

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

March 28, 2017

A regular Board meeting was held on Tuesday, March 28, 2017 at 4:00 p.m. in the Senator Sam Solon Board Room. In attendance were Chair Jay Seiler, Vice Chair Yvonne Prettnner Solon, Secretary Crystal Pelkey, Mary Finnegan-Ongaro, Don Ness, Karen Pionk, Roger Reinert, and David Ross. Member Greg Fox was present electronically. Members Deb Messer, Carrie Heffernan, and Roger Reinert were excused from the meeting. Staff members Dan Russell, Chelly Townsend, Caty Kaups, and Sue Ellen Moore were present.

Seiler called the meeting to order at 4:08 p.m. and noted that a quorum had been met.

Seiler asked for a motion to approve the minutes from Regular Business Meeting, February 28, 2017. Ross made the motion to approve, and Pionk seconded the motion. February's Minutes were approved unanimously.

Communications

Minnesota Power sent out a rate increase memo which includes the DECC, but the plans were advanced several months prior and Kaups accounted for the increase in the 2017 Operating Budget. Venues Today ranked AMSOIL Arena at #3 in the Midwest 'Top Stops' in the 5,001 – 10,000 capacity venues, and it was announced today that AMSOIL was the top-ranked NCAA Hockey venue once again.

Russell gave the Attractions Report and mentioned that the DECC has been working with the Lake Superior Marine Museum and the local maritime community, which is working on scrapping and salvaging the J.B. Ford. The Ford, built in 1904, has the last triple extension steam engine on the Great Lakes, and the Marine Museum Association has raised \$40K and Marine Tech will lend their barge and crane to transfer this engine to the large hold of the William A. Irvin to add to the displays and tours. This transfer should happen in late June, and the plan is to add an electric engine to it so guests can see it in action.

Finnegan-Ongaro arrived at 4:18 p.m.

Old Business

Pionk reported on behalf of the Executive Director Search Committee and stated that Brad Ballinger of Cincinnati has been working on achieving a greater understanding of Duluth and the DECC's role in the city. There has not been a job description for previous postings, but Ballinger has created a description for the posting. A Memo of Understanding (MOU) was drafted between Cincinnati and the DECC related to scope of work, timeline, and costs for the search.

Finnegan-Ongaro made a motion to accept the MOU, and Ross seconded the motion. The MOU was accepted unanimously.

New Business

There was no new business to report at this time.

Staff Reports

Russell gave the Event Recap, mentioning that hockey was busy in the last few months, with both UMD and the high school games going well and having great atmospheres. Rain was a big success, and plans are confirmed for the next Broadway show to be Kinky Boots on April 9, 2018. John Prine will return on September 8, and Wilco will play Symphony Hall again as well on November 19. Bayfront schedules are being finalized for summer 2017, and Visit Duluth has agreed to run a full-page ad with the entire lineup in the Best of Summer issue of the Star Tribune. A country show has been booked for September 9, and Willie Nelson is looking at a date in July. Chris Stapleton is sold out for August, Brantley Gilbert is close to selling out, and Thomas Rhett made over \$70K in beer sales earlier this month.

Kaups gave the Finance Report for February 2017 and noted that balance sheets are still not available due to the audit and December closure, but those should be recapped next month. February was a busy month with the Sport Show and plenty of hockey but no large entertainment shows. On the revenue side, Catering was over budget because there was a large conference that was missed when budgeting. Administrative was over budget from a revenue percentage payment from the Marcus Theater. For expenses, Building Services was over budget due to labor and some mechanical and electrical repairs and upgrades around the facilities. Catering was over from food costs and labor in relation to the revenue overage, and Concessions was over from the timing of inventory. The March report will be good next month with Thomas Rhett and Rain both doing well.

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

Moore gave the Sales and Marketing Report and stated that the MN Council of Teachers of Mathematics has confirmed to return in April 2019 with 1100 guests and a new executive director who intends to keep their conference at the DECC, and the Geological Society of America will be a new convention with us in May 2020 with 450 guests and exhibits. The Sales department has been busy with client events, trade shows, and marketing, and is keeping an eye on cuts made to the EPA funding and national environmental budgets that could affect upcoming conventions.

Townsend gave her Operations & Upcoming Events Report and highlighted the upcoming conventions, entertainment, and local events that keep April one of the busiest months at the DECC. April is a very strong convention month with lots of back-to-back repeat events, including the Home Show, SME, District Blitz, MN Association for Children's Mental Health, and the MN Council of Teachers of Mathematics. Entertainment is also very busy with a DSSO Masterworks concert with the chorus, Theresa Caputo on the 4th, the Harlem Globetrotters on the 13th, Magic Men Live! on the 20th, and Brantley Gilbert on the 29th. There is some local repeat business squeezed in between the big events including several events between St. Luke's and Essentia, and the AAD Shrine Circus.

Old Business, cont.

Townsend reported on the Blue Bridge painting issue discussed the previous month, and stated that she has talked with the construction team about delaying the painting until after Bentleyville closes. Russell then reported on the Seawall issue with the Minnesota Slip. We have been working closely with the City, DNR, and MPCA on resolving the issue when the timeline and financing works out. A plan has been proposed for the Vista Fleet loading platform to drive piles and place a temporary platform over the piles for a safer boarding zone before the season starts. The DECC will build the platform and an estimate for driving the piles has come in at \$50K. The DECC recently received a nice adjustment on the Hotel/Motel taxes to fund the piles ourselves, or the emergency reserve fund could be used.

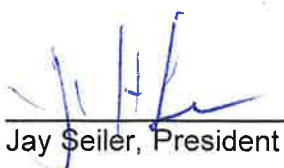
Ross made a motion to authorize use of the Hotel/Motel refund or emergency reserve to fund the platform and piles for the Vista Fleet loading dock, and Pionk seconded the motion. The motion to pass funding was approved unanimously.

Ross departed at 5:07 p.m.

The next regular meeting is on April 25, 2017 at 4 p.m. in the Symphony Hall Mezzanine.

Seiler asked for a motion to adjourn the meeting. Ness made the motion to adjourn, and Seiler adjourned the meeting at 5:10 p.m.

Submitted by:


Jay Seiler, President


Crystal Pelkey, Secretary