

Photo Credit: Ken Harmon



Regular Board Meeting
DECC Board of Directors

Thursday, September 28, 2023



DECC AUTHORITY BOARD OF DIRECTORS | AGENDA Regular Meeting

Harbor Side Convention Center Room 203 | Thursday, September 28, 2023 | 11:30 AM to 1:00 PM

Mission

We host events, create experiences, and drive our regional economy

Values

Hospitality | Entertainment | Community | Visionary | Stewardship

I. CALL TO ORDER

II. PUBLIC OPEN COMMENT PERIOD

Members of the public sign in and each receive 3 minutes to speak

III. APPROVAL OF CONSENT AGENDA

- a. Agenda
- b. Special Board Meeting Minutes - September 15, 2023
- c. Finance Statements - June 2023
- d. Finance Statements - July 2023

IV. OTHER

- a. Economic Impact Calculation Tool Presentation
 - i. Monica Haynes, Director - Bureau of Business and Economic Research
- b. Board Retreat Update

V. EXECUTIVE DIRECTOR REPORT

- a. Financial Update
- b. Update

VI. COMMITTEE REPORTS

- a. Strategy
 - i. Update
- b. Finance
 - i. Update
- c. Governance
 - i. Update
- d. Ad Hoc Parking Committee
 - i. Update

VII. OLD BUSINESS

- a. None

VIII. NEW BUSINESS

- a. None

IX. ADJOURNMENT

UPCOMING MEETINGS

The next regular business meeting is scheduled for Thursday, October 26, 2023, location to be determined.



DECC AUTHORITY BOARD OF DIRECTORS SPECIAL MEETING

September 15, 2023 Meeting Minutes

CALL TO ORDER

A Special Board Meeting was held Friday, September 15, 2023, in the Senator Sam Solon Board Room. Chair Peter Singler called the meeting to order at 11:32 AM. A quorum of directors was present.

BOARD MEMBERS PRESENT

Chair Peter Singler
Lynne Williams
Bill Nelson
Carrie Heffernan
Pat Mullen
Mary Finnegan
Josh Axelson

BOARD MEMBERS ABSENT

Vice Chair Martha Bremer
Secretary & Treasurer Laura Mullen
Tony Sertich
Jason Vincent

DECC STAFF PRESENT

Dan Hartman
Amanda Denton
Lucie Amundsen
Ronni Murphy

OTHERS PRESENT

Media

APPROVAL OF CONSENT AGENDA

MOTION to update the agenda to add a section for new business as agenda item four with the following resolutions: 04-23: in support of a line of credit for bonding capital projects and 05-23: in support of a line of credit requested by Chair Singler; motion made by P. Mullen and seconded by Williams. Motion carried unanimously.

PUBLIC OPEN COMMENT PERIOD

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

EXECUTIVE DIRECTOR REPORT

Executive Director Hartman provided a financial update to the Board. Hartman noted that the DECC is currently facing two problems: the problems of the past and the post-COVID reality.

Historically, the DECC has not had funds available for infrastructure repair and other capital projects. Hartman reminded Board Members that in 2021 the ammonia leak happened in the Curling Club ice plant, resulting in the beginning of several large infrastructure-related expenditures. Hartman explained the complicated use, patching, and rerouting that has occurred with the DECC's ice plants and HVAC systems to direct cooling throughout the facilities during the last 20-30 years. For years two ice plants have supplied cooling for five of the DECC's locations, an inefficient but necessary model due to the DECC's inability to direct funds toward capital projects and infrastructure. Hartman noted this is one of many infrastructure issues throughout DECC facilities. An additional example, the DECC's electric transformer is long overdue for replacement. Hartman noted the transformer that provides most of the power for DECC facilities was due to be replaced in the 1980s.

Hartman reminded Board Members that the DECC has been awarded \$5,000,000 in legislative bonding funds to address several infrastructure issues including roofing and the electric transformer. However, the DECC still faces significant infrastructure needs. Hartman followed up by sharing that the DECC has had an estimated \$600,000 in unbudgeted infrastructure-related costs in 2023. Examples include the replacement of the Harbor Side AC unit; EPA penalty; security door replacement; Harbor Side escalator motherboard; and an air conditioning reroute for Symphony Hall.

Hartman transitioned to discuss post-COVID realities at the DECC. 450 of the DECC's 500 employees are part-time staff. Like many other institutions, the DECC has struggled to fill part-time positions post-COVID. Now, the DECC pays an average of \$16.00 per hour for part-time positions, rather than an average of \$10.00 per hour pre-COVID. With increased wages the DECC still continues to struggle finding part-time staff. Of note, the building services department has worked 700 fewer hours in January-July of 2023 than in January-July of 2019, but payroll is an estimated \$200,000 higher in 2023.

Hartman reminded Board Members that the DECC has historically had large financial peaks and valleys annually. To offset the DECC's typical peaks and valleys, and increasing staffing and operational costs post-COVID, Hartman hired marketing, entertainment, and additional event planning staff to generate additional revenue.

Hartman stated that an increased emphasis on marketing has worked for the DECC. Hartman reviewed Pollstar event attendance data that reflected the DECC was previously below average attendance rates on entertainment and is now consistently above average attendance rates (Hartman estimates previously 20% below average, now 40% above average). To illustrate, the recent Price is Right show at the DECC was 51% above average attendance rates for the show on Pollstar. Hartman noted the biggest net gain has been the improved performance of the William A. Irvin Museum and Haunted Ship. In 2022, the Irvin and Haunt combined grossed an estimated \$1,000,000 for the first time. In 2017, the Haunted Ship earned \$206,327 gross and in 2022, the Haunted Ship earned \$622,519 gross. Hartman noted that the Irvin's change in performance can be attributed to: expanded marketing including Twin Cities audiences; the addition of the Fast Pass; the creation of a

desired product; and good weather. Hartman further noted that entertainment has experienced positive effects from marketing with attendance rates increasing from 58,258 in 2019 to 66,877 in 2022.

Hartman redirected and shared that the strategy to create new events has been less effective. Hartman believes that the ramp up period to create new events takes longer than expected, new events have come with unexpected additional risks, and this strategy has caused tension with DECC partners. Hartman believes this strategy should be reviewed and reevaluated.

Hartman redirected and noted that the DECC's strategies were not enough to combat financial limitations, and as of September the DECC is reporting \$891,000 cash on hand. Hartman noted that based on previous discussion the DECC had planned to take additional action if cash available dipped below \$1,000,000. Hartman reminded Board Members that September/October is typically the DECC's lowest point of cashflow. In October 2022 the DECC reported \$1,058,000 cash available. However, in December of 2022, the DECC reported \$2,400,000 cash available.

Hartman noted that Board Members have inquired why notice regarding the DECC's financial status was not provided sooner. Hartman attributes this to the DECC's consecutive gap in finance directors.

Hartman noted that Board Members have also inquired why the DECC is suffering "more" than other venues. Hartman attributes this to the DECC's ten-venue status. Due to the DECC's volume of venues the DECC's fixed infrastructure cost is significantly larger than that of many of the DECC's peer institutions. To illustrate, Rochester is essentially half the DECC's size with no ice components. To further illustrate, Minnesota Power estimates about 40% of the DECC's electrical costs are attributed to the compressors used to make ice. Furthermore, Hartman noted the DECC also received less COVID-related funding than many venues. Hartman showed Board Members Save Our Stages Grant awards for many venues including Xcel Energy Center, First Avenue, and The Armory (Minneapolis) for comparison. Moreover, Hartman observed that the DECC also receives less operational support in the form of grants or public funds than many other similar Minnesota venues. Additionally, Hartman shared that October 2023 is the first month the DECC will no longer be paying the COVID electric bill through Minnesota Power. Hartman reminded Board Members that Minnesota Power agreed to allow the DECC to pause payments for a period throughout the pandemic, and the DECC has been paying the additional sum in monthly installments since fall of 2021.

Hartman outlined a three-step action plan for the Board:

Step One: request a loan from the City of Duluth for \$1,000,000 to ensure the DECC can meet its financial obligations in the short-term, i.e., assist with cashflow. If approved, the DECC will be required to pay back the loan to the City of Duluth. The loan from the City will allow the DECC additional time to review operations and make adjustments. Step Two: internal restructuring and rethinking. Hartman noted the DECC has significant payroll liability with the current staffing model. An example of restructuring could include adjustments to the DECC's parking operation. Hartman reminded Board Members that the Board currently has an Ad Hoc Parking Committee reviewing parking operations. An example of rethinking could include going cashless. Going cashless would allow volunteers to operate tills in concessions

and decrease staff hours counting cash and preparing cash for events. The DECC plans to launch a cashless operation in AMSOIL Arena soon. Hartman noted that rethinking is not as simple as just raising rates due to the current market and competition. Hartman noted that Rochester is currently providing free space/room rentals as part of an incentive package to attract clients. Step Three: pursue sponsorships more aggressively. The DECC currently has three venues available for sponsorship, if all three are named the DECC should expect to gain \$600,000 in revenue. Hartman encouraged Board Members to connect him with contacts they have from local businesses that may be interested in sponsorship opportunities. Hartman closed by noting he was overly optimistic about how fast the DECC could grow earned revenue to catch up to large increases in expenses. However, Hartman remains extremely optimistic about the DECC's future and he believes this situation will grow the DECC into a more responsive, adaptable, and better supported institution.

The Board thanked Hartman for the detailed review of the DECC's financial status and discussed the information provided by Hartman. Board Members suggested the following: Hartman speak with UMD regarding the timing of UMD's annual payment; Hartman seek external consulting services for an operational review; and Hartman review current budgeting practices and create a process for more accurate forecasting/projections.

P. Mullen departed at 9:15 AM

NEW BUSINESS

Hartman introduced Resolution 04-23 in support of securing a line of credit for up to \$5,000,000 from the City of Duluth for bonding capital projects. Hartman noted the DECC was awarded \$5,000,000 in legislative bonding funds for capital projects but must pay for the projects up front and seek reimbursement. Hartman plans to seek a line of credit from the City of Duluth to cover the up-front cost of the bonding projects and will assist the City in acquiring reimbursement for the funds after the projects are complete. MOTION to approve Resolution 04-23 requested by Chair Singler; motion made by Williams and seconded by Heffernan. Motion carried unanimously.

Hartman introduced Resolution 05-23 in support of securing a line of credit in the amount of \$1,000,000 from the City of Duluth to ensure the DECC can meet its financial obligations. The Board discussed Resolution 05-23. Hartman noted the request for the line of credit will require a vote by the City Council. Hartman encouraged Board Members to attend the City Council meeting on September 21, 2023, in support of the DECC. MOTION to approve Resolution 05-23 requested by Chair Singler; motion made by Williams and seconded by Nelson. Motion carried with affirmative votes from Chair Singler, Williams, Nelson, Heffernan, and Axelson (Finnegan abstained).

ADJOURNMENT

Chair Singler requested a motion to adjourn. The meeting adjourned at 9:24 AM.

UPCOMING MEETINGS

The next regular meeting will be held September 28, 2023, location to be determined.



Duluth Entertainment Convention Center

RESOLUTION 04-23: DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY RESOLUTION IN SUPPORT OF SECURING A LINE OF CREDIT FROM THE CITY OF DULUTH FOR BONDING CAPITAL PROJECTS

At a meeting of the Duluth Entertainment and Convention Center Authority Board of Directors, held in the Senator Sam Solon Board Room on September 15, 2023.

WHEREAS the Duluth Entertainment and Convention Center Authority (DECC) has secured \$5,000,000 in legislative bonding funds toward the completion of capital improvement projects at the DECC.

WHEREAS it is required that the DECC pay for the completion of the approved capital projects and submit required documentation of project compliance and completion for reimbursement from the approved legislative bonding funds.

WHEREAS the DECC seeks to secure a line of credit in the amount of \$5,000,000 from the City of Duluth to provide advance payment for capital projects from the DECC's 2023 approved legislative bonding funds request.

WHEREAS the DECC seeks to partner with the City of Duluth to submit required supporting documentation for the completed capital projects to secure reimbursement for the City of Duluth from the DECC's approved \$5,000,000 in legislative bonding funds.

WHEREAS the DECC Board of Directors desires to confirm its support for the DECC to complete the capital projects outlined and approved in the 2023 legislative bonding funds request.

WHEREAS the DECC Board of Directors desires to confirm its support for the DECC to secure the line of credit from the City of Duluth.

WHEREAS the DECC Board of Directors desires to confirm its support for the DECC to partner with the City of Duluth to submit for reimbursement for up to \$5,000,000 as included in the DECC's approved legislative bonding request.

THEREFORE, IT BE RESOLVED that Daniel Hartman, Executive Director of the DECC is authorized to negotiate and enter into an agreement with the City of Duluth for matters related to securing a line of credit in the amount of up to \$5,000,000 for the completion of the DECC's approved bonding capital projects.

Submitted by:

Peter Singler, Chair

Laura Mullen, Secretary & Treasurer



Duluth Entertainment Convention Center

RESOLUTION 05-23: DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY RESOLUTION IN SUPPORT OF SECURING A LINE OF CREDIT FROM THE CITY OF DULUTH

At a meeting of the Duluth Entertainment and Convention Center Authority Board of Directors, held in the Senator Sam Solon Board Room on September 15, 2023.

WHEREAS the Duluth Entertainment and Convention Center Authority (DECC) seeks to secure a line of credit in the amount of \$1,000,000 from the City of Duluth to ensure the DECC can meet its financial obligations.

WHEREAS the DECC seeks to negotiate a repayment plan that is favorable for both the DECC and City of Duluth.

WHEREAS the DECC Board of Directors desires to confirm its support for the DECC to request a line of credit from the City of Duluth and, if approved, negotiate a repayment plan.

THEREFORE, IT BE RESOLVED that Daniel Hartman, Executive Director of the DECC is authorized to negotiate and enter into an agreement with the City of Duluth for matters related to securing, and repayment of, a line of credit in the amount of \$1,000,000.

Submitted by:

Peter Singler, Chair

Laura Mullen, Secretary & Treasurer

Submitted by:

Peter Singler, Chair

Laura Mullen, Secretary & Treasurer

DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY
BALANCE SHEET
June 30, 2023

<u>Assets</u>		<u>Liabilities and Fund Equity</u>	
Current Assets		Liabilities	
Operating cash	\$ 186,242	Current Liabilities (payable from current assets)	
City pooled account	1,014,250	Accounts payable	\$ 704,942
Accounts receivable	944,969	Lease purchase payable	620,075
Accts Rec-Tourism Taxes	918,852	Bond interest payable	0
Inventory	209,645	Bonds payable	0
Prepaid items	104,788	Accrued salaries payable	239,711
Total Current Assets	\$ 3,378,746	Accrued vacation payable	312,003
		Deferred revenue	920,770
Noncurrent Assets		Total Current Liabilities (payable from current assets)	\$ 2,797,500
Leases Receivable	9,855,296		
Total Noncurrent Assets	\$ 9,855,296	Current Liabilities (payable from restricted assets)	
		Ticket Office deposits	\$ 1,421,404
Restricted Assets		Employee flexible benefits plan	660
Ticket Office deposits		Total Current Liabilities (payable from restricted assets)	\$ 1,422,064
Cash and cash equivalents	2,902,675		
Employee flexible benefits plan	14,095	Long-Term Liabilities	
Cash and cash equivalents	0	Capital Lease	\$ 589,242
Debt reserve	0	Net pension liability	3,587,775
Total Restricted Assets	\$ 2,916,770	Net other postemployment benefits	1,224,663
		Total Long Term Liabilities	\$ 5,401,680
Fixed Assets		Total Liabilities	\$ 9,621,243
Fixed assets	\$ 152,944,211		
Less allowance for depreciation	(83,568,472)	Deferred Inflow	
Fixed assets (net)	\$ 69,375,738	Deferred inflow of leases	\$ 9,573,101
		Deferred inflow of pension + other post employ benefits	1,639,539
Deferred Outflow		Total Deferred Inflows	\$ 11,212,640
Deferred outflow of pension	\$ 2,406,406		
Deferred other postemployment benefits	363,442	Fund Equity	
Total Deferred Outflows	\$ 2,769,848	Contributions (net of accumulated amortization)	\$ 56,120,478
		Prior period retained earnings	12,462,156
Other Assets		Current period retained earnings	(1,120,119)
Bond issue costs	\$ 0	Total Fund Equity	\$ 67,462,515
Total Assets	\$ 88,296,398	Total Liabilities and Fund Equity	\$ 88,296,398

DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY

CONSOLIDATED MANAGEMENT SUMMARY

JUNE 2023

(Detail)

REVENUES:

	CURRENT MONTH			YEAR TO DATE			ANNUAL BUDGET				
	BUDGET	ACTUAL	VARIANCE	VAR %	2022	BUDGET	ACTUAL	VARIANCE	VAR %	FULL YEAR	% Achieved
BUILDING SERVICES	248,278	548,893	300,615	121.1%	539,697	1,658,682	2,000,875	342,193	20.6%	2,008,662	63.3%
MARKETING	0	0	0	0.0%	0	0	0	0	#DIV/0!	11,877	0.0%
CATERING	251,497	252,667	1,170	0.5%	237,942	1,405,817	1,586,173	180,356	12.8%	1,127,655	60.8%
CONCESSIONS	12,850	21,663	8,813	68.6%	18,659	539,630	626,134	86,504	16.0%	570,584	63.5%
ADMINISTRATIVE	41,582	35,113	(6,469)	-15.6%	30,447	286,242	256,006	(30,236)	-10.6%	220,244	48.1%
IRVIN	107,983	93,272	(14,711)	0.0%	58,499	161,006	156,606	(4,400)	-2.7%	102,299	12.9%
TICKET OFFICE	11,500	141,801	130,301	1133.1%	0	281,800	396,683	114,883	40.8%	221,270	77.9%
PARKING	130,500	157,914	27,414	21.0%	157,893	819,500	787,538	(31,962)	-3.9%	765,829	47.1%
BAYFRONT	34,530	27,477	(7,053)	0.0%	28,057	59,030	29,125	(29,905)	-50.7%	54,953	14.4%
TOTAL OPERATING REVENUES	838,720	1,278,800	440,080	52.5%	1,071,193	5,211,707	5,839,140	627,433	12.0%	5,083,371	53.6%

OPERATING EXPENSES:

BUILDING SERVICES	219,693	338,277	(118,584)	-54.0%	204,640	1,432,320	1,855,221	(422,901)	-29.5%	1,398,589	65.1%
PROPERTY MTNC	166,149	198,909	(32,760)	-19.7%	203,435	1,208,372	1,416,298	(207,926)	-17.2%	1,284,833	54.8%
MARKETING	40,587	79,582	(38,995)	-96.1%	46,416	233,598	323,210	(89,612)	-38.4%	226,642	65.8%
CATERING	181,850	193,416	(11,566)	-6.4%	124,045	963,644	1,091,102	(127,458)	-13.2%	779,880	61.6%
CONCESSIONS	38,582	43,213	(4,631)	-12.0%	29,540	492,937	518,277	(25,340)	-5.1%	451,854	56.5%
ADMINISTRATIVE	215,622	188,541	27,081	12.6%	186,218	1,041,905	1,110,023	(68,118)	-6.5%	1,043,939	56.9%
IRVIN	63,156	81,684	(18,528)	-29.3%	46,425	161,967	278,499	(116,532)	-71.9%	127,870	56.8%
TICKET OFFICE	18,406	20,439	(2,033)	-11.0%	13,389	116,691	174,843	(58,152)	-49.8%	69,584	78.1%
PARKING	31,505	43,231	(11,726)	-37.2%	31,186	221,300	303,632	(82,332)	-37.2%	258,439	72.0%
BAYFRONT	7,800	0	7,800	100.0%	4,288	17,450	187	17,263	98.9%	16,522	0.3%
TOTAL OPERATING EXPENSES	983,350	1,187,291	(203,941)	-20.7%	889,581	5,890,184	7,071,291	(1,181,107)	-20.1%	5,658,153	60.1%

OPERATING PROFIT/(LOSS)

	(144,630)	91,509	644,020		181,612	(678,477)	(1,232,151)	1,808,541		(574,782)	(874,552)
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DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY

CONSOLIDATED MANAGEMENT SUMMARY

JUNE 2023

(Summary)

	CURRENT MONTH				YEAR TO DATE				ANNUAL BUDGET	
	BUDGET	ACTUAL	VARIANCE	VAR %	BUDGET	ACTUAL	VARIANCE	VAR %	FULL YEAR	% Achieved
DEPARTMENT PROFIT / (LOSS):										
BUILDING SERVICES	28,585	210,616	182,031	636.8%	226,362	145,655	(80,707)	-35.7%	308,999	
PROPERTY MTNC	(166,149)	(198,909)	(32,760)	-19.7%	(1,208,372)	(1,416,298)	(207,926)	-17.2%	(2,583,462)	
MARKETING	(40,587)	(79,582)	(38,995)	-96.1%	(233,598)	(323,210)	(89,612)	-38.4%	(491,058)	
CATERING	69,647	59,250	(10,397)	-14.9%	442,173	495,071	52,898	12.0%	838,318	
CONCESSIONS	(25,732)	(21,550)	4,182	16.3%	46,693	107,858	61,165	131.0%	68,362	
ADMINISTRATIVE	(174,040)	(153,428)	20,612	11.8%	(755,663)	(854,017)	(98,354)	-13.0%	(1,417,225)	
IRVIN	44,827	11,589	(33,238)	-74.1%	(961)	(121,893)	(120,932)	-12584.0%	724,356	
TICKET OFFICE	(6,906)	121,362	128,268	1857.3%	165,109	221,840	56,731	34.4%	285,133	
PARKING	98,995	114,683	15,688	15.8%	598,200	483,906	(114,294)	-19.1%	1,251,710	
BAYFRONT	26,730	27,477	747	2.8%	41,580	28,938	(12,642)	-30.4%	140,315	
TOTAL OPERATING PROFIT / (LOSS):	(144,630)	91,509	236,139	163.3%	(678,477)	(1,232,150)	(553,673)	-81.6%	(874,552)	
NON-OPERATING REVENUES/(EXPENSES):										
CITY TOURISM TAXES	153,142	153,142	0	0.0%	918,852	918,852	0	0.0%	1,837,700	50.0%
COVID RELIEF GRANTS	0	0	0	0.0%	0	0	0	#DIV/0!	0	
AMSOIL ARENA NAMING RIGHTS	16,667	16,667	0	0.0%	100,002	100,002	0	0.0%	200,000	50.0%
AMSOIL ARENA BOND PAYMENTS	(94,116)	(94,116)	0	0.0%	(564,696)	(564,696)	0	0.0%	(1,129,397)	
EPA FINE	0	0	0	0.0%	0	(118,195)	(118,195)	#DIV/0!	0	
CRUISE TERMINAL	0	(45,843)	(45,843)	0.0%	0	(70,410)	(70,410)	0.0%	0	
SUBTOTAL PROFIT / (LOSS)	(68,937)	121,359	190,296	276.0%	(224,319)	(966,597)	(742,278)	-330.9%	33,751	
LESS: DEPRECIATION										
DEPRECIATION (NET)	(36,000)	(36,000)	0	0.0%	(216,000)	(216,000)	0	0.0%	(432,000)	
NET CHANGE IN RETAINED EARNINGS	(104,937)	85,359	190,296	181.3%	(440,319)	(1,182,597)	(742,278)	-168.6%	(398,249)	

DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY
BALANCE SHEET
July 31, 2023

<u>Assets</u>		<u>Liabilities and Fund Equity</u>	
Current Assets		Liabilities	
Operating cash	\$ 235,210	Current Liabilities (payable from current assets)	
City pooled account	928,557	Accounts payable	\$ 696,801
Accounts receivable	958,493	Lease purchase payable	714,191
Accts Rec-Tourism Taxes	1,071,994	Bond interest payable	0
Inventory	197,771	Bonds payable	0
Prepaid items	110,984	Accrued salaries payable	245,731
Total Current Assets	\$ 3,503,009	Accrued vacation payable	312,003
		Deferred revenue	1,150,005
Noncurrent Assets		Total Current Liabilities (payable from current assets)	\$ 3,118,731
Leases Receivable	9,855,296		
Total Noncurrent Assets	\$ 9,855,296	Current Liabilities (payable from restricted assets)	
Restricted Assets		Ticket Office deposits	\$ 1,173,829
Ticket Office deposits		Employee flexible benefits plan	660
Cash and cash equivalents	\$ 2,763,580	Total Current Liabilities (payable from restricted assets)	\$ 1,174,489
Employee flexible benefits plan			
Cash and cash equivalents	14,095	Long-Term Liabilities	
Debt reserve	0	Capital Lease	\$ 589,242
Total Restricted Assets	\$ 2,777,675	Net pension liability	3,587,775
		Net other postemployment benefits	1,224,663
Fixed Assets		Total Long Term Liabilities	\$ 5,401,680
Fixed assets	\$ 152,945,766	Total Liabilities	\$ 9,694,899
Less allowance for depreciation	(83,890,472)		
Fixed assets (net)	\$ 69,055,294	Deferred Inflow	
		Deferred inflow of leases	9,573,101
Deferred Outflow		Deferred inflow pension + other post employ benefits	1,639,539
Deferred outflow of pension	2,406,406	Total Deferred Inflows	\$ 11,212,640
Deferred other postemployment benefits	363,442		
Other Assets		Fund Equity	
Bond issue costs	\$ 0	Contributions (net of accumulated amortization)	\$ 55,834,478
		Prior period retained earnings	12,462,156
		Current period retained earnings	(1,243,051)
Total Assets	\$ 87,961,122	Total Fund Equity	\$ 67,053,583
		Total Liabilities and Fund Equity	\$ 87,961,122

DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY

CONSOLIDATED MANAGEMENT SUMMARY

July 2023

(Detail)

REVENUES:

	CURRENT MONTH			YEAR TO DATE			ANNUAL BUDGET						
	BUDGET	ACTUAL	VARIANCE	VAR %	2022	BUDGET	ACTUAL	VAR %	% Achieved				
BUILDING SERVICES	289,558	202,761	(86,797)	-30.0%	214,388	1,948,240	2,158,026	209,786	10.8%	2,223,050	3,160,892	68%	
MARKETING	0	0	0	0.0%	0	0	0	0	#DIV/0!	11,877	0	#DIV/0!	72%
CATERING	138,127	295,278	157,151	113.8%	98,801	1,543,944	1,881,451	337,507	21.9%	1,226,456	2,610,895	985,625	68%
CONCESSIONS	24,850	40,462	15,612	62.8%	38,618	564,480	666,597	102,117	18.1%	609,202	985,625	532,009	66%
ADMINISTRATIVE	40,582	34,066	(6,516)	-16.1%	32,773	326,824	352,552	25,728	7.9%	261,177	1,214,735	1,214,735	30%
IRVIN	169,733	198,496	28,763	0.0%	135,792	330,739	361,247	30,508	9.2%	238,091	509,100	1,673,150	56%
TICKET OFFICE	62,500	73,197	10,697	17.1%	58,000	344,300	469,880	125,580	36.5%	279,270	202,200	10,888,606	63%
PARKING	141,150	157,222	16,072	11.4%	145,056	960,650	944,759	(15,891)	-1.7%	910,885	1,673,150	202,200	30%
BAYFRONT	68,170	31,092	(37,078)	0.0%	63,800	127,200	60,218	(66,982)	-52.7%	118,752	10,888,606	10,888,606	63%
TOTAL OPERATING REVENUES	934,670	1,032,574	97,904	10.5%	787,228	6,146,377	6,894,730	748,353	12.2%	5,878,760			

OPERATING EXPENSES:

BUILDING SERVICES	210,738	316,839	(106,101)	-50.3%	196,017	1,643,058	2,172,060	(529,002)	-32.2%	1,594,606	2,851,893	76%
PROPERTY MTNC	195,983	242,318	(46,335)	-23.6%	229,049	1,404,355	1,658,616	(254,261)	-18.1%	1,513,882	2,583,462	64%
MARKETING	41,813	54,425	(12,612)	-30.2%	42,301	275,411	377,634	(102,223)	-37.1%	268,943	491,058	77%
CATERING	103,496	183,117	(79,621)	-76.9%	120,712	1,067,140	1,274,219	(207,079)	-19.4%	900,592	1,772,577	72%
CONCESSIONS	44,572	70,712	(26,140)	-58.6%	52,013	537,509	588,989	(51,480)	-9.6%	503,867	917,263	64%
ADMINISTRATIVE	151,179	178,121	(26,942)	-17.8%	154,688	1,193,084	1,288,145	(95,061)	-8.0%	1,198,627	1,949,234	66%
IRVIN	78,649	79,867	(1,218)	-1.5%	54,473	240,616	358,366	(117,750)	-48.9%	182,342	490,379	73%
TICKET OFFICE	14,571	19,013	(4,442)	-30.5%	17,092	131,262	193,856	(62,594)	-47.7%	86,676	223,967	87%
PARKING	28,155	59,366	(31,211)	-110.9%	30,406	249,455	362,998	(113,543)	-45.5%	288,845	421,440	86%
BAYFRONT	27,415	14,155	13,260	48.4%	19,709	44,865	14,342	30,523	68.0%	36,231	61,885	23%
TOTAL OPERATING EXPENSES	896,571	1,217,934	(321,363)	-35.8%	916,460	6,786,755	8,289,226	(1,502,471)	-22.1%	6,574,613	11,763,158	70%

OPERATING PROFIT/(LOSS)

	38,099	(185,360)	(223,459)		(129,232)	(640,378)	(1,394,497)	(754,119)		(695,853)	(874,552)	
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DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY

CONSOLIDATED MANAGEMENT SUMMARY

July 2023

(Summary)

CURRENT MONTH

YEAR TO DATE

ANNUAL BUDGET

DEPARTMENT PROFIT / (LOSS):

	CURRENT MONTH			YEAR TO DATE			ANNUAL BUDGET					
	BUDGET	ACTUAL	VARIANCE	VAR %	2022	BUDGET	ACTUAL	VARIANCE	VAR %	2022	FULL YEAR	% Achieved
BUILDING SERVICES	78,820	(114,078)	(192,898)	-244.7%	18,371	305,182	(14,034)	(319,216)	-104.6%	628,444	308,999	
PROPERTY MTNC	(195,983)	(242,318)	(46,335)	-23.6%	(229,049)	(1,404,355)	(1,658,616)	(254,261)	-18.1%	(1,513,882)	(2,583,462)	
MARKETING	(41,813)	(54,425)	(12,612)	-30.2%	(42,301)	(275,411)	(377,634)	(102,223)	-37.1%	(257,066)	(491,058)	
CATERING	34,631	112,161	77,530	223.9%	(21,911)	476,804	607,232	130,428	27.4%	325,864	838,318	
CONCESSIONS	(19,722)	(30,250)	(10,528)	-53.4%	(13,395)	26,971	77,608	50,637	187.7%	105,335	68,362	
ADMINISTRATIVE	(110,597)	(144,055)	(33,458)	-30.3%	(121,915)	(866,260)	(935,593)	(69,333)	-8.0%	(937,450)	(1,417,225)	
IRVIN	91,084	118,629	27,545	30.2%	81,320	90,123	2,880	(87,243)	-96.8%	55,749	724,356	
TICKET OFFICE	47,929	54,184	6,255	13.1%	40,908	213,038	276,024	62,986	29.6%	192,594	285,133	
PARKING	112,995	97,855	(15,140)	-13.4%	114,649	711,195	581,761	(129,434)	-18.2%	622,039	1,251,710	
BAYFRONT	40,755	16,937	(23,818)	-58.4%	44,091	82,335	45,876	(36,459)	-44.3%	82,522	140,315	
TOTAL OPERATING PROFIT / (LOSS):	38,099	(185,359)	(223,458)	-586.5%	(129,232)	(640,378)	(1,394,497)	(754,119)	-117.8%	(695,853)	(874,552)	

NON-OPERATING REVENUES/(EXPENSES):

CITY TOURISM TAXES	153,142	153,142	0	0.0%	149,650	1,071,994	1,071,994	0	0.0%	1,047,550	1,837,700	58%
COVID RELIEF GRANTS	0	0	0	0.0%	0	0	0	0	#DIV/0!	625,872	0	
AMSOIL ARENA NAMING RIGHTS	16,667	16,667	0	0.0%	16,667	116,669	116,669	0	0.0%	116,669	200,000	58%
AMSOIL ARENA BOND PAYMENTS	(94,116)	(94,116)	0	0.0%	(92,494)	(658,812)	(658,812)	0	0.0%	(647,458)	(1,129,397)	58%
EPA FINE	0	0	0	0.0%	0	0	(118,195)	(118,195)	#DIV/0!	0	0	
CRUISE TERMINAL (NET)	0	16,590	16,590	0.0%	0	0	(8,210)	(8,210)	0.0%	0	0	
SUBTOTAL PROFIT / (LOSS)	113,792	(93,076)	(206,868)	-181.8%	(55,409)	(110,527)	(991,051)	(880,524)	-796.7%	446,781	33,751	

LESS: DEPRECIATION

DEPRECIATION (NET)	(36,000)	(36,000)	0	0.0%	(39,000)	(252,000)	(252,000)	0	0.0%	(273,000)	(432,000)	
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NET CHANGE IN RETAINED EARNINGS

	77,792	(129,076)	(206,868)	-265.9%	(94,409)	(362,527)	(1,243,051)	(880,524)	-242.9%	173,781	(398,249)	
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