



Duluth Entertainment Convention Center

DECC AUTHORITY BOARD OF DIRECTORS REGULAR MEETING

May 25, 2023, Meeting Minutes

CALL TO ORDER

A Regular Board Meeting was held Thursday, May 25, 2023 in the Senator Sam Solon Board Room. Chair Peter Singler called the meeting to order at 11:34 AM. A quorum of directors was present.

BOARD MEMBERS PRESENT

Chair Peter Singler
Secretary & Treasurer Laura Mullen
Matt Baumgartner
Bill Nelson
Carrie Heffernan
Pat Mullen
Mary Finnegan
Tony Sertich
Jason Vincent

BOARD MEMBERS ABSENT

Vice Chair Martha Bremer
Lynne Williams

DECC STAFF PRESENT

Dan Hartman
Lucie Amundsen
Ronni Murphy

OTHERS PRESENT

Media
Public

PUBLIC OPEN COMMENT PERIOD

Chair Singler asked for a review of the public open comment period sign-up sheet, Bob Nygaard, DAHA Executive Director signed up for comment. Nygaard spoke to the Board about the ice use in DECC Arena and the potential impacts of not having ice available in DECC Arena.

APPROVAL OF CONSENT AGENDA

Chair Singler reviewed the consent agenda. The consent agenda included the meeting agenda, meeting minutes from the regular meeting on March 30, 2023, and finance

statements for March 2023. MOTION to approve the consent agenda with a correction to the March 30, 2023 Regular Board Meeting Minutes requested by Chair Singler; motion made by Sertich and seconded by Nelson. Motion unanimously carried.

Public departed at 11:45 AM

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 announced that the DECC is implementing a bag policy to better align with current safety standards and practices at other venues, effective June 1st. Hartman shared a copy of the graphic used to illustrate allowable bags, included below.

Heffernan arrived at 11:56 AM.

Hartman shared that several new policies are being drafted: guest code of conduct, employee exit procedure, password policy, job posting policy, etc.

Baumgartner arrived at 11:59 AM.

Hartman shared that several policies are under review, or being updated: building emergency evacuation plan, lockout tagout policy, crisis communication plan, etc.

Hartman notified Board Members that the Office of the Secretary of the State indicated that the DECC should submit an Oath of Office for all Board Members, including Mayoral appointees.

- 2. Contract Management:** Hartman provided an update related to contract management. The DECC recently finalized an updated tenant agreement with legal, this agreement will be used as a baseline for future contract negotiations.

Marcus Theatres, Vista Fleet, and Curling Club are currently under review. The Board discussed contracts and noted that Hartman will need time to continue to streamline agreements.

- 3. Community Connection:** Hartman shared a media highlight update: the DECC had 9,718,040 in earned media and 9,057,000 in incidental media. The DECC's social media performance in the last 28 days is as follows: Facebook reach 610,351, Instagram reach 67,044, and 266 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: press event for the American Football League indoor football league, announcement of DSSO Jurassic Park event, Kevin Gates in AMSOIL Arena, Joe Gatto in Symphony Hall, the DECC Athletic Hall of Fame, the Junk Hunt, several graduations, and Foreigner in Symphony Hall.

- 4. Economic Impact:** Hartman shared that the DECC has reached 200,070 in cumulative total attendance for 2023.

Hartman shared a convention sales update. The DECC is currently at \$1,149,000 sales to date, with a yearly goal of \$2,250,000.

- 5. Capital Investment:** Hartman shared that the Bonding Bill has passed and the DECC is expected to receive \$5,000,000 in Bonding funds. The DECC plans to use these funds for capital investment and life safety projects such as an electric transformer, air handling units, and roof repairs.

Hartman intends to submit a request for the next Bonding Bill, applications are due on June 16th to the Office of Budget and Management.

Hartman noted that the DECC submitted a request for \$800,000 of Congressionally Directed Spending funds for lighting conversion to LED and lighting retrofitting projects throughout DECC facilities. The DECC should receive notice by late summer or early fall if the DECC's project will receive funding.

Hartman shared that the DECC is currently in the process of applying for a Minnesota Historical Society Grant for a conditions assessment of the William A. Irvin to help direct and prioritize maintenance planning and management of the Irvin.

Hartman summarized the current status of the DECC Arena ice plant. The DECC Arena ice plant was installed in 1966. B32 Engineering and Gausman & Moore completed an assessment and report on the DECC Arena ice plant. The report summary indicated the ice plant should immediately be shut down, effective March 14, 2023.

Hartman noted that the Duluth Figure Skating Club and Duluth Amateur Hockey Association have a long history of using DECC Arena ice. Hartman provided a few samples of written letters provided by the Duluth Figure Skating Club and plans to send a digital copy of the letters to Board Members. Hartman shared that the discussion surrounding ice in DECC Arena is not a question of community vs. economics, but rather, one community activity versus another community activity.

Hartman noted the DECC collects an estimated \$90,000 in revenue from DFSK and DAHA use of DECC Arena, and that the DECC accrues an estimated \$60,000 in staff expenses to maintain the ice in DECC Arena. Hartman estimates with additional other costs that ice in DECC Arena is likely a break-even expenditure.

Hartman reminded Board Members that the DECC Arena ice plant has an inhouse estimate of \$1,300,000 if we were to continue using existing equipment from 1966 and switch to a different refrigerant material that has a shorter shelf life, to \$2,200,000, which comes from a consultant B32 Engineering, which would be a full replacement and using an ammonia based system, which is what we use in our other two facilities.

Hartman noted that City Bonding could only be enacted via City Referendum or State Statute per guidance from Bond Counsel. Hartman also reached out to MPECU, the banking entity that provided the lease for the Curling Club ice plant, and MPECU offered a business loan rate of 5.99%, comparable to the lease rate to that of the lease for the Curling Club ice plant. The business loan would equate to payments of approximately \$200,000 per year for ten years.

The Board discussed the information provided by Hartman in relation to the DECC Arena ice plant.

OLD BUSINESS

No Old Business was discussed.

NEW BUSINESS

Executive Director Hartman notified Board Members that the DECC Board Bylaws have been updated by the Executive Committee and Governance Committee with proposed updates. Board Members should review the redlined copy of the Bylaws as included in the May 2023 Board Packet. Per the current Bylaws, the Board must have at least 30 days to review proposed changes in advance of a vote. The Bylaws will be added to the June agenda for discussion and/or approval.

Board Members were provided a copy of the Conflict of Interest Policy and Conflict of Interest Disclosure Form. Board Members were directed to fill out a copy of the form for 2023.

Hartman reviewed the Separation of Similar Events policy as included in the May 2023 board packet. Per recommendation from the Governance Committee, MOTION to retire the Separation of Similar Events policy requested by Chair Singler. Motion made by Finnegan and seconded by Secretary & Treasurer L. Mullen. Motion unanimously carried.

COMMITTEE REPORTS

Executive

1. Chair Singler noted there were no significant updates from the Executive Committee.

Finance

1. Secretary & Treasurer L. Mullen provided an update on behalf of the Finance Committee. The DECC's new Finance Director will start at the end of May.
2. Hartman provided a brief update regarding March financials. Hartman shared that March financials are \$383,295 below budget. Hartman noted that a portion of the revenue from the Home Show was incorrectly budgeted for March but will occur in April due to the closure date of the event occurring in April. Hartman noted several impacts to the DECC's finances including repairs and capital expenses, staffing, and consulting agreements due to the need for additional administrative support (i.e., legal consulting, IT managed services, etc.).

3. Hartman is implementing several measures to address the DECC's current financial status. Hartman is not approving expenses unless the expense is budgeted or emergent. Hartman has instituted additional protocols regarding overtime approvals. Hartman has worked with the Box Office Manager to decrease box office hours by overlapping hours with William A. Irvin ticket hours. Effective this fall, the DECC will no longer offer onsite box office hours besides pre-event will call. Hartman plans to work with the new Finance Director to implement additional departmental tracking for budgeting and forecasting purposes.
4. Hartman shared that additional unbudgeted revenue should be coming in, he projects: \$100,000 in entertainment, \$100,000 in new events, \$100,000 in Irvin sales, \$50,000 in Haunted Ship sales, \$100,000 in new conventions, and \$200,000 due to naming rights/sponsorship opportunities.

Governance

1. Vincent provided an update on behalf of the Governance Committee. The Committee recently approved a recommendation for updates to the DECC Board Bylaws, the Committee is working with Hartman and Murphy to plan for Gubernatorial and Mayoral appointments/reappointments to the Board, and the Committee is currently reviewing a prioritized governance policy list as part of the 2023 work plan.

Ad Hoc Parking Committee

1. Nelson provided an update on behalf of the Ad Hoc Parking Committee. The Committee will meet in June and plans to review a demonstration and presentation by Interstate Parking.

OTHER

Due to the passage of the Bonding Bill, the electric transformer does not require a capital planning discussion. No Other Business was discussed.

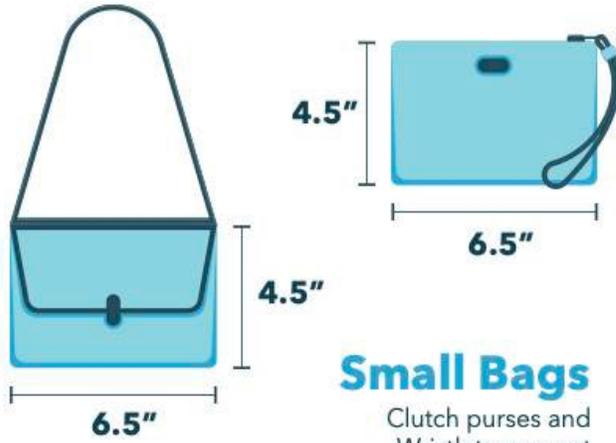
ADJOURNMENT

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

UPCOMING MEETINGS

The next regular meeting will be held June 29, 2023, location to be determined.

Bag policy graphic as referenced by Hartman:



Small Bags

Clutch purses and Wristlets may not exceed 6.5" wide by 4.5" high.



Submitted by:

Peter Singler, Chair

Laura Mullen, Secretary & Treasurer

Date

Date