



DECC AUTHORITY BOARD OF DIRECTORS | REGULAR MEETING

April 27, 2022 Meeting Minutes

CALL TO ORDER

A Regular Board Meeting was held Wednesday, April 27, 2022 in the Senator Sam Solon Board Room. Chair Lynne Williams called the meeting to order at 11:33 AM. A quorum of directors was present.

BOARD MEMBERS PRESENT

Chair Lynne Williams
Treasurer & Secretary Matthew Baumgartner
Pat Mullen
Bill Nelson
Martha Bremer
Don Ness
Mary Finnegan
Carrie Heffernan

BOARD MEMBERS ABSENT

Vice Chair Peter Singler
Laura Mullen
Jason Vincent

DECC STAFF PRESENT

Dan Hartman
Ronni Murphy

OTHERS PRESENT

Media

OTHER

Executive Director Hartman took Board Members on a walking tour of Harbor Side Convention Center to discuss the space and the variety of uses for bookings.

Heffernan arrived at 11:51 AM

APPROVAL OF CONSENT AGENDA

Chair Williams asked for a motion to amend the April 27, 2022 agenda to move the Governance Committee update to the first position under Committee Reports. MOTION to amend the April 27, 2022 agenda to move the Governance Committee update to the first position under the Committee Reports section of the agenda requested by Chair Williams; motion made by Finnegan and seconded by Heffernan. Motion unanimously carried.

The consent agenda included the meeting agenda, meeting minutes from the regular meetings on February 23, 2022 and March 30, 2022, and the finance statements for February and March of 2022. MOTION to approve the consent agenda with an amendment to the February 23, 2022 minutes to reflect that the March Board meeting would occur at 11:30 AM rather than 4:00 PM requested by Chair Williams; motion made by Heffernan and seconded by Nelson. Motion unanimously carried.

EXECUTIVE DIRECTOR REPORT

Update

1. Executive Director Hartman provided an update regarding convention sales. The annual sales goal is \$2,250,000. Year to date sales are presently \$877, 150, sales include sales for 2022 and beyond. Sample bookings include MN Community Education (55,000) and District Blitz (20,000).
2. Hartman provided an update related to strategic plan goals:
 - a. Increase convention/event revenue by 30% by 2023 over 2019 in January, June, July, August, and November. 2019 total \$1,009,764, 2022 total is currently \$101,933.
 - b. Increase overall concert revenue by 100% by 2024 over 2019. 2019 total \$1,179,755, 2022 total is currently \$463,400.37.
 - c. Increase Bulldog Hockey concessions by 30% by 2024. 2019 Men's games total \$661, 425, 2022 total \$634, 846 (one less game in 2022). 2019 Women's games total \$60,129, 2022 total \$63,484 (two less games in 2022).
3. The Board Member history plaque located in AMSOIL has been taken down for updates to include the newest Board Members.
4. Hartman continues to strategically aim to make the DECC "the desired location" by creating memorable experiences. Examples include: the addition of more bar stations and children-friendly food options at the Home Show; online ticketing for the William A. Irvin; a new VIP section for the Hairball show; and the trial run of the Fast2 pass for the upcoming Travis Tritt show. The Fast2 will allow users to preorder up to two beers and pick up their order from an expedited line.
5. Hartman provided an update related to marketing and social media. The marketing department created a fun and quirky concept for a recent press release event for the upcoming Hairball show at Bayfront Festival Park.
6. Hartman provided an update related to planned changes for Bayfront Festival Park. Concepts for summer 2022 include: offering DECC concessions; water stands; parking price increase to match DECC parking rates; and Bayfront Festival Park merchandise such as sweatshirts; rental chairs and hammocks.

7. Hartman discussed the Duluth Tourism Collaborative Industry Update meeting held at the DECC in April with roughly 150 attendees. The next industry update will take place in July. The collaborative is currently meeting weekly to discuss local tourism.
8. Hartman shared that the DECC is currently working on revamping the Business Lobby and Symphony Hall areas with furniture items from Duluth Loves Local and Loll Designs. The intention of the revamp is to increase DECC Brand appeal.
9. Hartman discussed Harbor Drive including current use, the Harbor Drive Plaza Concept as described in the Seawall Project, and Hartman's vision for the space. Hartman indicated Harbor Drive could be used for venue rental, concerts, and DECC Presents events. Limitations for the space include weather and possible sound issues with Bayfront Festival Park in close proximity.
10. Hartman provided an update related to Cruising; a May 10th kick-off event will be held at the DECC. Board Members will receive a tour of the Customs Boarder Protection Cruising Facility at the Regular May Meeting.
11. Hartman discussed the current status of the Curling Club chiller project. The Executive Committee approved application for an energy efficiency loan from St. Paul Port Authority/U.S. Bank. The chiller is estimated to cost \$700,000 rather than the initial estimate of \$1,000,000. The DECC is currently working with Fryberger legal firm on a lease agreement.

COMMITTEE REPORTS

Governance

1. Bremer provided an update on behalf of the Governance Committee. The committee reviewed and edited the DECC's Conflict of Interest policy. The committee has submitted an updated draft for review and approval under New Business.
2. The committee is currently reprioritizing the governance policy review list in conjunction with Hartman.
3. The committee distributed a survey seeking Board Member comment regarding desired skills/aptitudes for incoming Board Member(s).
4. The committee is currently reviewing and editing the Board Member orientation process.
5. The Board collectively thanked the Governance Committee for the committee's continued work on policy review.

Executive

1. Chair Williams shared that she welcomed the City of Duluth to attend the Regular April Board Meeting, but the City of Duluth was unable to attend due to scheduling conflicts.
2. The Executive Committee met with the City of Duluth and individually with Board Members to discuss the City of Duluth's update on the Harbor Drive Seawall Project. The City of Duluth has indicated it is committed to the current Seawall Project timeline despite supply chain and steel cost issues. The overall project has exceeded projected costs. The City of Duluth requested that the DECC contribute 2-3 million dollars in funds to the project to be allotted to the development of the Harbor Drive Plaza component.
3. The DECC asked the City of Duluth for consideration and continued discussion regarding the following: project timeline, project cost, and project design. The DECC declined to contribute 2-3 million dollars in funds at this time due to the DECC's current financial position and timing. The

City of Duluth has indicated plans to continue with the Seawall repair project, and the intention to restore Harbor Drive as a road, rather than a plaza space, post project.

4. Chair Williams indicated a strong desire for continued discussions with the City of Duluth regarding the Harbor Drive space.
5. Ness indicated a strong desire to work in partnership with the City of Duluth to define the future of the Harbor Drive space. Ness further commented that a pause in the project could result in project cost savings that may allow for additional budget flexibilities regarding the Harbor Drive Plaza design.
6. Ness, P. Mullen, and Heffernan commented that further consideration of a pause regarding the continuation of the project could allow for additional opportunities to work in partnership to determine the best possible use of the space.

Bremer departed at 12:11 PM

Finance

1. Hartman shared that Caty Kaups, Finance Director has submitted notice of resignation and will depart from the DECC on May 5, 2022. Hartman is currently in communication with local accounting firms to seek consulting finance services for the DECC during the interim time that the Finance Director position is vacant.
2. Hartman and Treasurer & Secretary Baumgartner provided a review of the DECC's March finance statements. Treasurer & Secretary Baumgartner noted a review of the DECC's March Balance Sheet shows the organization continues to be financially healthy with the ability to cover debts at roughly 1.5 times.
3. Hartman shared that the Save Our Stages grant funds of \$375,872 are reflected in the March financials.
4. Hartman shared plans the DECC is continuing to make adjustments with the aim of positively impacting the financials long term: booking as many events as possible in peak and off-peak seasons; diversifying revenue streams, but including more entertainment, etc.; reviewing pricing; looking for cost efficiency opportunities; and developing systems that will allow the DECC to put on events more easily.
5. Hartman indicated that cash available is currently at \$2,154,270. Hartman is monitoring cash available, and if cash available dips below \$1,000,000 additional contingency considerations will be activated.
6. Treasurer & Secretary Baumgartner shared that the finance committee has transitioned back to scheduled monthly meetings.

Ad Hoc – Guest Experience

1. Nelson provided an update on behalf of L. Mullen regarding the Ad Hoc Guest Experience Committee. The committee encourages Board Members that attend events to utilize the guest experience survey to provide feedback for the DECC team to review. The survey link is provided at the bottom of communications sent to the Board via email.

OLD BUSINESS

No old business.

NEW BUSINESS

Chair Williams asked for a motion approve the updated 2022 Board Meeting Schedule reflecting the updates to the August Board Retreat dates of August 17th and August 18th. MOTION to adopt the updated 2022 Board Meeting Schedule as included in the April 2022 Board Packet; motion made by Treasurer & Secretary Baumgartner, motion seconded by P. Mullen. Motion unanimously carried.

Chair Williams asked for a motion to approve the updated Conflict of Interest Policy and Material Financial Interest Disclosure Form and Conflict of Interest Policy Acknowledgement; motion made by Ness, motion seconded by Treasurer & Secretary Baumgartner. Motion Unanimously carried.

ADJOURNMENT

Chair Williams requested a motion to adjourn. The meeting adjourned at 1:01 PM.

UPCOMING MEETINGS

The next regular meeting will be held May 25, 2022 at 11:30 AM in the Senator Sam Solon Board Room.

Minutes reported by Ronni Murphy, Office and Project Manager.

Submitted by:

Lynne Williams, Chair

Matthew Baumgartner, Secretary & Treasurer

Date

Date