



DECC AUTHORITY BOARD OF DIRECTORS REGULAR MEETING

November 17, 2022, Meeting Minutes

CALL TO ORDER

A Regular Board Meeting was held Thursday, November 17, 2022, in the Symphony Hall Mezzanine. Chair Lynne Williams called the meeting to order at 11:33 AM. A quorum of directors was present.

BOARD MEMBERS PRESENT

Chair Lynne Williams
Vice Chair Peter Singler
Secretary & Treasurer Matthew Baumgartner
Bill Nelson
Martha Bremer
Carrie Heffernan
Laura Mullen
Tony Sertich
Jason Vincent
Pat Mullen

BOARD MEMBERS ABSENT

Mary Finnegan

DECC STAFF PRESENT

Dan Hartman
Jason Reid
Ronni Murphy

OTHERS PRESENT

Media

PUBLIC OPEN COMMENT PERIOD

Chair Williams asked for a review of the public open comment period sign-up sheet, no members of the public signed up for comment.

APPROVAL OF CONSENT AGENDA

Chair Williams reviewed the consent agenda. The consent agenda included the meeting agenda; meeting minutes from the regular meeting on October 27, 2022; and the October finance statement. MOTION to approve the consent agenda requested by Chair Williams; motion made by Sertich and seconded by Vincent. Motion unanimously carried.

NEW BUSINESS

Chair Williams noted that the agenda was adjusted to allow time to discuss the 2023 budget.

Hartman and Reid shared highlights regarding the 2023 budget. Reid currently projects a \$600,000 surplus at the end of 2022. The 2021 carry forward balance plus the projected 2022 surplus is expected to result in 2.6 million dollars of available cash.

Hartman discussed the 2023 budget philosophy with the Board. The 2023 budget aims to end 2023 with a profit margin of \$41,000. When creating the budget, Reid used data from confirmed 2023 events in conjunction with actual event data from 2022. Reid also factored in increased costs. The budget includes the following stretch goals: two AMSOIL shows, two Symphony Hall shows, and the creation of two new successful DECC Presents events.

Hartman shared that if the DECC stays close to budget up to July 1, 2023, he would like to spend an estimated \$300,000 on capital and business investments. Hartman noted additional discussion with the Board would take place prior to the potential investments.

Heffernan arrived at 11:45 AM.

The Board discussed the budget and Finance Committee members provided a summary of discussion points from the Finance Committee review of the budget.

Chair Williams thanked Finance Director Reid, Secretary & Treasurer Baumgartner, and the Finance Committee for their review of the 2023 budget.

Chair Williams asked for a motion to approve the 2023 budget. MOTION to approve the 2023 budget requested by Chair Williams; motion made by P. Mullen and seconded by Vice Chair Singler. Motion carried unanimously.

Chair Williams asked Board Members to review the proposed 2023 Board Schedule as included in the Board Packet. MOTION to approve the 2023 Board Schedule requested by Chair Williams; motion made by Bremer and seconded by L. Mullen. Motion carried unanimously.

EXECUTIVE DIRECTOR REPORT

Executive Director Hartman provided an update outlined by the updated strategic framework as defined at the Board Retreat in August 2022.

1. First, Hartman shared current challenges including: staffing challenges related to increased staff costs, recruitment, and retention; coaching needed regarding experiential oversight and evaluation of events; and supply chain issues for parts, supplies, etc.; and creating/hosting successful events in November in competition with low desire for leisure travel.
2. **Policies & Procedures:** Hartman shared that additional updates have been made to the Check Issuance and Signature policy per Board request. Hartman also noted that

the organizational chart continues to evolve in alignment with Hartman's vision for the DECC. Hartman will share additional updates regarding the organizational chart at a future meeting.

- 3. Contract Management:** No significant updates. The DECC is awaiting a potential tri-party agreement with the City of Duluth and Vista and is hopeful that there will be an update regarding the agreement in the near future.
- 4. Community Connection:** Hartman provided several updates related to community connection.

Hartman shared that the new Vinyl Happy Hour events have proven to be fruitful for fostering connections and encouraging people to gather in different spaces at the DECC.

Hartman noted that 2022 marks the 33rd year of the thanksgiving meal event put on by the College of St. Scholastica and hosted at the DECC. This event typically feeds an estimated 7,000 people.

Hartman shared updates regarding the DECC's social media performance: in the last 28 days Facebook reported a 977,040 reach and Instagram reported a 210,771 reach. The DECC has published 356 posts on Facebook in 2022.

Hartman shared an update on the DECC's media snapshot. Earned media is as follows: Foreigner - 506.71k, Vinyl Happy Hour - 420k, Arrowhead Ice Show - 84.8k, Bacon, Bloodies, and Bands - 470k, CoComelon - 421k, Duluth Haunted Ship - 5.9 million, and Volunteer Fundraising at the DECC - 1.3 million. Non-earned media is as follows: Bulldog Hockey - 4.107 million, Chamber Dinner - 471k, Junk Hunt - 994k, DFL Watch party at the DECC - 1.68 million.

- 5. Economic Impact:** Hartman shared that convention sales are at 2,107,000 sold in 2022. Hartman projects sales will beat the goal of 2,250,000 in sales.

Hartman is working with staff to create an updated process to track event attendance in 2023 and beyond.

Hartman will work with UMD to develop an economic impact formula template. Visit Duluth plans to partner with the DECC on this endeavor and cost share the creation of the template.

Hartman shared an infographic summarizing the 2022 William A. Irvin and Haunted Ship season, reference attached infographic for details.

Hartman noted the following resulted in a successful Haunted Ship season for 2022: favorable weather; new concept additions to the sets; and marketing/media that targeted the twin cities market.

Hartman shared potential plans for the 2023 Haunted Ship season: a VIP tour experience; dynamic pricing; additional marketing/media that targets the twin cities market; and a Haunted Ship block party.

Hartman summarized that October's financials were positively impacted by a successful Haunted Ship season and a significant number of conventions.

- 6. Capital Planning:** Hartman noted that changes to the budgeting process for 2023 may positively impact long-term capital planning efforts.

Hartman noted there may be an update to the bonding bill in January. At the last session the bill included a proposal of 4 million in funds for the DECC's capital planning needs.

Hartman is currently working on a list of "top ten" capital planning needs that will be shared with the Board at a future meeting.

Hartman noted that the Curling Club ice plant installation is complete, and that he and Reid took a tour of the completed space.

COMMITTEE REPORTS

Executive

- Chair Williams provided an update on behalf of the Executive Committee. Chair Williams announced that Officer elections will take place at the December meeting. Chair Williams shared that she will not be requesting a term renewal in 2023. Chair Williams announced the proposed 2023 Officer slate to the Board:
 - Chair: Peter Singler
 - Vice Chair: Martha Bremer
 - Secretary & Treasurer: Laura Mullen
- Chair Williams asked Board Members to review the Strategic Framework included in the Board Packet. The framework was created at the August 2022 Board Retreat.

Finance

- Secretary & Treasurer Baumgartner provided an update on behalf of the Finance Committee. Secretary & Treasurer Baumgartner noted that the October balance sheet is strong, and a review of the October profit/loss margin is positive. Secretary & Treasurer Baumgartner asked Reid to clarify why budgeted depreciation is significantly different than actual depreciation. Reid clarified that the accounting entry to offset the depreciation expense was not included in the 2022 budget. Reid has adjusted depreciation entries for 2022 and has included the accounting entry to offset the depreciation expense was added to the 2023 budget.
- Hartman reminded Board Members that the 2023 budget will not include one-time COVID grant money that was awarded to the DECC in 2021 and will likely reflect the closure of the COVID testing site at a future date. However, Tourism taxes are still projected to be up 13.9% over 2021 and may result in an additional \$200,000 provided to the DECC.

Governance

1. Bremer noted that the Governance Committee did not meet in October but plans to resume meeting in December.

Ad Hoc - Guest Experience

1. L. Mullen provided an update on behalf of the Ad Hoc Guest Experience Committee. The committee was unable to meet in October but will resume meeting in December to complete a final wrap up report to be presented to the full Board.
2. L. Mullen reminded Board Members to fill out the guest experience survey after attending events at the DECC.

OLD BUSINESS

Chair Williams introduced the updated Check Issuance and Signature policy to the Board. The updates to the policy were reflected with redline additions as included in the Board Packet.

The Board offered no additional discussion regarding the changes to the policy.

Chair Williams asked for a motion to approve the updated Check Issuance and Signature policy. MOTION to approve the Check Issuance and Signature policy requested by Chair Williams; motion made by L. Mullen and seconded by Vice Chair Singler. Motion carried unanimously.

OTHER

No other business was discussed.

ADJOURNMENT

Chair Williams requested a motion to adjourn. The meeting adjourned at 12:29 PM.

William A. Irvin and Haunted Ship Infographic:



UPCOMING MEETINGS

The next regular meeting will be held December 15, 2022, location to be determined.

Submitted by:

Lynne Williams, Chair

Matthew Baumgartner, Secretary & Treasurer

Date

Date