present: Chelly Townsend, Caty Kaups, Sue Ellen Moore, Renae Matt

CALL TO ORDER and QUORUM: Ness called the meeting to order at 11:36 AM. A quorum of directors was present. Ness announced there were some changes to the order of the agenda [*I. Approval of Agenda, II. Approval of Minutes, III. Finance Report, IV. Old Business, V. New Business, VI. Committee Reports, VII. Staff Reports*]. Ness added that due to a statement in the ByLaws, a motion to approve the new order is required.

MOTION: Nelson made a motion to approve the new order of the agenda and Finnegan-Ongaro seconded the motion. The new order of the agenda was approved unanimously.

MOTION: Ness requested a motion to approve the Regular Business Meeting Minutes from June 26, 2019. Ross made a motion to approve the minutes as written and the motion was seconded by Randorf.

**Finance Report**

Finance Report: Kaups stated that June was a good month, leaving the DECC's overall revenue overbudget. It was a month full of events, including Grandma's Marathon, 4 conventions, 5 weddings, John Prine concert, and high school graduations. Kaups presented the following report; revenues were over budget for Catering and Concessions and under budget for Building Services and Parking. Expenses were under budget for Engineering, Marketing, Catering Training & Education, and the Irvin. Expenses were over budget for Concessions, Administrative, and Ticket Office. Kaups explained that the variance in Administrative expenses was due to a new employee benefit program to help employees manage their personal finances [SmartDollar] which was not included in the original annual budget.

Randorf asked some questions regarding the reasoning that a department's expenses surpass its revenue in certain months, such as Concessions. Kaups explained that it is unavoidable in some circumstances, such as having Concessions staff continue working through the summer to prepare for the hockey season ahead which involves deep cleaning stands and testing new menu items, which are expenses, but there are less events during those months which means less revenue.

Pionk inquired if the Finance Committee reviews forecasts of the expenses and revenues throughout the year, rather than focusing on the annual budget alone. Kaups stated that the Finance Committee focuses on larger items and the annual audit. She said there is no official forecasting throughout the year, but added that the DECC management team discusses changes in revenue and expenses month to month to continue managing the budget.

*Heffernan arrived at 11:39 AM.*

Ness stated that it's important for the Board to focus on big changes to the budget rather than

getting too far into the operational side of things. Pionk agreed and said forecasting should not be something the Board discusses, but believes the Finance Committee could review it. Townsend added that one of the ways the DECC controls spending is based on the upcoming schedule, as management communicates the effect each event has on the budget and adjusts as necessary.

MOTION: Ness requested a motion to approve the Finance Report and the Operating Fund Check Registers for June. Ross made the motion and Pionk seconded the motion.

Ness welcomed new Board Members, Pat Mullen, Lynne Williams [absent], and a returning Board Member- Carrie Heffernan. The Board took a few minutes to introduce the current members and DECC staff present.

### **Old Business**

MN Slip & William A. Irvin Update: Townsend stated that the William A. Irvin is scheduled to go into dry-dock Thursday, August 1, 2019. Fraser estimated that the project will last 4-7 weeks, dependent on weather conditions. Townsend added that Derek Montgomery will be documenting the event with photography, drone footage, and go-pros to create a historical piece for the museum upon its return. Ness inquired about the return date and Kaups stated there is no official date at this time and that the insurance and contract for the return of the vessel will be through the City of Duluth. Mullen inquired about the docking fees mentioned in the notes of the June meeting. Several members explained there was only concern about additional docking fees if the project was delayed and the ship needed to remain at Fraser Shipyards longer than anticipated. They added that, since the Irvin is going into dry-dock tomorrow, there shouldn't be any need to address that possibility. The Board took a few minutes to discuss the details of the project and precautions they were given by Fraser recently about the process of moving the ship into dry-dock.

Heffernan asked for clarification on the possibility of the Irvin being open for Haunted Ship tours in 2019 if the project was completed fast enough. Ness clarified that the ship will not be open for 2019 due to insufficient time to prepare the vessel for the public. Ness said the plan is to get the ship back this fall, DECC staff will clean the ship and paint the hull through the winter, and then the DECC would host a celebration in 2020.

UMD Sponsorship Update: Ness stated there is nothing to report at this time and an update will be given at the August Board Meeting. Pionk inquired if the timeline was sensitive since we are getting closer to the hockey season. Ness stated that it would be best if the Board was ready to finalize a decision if it was ready at the next meeting.

### **New Business**

Election of Board of Directors Officers: Ness stated that there were three Officer Positions on the Board; Chair, Vice-Chair, and Secretary. He said that, according to the ByLaws, the Treasurer of the Board is the Treasurer of the City of Duluth. Ness added that this is something that will be addressed when it comes time for the Governance Committee to review and update the ByLaws. Ness then turned it over to Randorf, who collected the nominations for Board Officer positions. Randorf announced the nominations as follows: President (Board Chair)- Karen Pionk, Vice-President (Board Vice-Chair)- Don Ness, and Board Secretary- Crystal Pelkey. No other nominations were offered and a motion to approve the slate was requested.

MOTION: Finnegan-Ongaro made a motion to approve the slate of Officers and Ross seconded the motion. The new slate was approved unanimously.

Board of Director Committee Assignment Discussion: The Board reviewed the committee assignments. Ness proposed that the assignment of Board Elections be moved to the Personnel Committee and to combine the Strategic Planning and Governance Committees. After discussion, the Board decided on the following placements:

FINANCE – Pelkey (Committee Chair), Pionk, Ness, Mullen

PERSONNEL – Randorf (Committee Chair), Reinert, Pionk, Finnegan-Ongaro, Heffernan

STRATEGIC PLANNING & GOVERNANCE – Finnegan-Ongaro (Committee Chair), Reinert, Nelson, Williams, Ross

Finnegan-Ongaro stated that she will be contacting the members of the Strategic Planning & Governance Committee to meet soon. Ness added that the Finance Committee generally meets quarterly and as needed and the Personnel Committee is primarily focused on the Executive Director Review in June each year and the Board Officer positions, which should be elected by July 1<sup>st</sup> each year.

Nelson inquired about updates on the Cruising industry. Townsend reminded the Board that a letter was sent from Mayor Emily Larson, Deb DeLuca, Anna Tanski, and Townsend to state that the DECC was interested, pending funding will be provided from other sources. Townsend added that there is a meeting scheduled next week to discuss the topic further.

### **Committee Reports**

Finance: No reports.

Personnel: No reports.

Strategic Planning & Governance: No reports.

### **Staff Reports**

Event Recap & Feedback: Townsend stated that July was a full month of events including a sold-out Jerry Seinfeld show, the Dog Show, Stand Against Child Abuse Conference, and Age & Disabilities Conference, as well as youth hockey camps.

Media Mentions: Townsend said a popular topic on social media was the announcement of the upcoming rock concert, Five Finger Death Punch, and Townsend is expecting a sold-out show.

Attractions: Townsend mentioned that there is a safety training set up [at Fraser Shipyards] for DECC employees who will be on-site to see some of the Irvin project.

Sales & Marketing Report: Moore announced that a new group, Youth in Action, booked for February 2020. Another group, scheduled for August 2019, had to cancel due to unexpectedly low numbers, but hope to reschedule for summer 2020. Moore stated that she plans to attend a National Trade Show in Columbus, OH in the upcoming weeks, supported by an Explore Minnesota Tourism grant. Moore will be teaming up with five additional Minnesota cities to bring national conventions to the state first and then matching the group with the city that best suits their interests. Moore took a few moments to share a quote and magazine article focusing on customer service and the importance of sustainable tourism.

Operations & Upcoming Events: Moore stated that the Age & Disabilities Odyssey Conference is currently in the building. She highlighted the productive system the DECC has in place to serve a conference of such a large size, adding that it was the first time in the building that 1500 meals were plated within one hour. Moore encouraged the Board to assist in plating food if they ever have the chance to see behind the scenes. Moore said in August there will be four more conferences, a busy schedule at Bayfront Festival Park, Festival of Sail, a Suite Owner

Appreciation Party, and two open interview days for the DECC in preparation for the upcoming season.

MOTION: Ness requested a motion to close the meeting for an executive session for Townsend's Annual Review Presentation. Pionk made the motion and Randorf seconded the motion. The meeting was closed for an executive session at 12:25 PM.

*Kaups, Moore, and Matt departed.*

**Upcoming Meetings**

The next regular meeting is scheduled for Wednesday, August 28, 2019 from 11:30 AM to 1:00 PM in the Senator Sam Solon Board Room.

Minutes reported by Renae Matt, Executive Assistant.

Submitted by:

  
Don Ness, Chair

  
Crystal Felkey, Secretary