



Duluth Entertainment Convention Center

DECC AUTHORITY BOARD OF DIRECTORS REGULAR MEETING

November 9, 2023, Meeting Minutes

CALL TO ORDER

A Regular Board Meeting was held Thursday, November 9, 2023, in the Harbor Side Convention Center Room 203. Chair Peter Singler called the meeting to order at 11:31 AM. A quorum of directors was present.

BOARD MEMBERS PRESENT

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

BOARD MEMBERS ABSENT

Mary Finnegan

DECC STAFF PRESENT

Dan Hartman
Amanda Denton
Ronni Murphy

OTHERS PRESENT

Media
Public

PUBLIC OPEN COMMENT PERIOD

No members of the public signed up for comment.

AMENDMENT TO AGENDA

MOTION to amend the order of the meeting agenda requested by Chair Singler. Motion made by Sertich and seconded by Secretary & Treasurer L. Mullen. Motion unanimously carried.

APPROVAL OF CONSENT AGENDA

Chair Singler reviewed the consent agenda. The consent agenda included the amended meeting agenda; Special Board Meeting Minutes from October 19, 2023; Regular Board Meeting Minutes from October 26, 2023; and finance statements for September 2023. MOTION to approve the consent agenda requested by Chair Singler; motion made by Nelson and seconded by Vice Chair Bremer. Motion unanimously carried.

NEW BUSINESS

Executive Director Hartman introduced the 2024 operating budget for review. Hartman shared key themes related to the budget: a focus on the DECC's core business; an aggressive new business strategy; a thrifty approach when possible; a reflection of flexing staffing to meet business demands; and updated coding structures to more accurately reflect business, departments, etc. Additionally, Hartman shared key summary items reflected in the budget: 2023/2022 actuals data; \$600,000 in additional earned revenue; reduction of \$300,000 in part-time staffing hours; \$250,000 added for unknown-substantial repairs; \$133,000 attributed for year one of a 10 year a loan payment with 6% interest for a scoreboard in AMSOIL Arena and Master Plan for DECC facilities; and an assumption of ending 2024 with a \$172,000 deficit. Hartman closed by noting this budget does not intend to utilize the line of credit extended by the City of Duluth, and that the DECC has not utilized any of these funds to date.

Media arrived at 11:35 AM.

Finance Director Denton shared an overview of the 2024 operating budget. Denton explained the updated coding structures including the repositioning of several job families to the proper department, moving building rental and leases to administration, moving snow removal expenses from parking and attributing them to property maintenance, the assumption of a 30% net profit margin in catering, the assumption of a 20% profit margin in concessions, reallocating marketing expenses to conventions and entertainment, planned new revenue in entertainment, and new categories for entertainment, conventions, and cruising.

Heffernan arrived at 11:50 AM.

Williams suggested the DECC consider reflecting the UMD lease payment in the actual month it is received rather than splitting and allocating a portion of the payment throughout each month of the year.

The Board discussed the budget and what the budget would look like with the assumption of new revenue added in. The Board noted quarterly forecasting is important and the DECC should strive to implement a forecast in 2024.

The Board extended a note of appreciation for Finance Director Denton's work on the 2024 operating budget.

Hartman shared that, if approved, he will present the 2024 operating budget to the City Council on December 11th. The Board discussed considerations for Hartman's presentation to

City Council, including the importance and impact of having the line of credit available to the DECC.

MOTION to approve the 2024 operating budget requested by Chair Singler. Motion made by Sertich and seconded by P. Mullen. Motion unanimously carried.

OTHER

Hartman escorted Board Members to AMSOIL Arena for a presentation by UMD Director of Athletics Forrest Karr and Deputy Director of Athletics Brian Nystrom. Karr toured Board Members through the UMD Bulldogs Athletics facilities at the DECC including the weightroom/training area, practice space, lounges, locker rooms, and recovery areas. Karr noted that the partnership between the DECC and UMD is strong and that the continued support of the DECC Board is instrumental. Karr shared that they are currently seeking private funding to make significant upgrades to the practice spaces and weightroom training areas. Potential improvements include an ice-simulated slapshot area near the rink, updates to equipment, updates to wood in areas such as the locker rooms, and options to further display accolades and accomplishments of UMD Bulldogs athletes. Karr closed by noting that the athletes spend many hours at the UMD facilities within the DECC and it is important that the facilities offer security, comfort, and opportunities for athletes to practice and hone their skills. Karr thanked Board Members for their time and Hartman escorted the Board back to Harbor Side Convention Center.

NEW BUSINESS

Hartman introduced the recommended vendor proposal for the William A. Irvin conditions assessment. Hartman reminded Board Members that Resolution 02-23 in support of a 2023 Minnesota Historical and Cultural Heritage Grant request for a conditions assessment was passed in June 2023. A conditions assessment is a roadmap created by field experts that will direct future maintenance and care of the William A. Irvin.

The DECC completed a request for proposal (RFP) for qualified vendors (historic architects, etc.) to complete a conditions assessment of the William A. Irvin if grant funds are awarded to the DECC. The DECC team received three proposals and scored the proposals based on requirements outlined by the Minnesota Historical Society. The DECC team and Finance Committee recommend the DECC proceed with LHB's proposal (as included in the supplemental materials) if awarded grant funding to complete the conditions assessment.

The Board discussed the proposal and the status of the William A. Irvin.

MOTION to approve LHB's proposal for the completion of a conditions assessment of the William A. Irvin if the DECC is awarded grant funding requested by Chair Singler. Motion made by Williams and seconded by Sertich. Motion carried unanimously.

EXECUTIVE DIRECTOR REPORT

Hartman provided a brief update on DECC operations.

- 1. Policy & Procedure:** Hartman provided an update on recent policy/procedure work at the DECC. The Employee Wellness Program will be reviewed by the Governance Committee and Board next month.
- 2. Contract Management:** Hartman reminded Board Members that the Arena Football League will begin at the DECC soon. The DECC and the Arena Football League are working on operational details, such as ticketing, in advance of their start.
- 3. Community Connection:** Hartman provided several updates related to community connection. Hartman continues to meet with Local and State Officials and tour them around DECC facilities. Hartman reported these tours are going well.

Hartman shared a graphic depicting the DECC's Facebook reach in October, noting a significant drop off post-MEA weekend. MEA weekend is a big travel weekend for the Duluth area and is significantly impacted by weather.

Hartman shared a graphic of Facebook page likes and published content noting 262 posts in October.

- 4. Economic Impact:** Hartman shared several updates related to economic impact.

Hartman noted that the Duluth Junk Hunt is an impactful event with a large following, including many out-of-town visitors. The event resulted in \$22,000 in parking for the DECC.

Hartman noted that UMD hockey saw one of the largest attendance nights ever last week, with an estimated 7,2000 in attendance (standing room only). Additionally, Hartman was pleased to report that the DECC had its largest concessions sale total, an estimated \$43,000 gross.

Hartman shared additional updates about the Haunted Ship. Ticket sales in 2023 were \$623,849, with 25,874 in attendance. Hartman noted attendance was down from last year, but revenues were up. Hartman attributes decreased Haunted Ship marketing and poor weather to the decreased attendance. Hartman does not attribute decreased attendance to increased ticket cost. Hartman closed by noting the Haunted Ship has room to grow programmatically, and that the VIP experience was successful and the DECC plans to expand this experience next year.

- 5. Capital Investment:** No significant updates.

Hartman closed by re-sharing his fall/winter goals for the DECC team: match staffing to budget goals; continued convention sales; team 2024 goal setting; better communicate November/December parking challenges at the DECC; and create a better communication strategy with the public on DECC happenings.

COMMITTEE REPORTS

Strategy

1. Chair Singler provided an update on behalf of the Strategy Committee. The Committee reviewed and discussed the 2024 operating budget.

Finance

1. P. Mullen provided an update on behalf of the Finance Committee. The Committee reviewed and discussed the 2024 operating budget and September financials.

Governance

1. Vincent provided an update on behalf of the Governance Committee. Vincent noted that the DECC submitted a letter of recommendation to the Mayor's Office regarding a new appointment for Axelson's open seat. The DECC is seeking a Board Member with financial expertise to serve on the Board.
2. There has been no recent update regarding the Governor appointments. Hartman plans to check in with the Governor's Office regarding DECC appointments when he travels next week.
3. Vincent presented the proposed Board Officer slate for 2024. Vincent noted that Vice Chair Bremer has indicated she does not have the capacity to serve as a Board Officer in 2024 and two Board Members were strongly interested in serving as Board Officers. Due to this, a change to split the Secretary and Treasurer positions as allowed per DECC Authority Bylaws was recommended. Proposed Board Officer Slate for 2024:
 - a. Chair - Peter Singler
 - b. Vice Chair - Laura Mullen
 - c. Treasurer - Tony Sertich
 - d. Secretary - Jason Vincent

Hartman reminded Board Members that Board Officer elections will occur at the December meeting.

4. The Committee will review the Employee Wellness Program at their next meeting.

Ad Hoc Parking

1. Nelson noted there is no update for Ad Hoc Parking Committee at this time, but the Committee will be meeting within the next several weeks to wrap up.

OLD BUSINESS

No Old Business was discussed.

ADJOURNMENT

Chair Singler requested a motion to adjourn. The meeting adjourned at 12:57 PM.

UPCOMING MEETINGS

The next regular meeting will be held December 14, 2023, location to be determined.

Submitted by:

Peter Singler, Chair

Date

Laura Mullen, Secretary & Treasurer

Date