



# Duluth Entertainment Convention Center

## DECC AUTHORITY BOARD OF DIRECTORS REGULAR MEETING

June 29, 2023, Meeting Minutes

### CALL TO ORDER

A Regular Board Meeting was held Thursday, June 29, 2023, in the Senator Sam Solon Board Room. Chair Peter Singler called the meeting to order at 11:35 AM. A quorum of directors was present.

### BOARD MEMBERS PRESENT

Chair Peter Singler  
Vice Chair Martha Bremer  
Lynne Williams  
Matt Baumgartner  
Bill Nelson  
Carrie Heffernan  
Pat Mullen  
Mary Finnegan  
Tony Sertich  
Jason Vincent

### BOARD MEMBERS ABSENT

Secretary & Treasurer Laura Mullen

### DECC STAFF PRESENT

Dan Hartman  
Amanda Denton  
Lucie Amundsen  
Ronni Murphy

### OTHERS PRESENT

Media  
Public

### APPROVAL OF UPDATED AGENDA

Chair Singler reviewed the agenda and noted the agenda was missing the following items: Executive Director Report and Committee Reports. Additionally, the DECC Arena ice discussion should occur after the approval of the consent agenda. MOTION to strike the agenda as included in the June 29, 2023, board packet and adopt an updated agenda requested by Chair Singler; motion made by Vice Chair Bremer and seconded by Vincent. Motion unanimously carried. *Adopted agenda referenced via board minutes.*

## PUBLIC OPEN COMMENT PERIOD

Chair Singler asked for a review of the public open comment period sign-up sheet. David Shea - Spirit of Duluth committee member; Sue Isackson - Duluth Figure Skating Club Board Member; Ashley Hirt - Duluth Girls Hockey Association-Icebreakers; and Allison Spoelhof - Duluth Girls Hockey Association-Icebreakers and Portman Amateur Hockey Association signed up for comment. Each spoke to the Board about ice use in DECC Arena, the economic and personal impact of ice in DECC Arena, and the potential impacts of not having ice available in DECC Arena.

*Heffernan arrived at 11:43 AM.*

## APPROVAL OF CONSENT AGENDA

Chair Singler reviewed the consent agenda. The consent agenda included the updated meeting agenda, meeting minutes from the regular meeting on May 25, 2023, and meeting minutes from the special meeting on June 13, 2023. MOTION to approve the consent agenda requested by Chair Singler; motion made by P. Mullen and seconded by Nelson. Motion unanimously carried.

## NEW BUSINESS

Executive Director Hartman shared some of his slides from the May 25, 2023, Regular Board Meeting to provide a summary of the DECC arena ice discussion.

The DECC had B32 Engineering and Gausman & Moore complete a status report for the DECC Arena ice plant. The resulting report suggested that the DECC shut down the ice plant effective March 14, 2023. The DECC Arena ice plant is from 1966 and is one of three plants contained within DECC facilities. Two of the three ice plants have broken between 2021 - 2023. The DECC Board opted to replace the ice plant utilized by the Curling Club due to contractual obligation. Hartman acknowledged that the Northland Figure Skating Club and youth hockey programs have a long history of utilizing DECC Arena ice. Hartman reminded the Board that the DECC Arena ice decision is not a discussion of community vs. economics, but rather, one community activity vs. another community activity (i.e., theatre, youth volleyball, fundraisers, etc.). The DECC estimates \$90,000 in revenue from DECC Arena ice rental, with an estimated \$60,000 in staff payroll expenses. Hartman also noted a "sell-out" concert in DECC Arena is estimated to generate \$100,000 in net income.

Hartman reminded Board Members that an in-house estimate projects \$1.3 million minimum to fix the DECC Arena ice plant with a contractor estimate of \$2.2 million to fix the ice plant. Hartman reached out to the banking entity that provided the business loan for the replacement of the ice plant used by the Curling Club. MPECU stated they would provide another business loan with a 5.99% interest rate, resulting in an estimated \$200,000 annual payment over ten (10) years. Hartman clarified that the City of Duluth could not bond for the ice plant without a passed referendum or state statute.

Hartman further clarified that DECC Arena wouldn't necessarily garner significant amounts of new revenue. Hartman estimates the space would provide \$500,000 additional net revenue annually without ice. Additionally, Hartman noted the DECC's activity focus has changed with less emphasis on sports and more emphasis on conventions and entertainment.

Hartman closed the recap by noting the DECC was built to drive the 1% sales tax push that was passed in 1966, and the DECC's mission is to: host events, create experiences, and drive our regional economy. Hartman noted that DAHA provided a reference to their economic impact study from 2015. The DAHA study estimated a \$4-5 million impact annually. The DECC has received the completed economic impact calculator from UMD. The new tool estimates a \$4.3 million impact from the Children's Mental Health conference this year. Hartman noted that letters from the figure skaters and emails from youth hockey representatives would be shared with the Board via email.

Hartman presented four options to the Board regarding next steps for DECC Arena: the DECC could pay for ice/an ice plant; an external party or parties could pay for ice/an ice plant; the DECC could decline to bring ice back to DECC Arena; and/or the Board could authorize a feasibility study.

The Board discussed the information and options presented by Hartman. The Board had a strong interest in completing a feasibility study and asked Hartman to proceed with planning for a study. The Board asked Hartman to explore and report back to the Board regarding: the estimated cost of installing a temporary ice plant and Mighty Ducks grant funding.

Chair Singler noted an agenda change to address New Business due to the limited remaining time for the meeting. Hartman shared that the DECC plans to apply for a Minnesota Historical Society Minnesota Historical and Cultural Heritage Grant. Murphy passed out Resolution 02-23: Duluth Entertainment and Convention Center Authority Resolution in support of 2023 Minnesota Historical and Cultural Heritage Grant request for a conditions assessment of the William A. Irvin. Hartman explained a conditions assessment is needed to direct future planning, management, and preservation of the William A. Irvin. MOTION to approve Resolution 02-23 Duluth Entertainment and Convention Center Authority Resolution in support of 2023 Minnesota Historical and Cultural Heritage Grant request for a conditions assessment of the William A. Irvin requested by Chair Singler; motion made by Finnegan and seconded by Vice Chair Bremer. Motion carried unanimously.

## OLD BUSINESS

Chair Singler noted an agenda change to address Old Business due to the limited remaining time for the meeting. Hartman noted the updated Bylaws were brought to the Board during the May 25, 2023, Regular Board Meeting for review, but required a 30 day waiting period prior to adoption. MOTION to adopt the updated DECC Board Bylaws requested by Chair Singler. Motion made by Heffernan and seconded by Williams. Motion carried unanimously.

## EXECUTIVE DIRECTOR REPORT

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

- 1. Policy & Procedure:** Hartman reminded Board Members that the DECC launched a bag policy in June. The DECC has received a steady stream of feedback about the policy and will continue to evaluate the policy as needed.

DECC staff are creating a formal Bayfront Festival Park policy manual with guidance from Parks and Recreation for use by DECC staff, clients, and vendors.

- 2. Community Connection:** Hartman shared a media highlight update: the DECC had 5,689,036 in earned media and 12,922,654 in incidental media. The DECC's social media performance in the last 28 days is as follows: Facebook reach 807,651, Instagram reach 108,179, and 263 published Facebook posts.

Hartman provided a summary of some of the events that occurred or were launched in the last month at the DECC. Highlights include: Grandma's Marathon, The Doobie Brothers, and Bluey's Big Play.

- 3. Economic Impact:** Hartman shared that the economic impact calculator is complete and functional. Hartman plans to have Monica Haynes from UMD present to the Board regarding the economic impact calculator. Hartman shared the economic impact from a few events as calculated by the tool: Foreigner in Symphony Hall - \$730,480; Old Dominion in AMSOIL Arena - \$1,502,916; and the Children's Mental Health Conference - \$4,370,694.

Hartman provided a convention sales update: \$1,444,000 sales to date, of yearly goal: \$2,250,000.

Hartman provided an attendance update: 264,747 people to date in 2023.

- 4. Capital Investment:** Hartman shared that the DECC submitted a bonding proposal to the Office of Management and Budget for 2024 bonding funds.

Hartman shared a brief update about the annual audit. The audit is complete but is considered confidential and non-public until the final report is released, likely on June 30<sup>th</sup>. Hartman plans to provide Board Members with an additional update at a future meeting.

## COMMITTEE REPORTS

### Strategy

1. Chair Singler provided an update on behalf of the Strategy Committee (previously "Executive Committee"). The Committee primarily focused on bonding proposal planning.

### Finance

1. Hartman introduced Finance Director Amanda Denton. Denton noted that updated finance statements will be available for review at the July meeting.

### Governance

1. Vincent provided an update on behalf of the Governance Committee. The Committee is currently working on creating a formal executive director succession plan. The Committee plans to submit recommendations for appointment/reappointment to the Mayor's office in the near future.

### Ad Hoc Parking Committee

1. Nelson provided an update on behalf of the Ad Hoc Parking Committee. The Committee completed a demonstration with Interstate Parking in June and plans to explore additional demonstrations in the coming months.

## OTHER

No Other Business was discussed.

## ADJOURNMENT

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

## UPCOMING MEETINGS

The next regular meeting will be held July 27, 2023, location to be determined.

Submitted by:

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Peter Singler, Chair

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Laura Mullen, Secretary & Treasurer

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Date

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Date