

ENTERTAINMENT AND CONVENTION CENTER AUTHORITY
REGULAR BOARD MEETING
November 28, 2017

A regular Board meeting was held on Tuesday, November 28, 2017 at 4:00 p.m. in the French River Room. In attendance were Chair Roger Reinert, Vice Chair Don Ness, Secretary Crystal Pelkey, Greg Fox, Carrie Heffernan, Deb Messer, David Ross, and Jay Seiler. Members Mary Finnegan-Ongaro, Karen Pionk, and Yvonne Prettnner Solon were excused from the meeting. Staff members Chelly Townsend and Caty Kaups were present. DECC Venue Operations and Bayfront Park Manager Jeff Stark was also present.

Reinert called the meeting to order at 4:05 p.m. and noted that a quorum had been met. Reinert briefly reviewed the agenda and asked the Board if there were any objections to moving some items around in favor of members needing early departures. No objections were made.

Reinert asked for a motion to approve the minutes from Regular Business Meeting, October 31, 2017. Ross made the motion to approve, and Messer seconded the motion. The October Minutes were adopted unanimously.

Communications

No communications were reported at this time.

Staff Reports

Kaups presented the Finance Report for October 2017, stating that we ended a little under budget for the month. Concessions was largely under due to the Icebreaker Tournament, which should have been budgeted as two regular-season games and two exhibition games, rather than four separate regular games. Catering was over budget due to more weddings and conventions booked after the beginning of the year, and Building Services was slightly over due to exhibit rentals at the growing Health and Human Services and Food Access Summit conventions. Expenses had a rather busy month with lots of labor for the conventions in Building Services, and \$10k Pioneer Hall door replacement in Building Maintenance, and utilities have been over budget all year for heat. Marketing was over from the videographer hire, and Catering was over in expenses while over in sales. The Irvin started out strong but weather prevented a similar finish, and there was a higher discount for donating canned food and coats than budgeted for.

Heffernan arrived at 4:11 p.m.

Reinert asked for a motion to approve the Finance Reports for October 2017 and the Operating Fund Check Registers. Messer made a motion to approve, and Seiler seconded the motion. The motion carried unanimously.

New Business

Kaups presented the 2018 Operating Budget and broke down her method of creating the budget, with the majority based on historical information from repeat events and a meeting with several other staff to discuss new events and expected outcomes. Expenses are driven by revenue budgeting, payroll, food costs, cleaning supplies, and many other factors. The presentation to the City Council is on Monday, December 4. Townsend stated that challenges include keeping the building up-to-date and operational, and it was suggested to mention the Seawall project to the Council and Mayor.

Fox arrived at 4:16 p.m.

Reinert asked for a motion to approve the 2018 Operating Budget. Ness made the motion to adopt, and Ross seconded the motion. The motion to approve the Operating Budget passed unanimously.

Other Business

Reinert reviewed the committees he is aiming to create, including Personnel with Messer as Chair, Finance with Pelkey and Fox already appointed, Strategic Planning with Ness and Seiler serving, and Governance with Finnegan-Ongaro as Chair. The previously utilized Nominating Committee would fall within the Governance faction. Reinert hopes for at least three members per committee and for members to serve on multiple committees as time permits.

Reinert requested a motion to create the aforementioned DECC Board Committees. Ross made the motion to adopt, and Heffernan seconded the motion. The Committees were adopted unanimously.

Staff Reports, cont.

Townsend's Event Recap was brief and stated that Matthew West was a good concert, and the Thanksgiving Dinner was well-run and nobody waited in line for food longer than 30 minutes at the start of the event. LiveNation will bring REO Speedwagon and Styx to AMSOIL Arena on March 13, 2018, with Little Big Town on that Friday.

Townsend gave the Operations & Upcoming Events Report and noted that December is a typical month with four highlights of new events to the building. Upper Lakes Foods Sales Meetings will use the DECC kitchen as a test kitchen on the 1st, Vision Pro will host a pre-hockey game dinner and holiday party on the 3rd. The Enbridge Communication series is new event for December, and we will have one wedding reception. The Sister Cities trees will be seen by approximately 15,000 guests that will come through the DECC Ticket Lobby for Symphony Hall events during the month.

Townsend mentioned for the Attractions Report that the Haunted Ship final number was 22,717 guests and lots of donated food and coats. An update will come next month on the Irvin move and repair work to happen in conjunction with the seawall repair.

Townsend gave the Sales and Marketing Report in Sue Ellen Moore's absence, and noted that six conventions booked in the month of November. The National Office for Coastal Management will bring their Wild Rice/Rising Voices group in April 2018, and the MN Council for the Social Studies is new for March 2019. The MN Logger Education Program will bring 250 guests in April of both 2019 and 2020, and MN National Association of Housing & Redevelopment Officials will return here in September 2019. The 7-Lag Stevne is a new group to us and has been a goal of Moore's and Sales Manager Elise Rigney's for a while now, and it is a yearly gathering of descendants of Norwegian immigrants to the US and Canada that will arrive in 2020. Townsend also noted that Chris Johnson has been hired as a Marketing Coordinator after doing impeccable work with the Duluth Area Chamber of Commerce.

Townsend noted that there was an error in the separation contract for Dan Russell. He was inadvertently paid the car allowance that he received as Executive Director. Kaups caught the error. He was notified of the error and the allowance was reimbursed.

Pelkey departed at 4:44 p.m.

Stark recapped the 2017 Bayfront Festival Park season and gave an outlook of the 2018 season to come. 2017 was a record year with 40 event days, which was up from 33 days in 2016. Some successes and highlights of the 2017 season included the inaugural Taste of Duluth on July 1, the DECC-promoted Hairball concert on July 3, the Honor the Earth concert on the day after the Reggae and World Music Festival, and Readerfest for the weekly publication's 20th anniversary. All Pints North continues to grow and bring record crowds each year with 120 breweries and the MN Craft Brewers Guild event held inside the building which will most likely outgrow the Harborside Convention Center in the coming years. The City on the Hill Music Festival expanded to two days and drew about 3,500 guests each day. Kids, Cops and Cars and the Global Ewaste Recycling Drop-off were both new events towards the end of the season that each look to expand in 2018. A new and permanent decorative fence has been installed around the majority of the park and temporary fencing will still be used on event days and removed all other times so the park is open to the public if available. Some challenges for the year included the Soul Live concert in July, and the Chris Hawkey concert which moved to the O.P. Bar & Grill due to inclement weather on the same night as Chris Stapleton in August. When Flo Rida and Lizzo's entire tour was cancelled in September, the DECC retained their rent deposit to bring them back in 2018. Other 2018 highlights: Jade Presents is planning a blues night in June to not compete with Blues Fest, Trampled by Turtles will hold their reunion show on July 7, and Art in Bayfront Park is looking to incorporate evening entertainment and potentially partner with Grill Wars. Every weekend from Grandma's Marathon through the end of the DECC contract on September 17 is tentatively booked. The DECC contract to manage Bayfront Park is up after this year, and we look to continue for another 3-year term and negotiate the paving and lighting of Lot B with the City. Other goals for the upcoming contract include adding more community-based events to round out weekday bookings and to continue to strategize marketing and security for all events. Tall Ships will return in 2019 and will likely displace a group as all weekends are tentatively booked for that season again, and the USS Minneapolis Saint Paul could potentially host its commissioning in Duluth in the spring of 2019.

Ross departed at 5:00 p.m. Ness departed at 5:03 p.m.

Old Business

There was no Old Business at this time.

The next regular meeting is on December 19, 2017 at 4 p.m. in the French River Room and will be followed by the Annual Holiday Gathering in the St. Louis River Room.

Reinert asked for a motion to adjourn the meeting. Messer made the motion to adjourn, and Seiler seconded the motion. Reinert adjourned the meeting at 5:08 p.m.

Submitted by:



Roger J. Reinert, President



Crystal Pelkey, Secretary