



DECC AUTHORITY BOARD OF DIRECTORS REGULAR MEETING

October 26, 2023, Meeting Minutes

CALL TO ORDER

A Regular Board Meeting was held Thursday, October 26, 2023, in the Symphony Hall Mezzanine. Chair Peter Singler called the meeting to order at 11:32 AM. A quorum of directors was present.

BOARD MEMBERS PRESENT

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

BOARD MEMBERS ABSENT

Lynne Williams
Mary Finnegan

DECC STAFF PRESENT

Dan Hartman
Amanda Denton
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. No members of the public signed up for comment.

APPROVAL OF CONSENT AGENDA

Chair Singler reviewed the consent agenda. The consent agenda included the meeting agenda; Regular Board Meeting Minutes July 27, 2023; Regular Board Meeting Minutes September 28, 2023; and finance statements for August 2023. MOTION to approve the

consent agenda requested by Chair Singler; motion made by Nelson and seconded by P. Mullen. Motion unanimously carried.

EXECUTIVE DIRECTOR REPORT

Executive Director Hartman provided an update regarding the DECC's financial situation. Hartman summarized updates to the previously discussed three-step plan to address the DECC's financial status.

Step One: The DECC has received the \$1,000,000 loan from the City of Duluth. Hartman was pleased to report that the DECC has not needed to dip into the cash provided by the loan. Hartman provided a cash flow update noting that cash available is at \$1,058,000 as of October 19, 2023. Hartman noted this will give the DECC time to fix the structural deficit at the DECC related to wages and capital projects.

Step Two: Hartman shared that the DECC has reduced an estimated \$500,000 in full-time payroll (inclusive of salary and benefits). Additionally, the venue consultant was on site at the DECC last week and met with a variety of full-time staff and Board Members. The consultant also walked through DECC facilities and observed several events during her time on site. The DECC can expect a final report from the Consultant in November or December. Hartman continues to strategize how to meet the DECC's "peaks and valleys" related to events vs. staffing. Hartman expects the Board should see changes to the DECC's financials related to these adjustments in the coming months.

Heffernan arrived at 11:35 AM.

Step Three: Hartman continues to focus on opportunities to bring new revenue to the DECC. Hartman and team are strategizing how to get more revenue from each event (i.e., Haunted Ship VIP tickets), how to recruit more events to the DECC, and how to obtain sponsorships.

Hartman pivoted to provide an update on DECC operations.

- 1. Policy & Procedure:** Hartman provided an update on recent policy/procedure work at the DECC. The Governance Committee and legal have reviewed the updated complimentary ticket policy and travel and expense reimbursement policy. Finance narratives required for the annual audit are in the process of being updated. The DECC has recently drafted the following policies: emergency shelter in place activation procedures; record retention and destruction policy (update); and several safety policies (i.e., ladder safety).
- 2. Contract Management:** Hartman provided an update on recent contract management activities at the DECC. Hartman has been in discussions with the City of Duluth regarding Bayfront Festival Park. Hartman has suggested that the DECC take on more of a coordination role at Bayfront as stipulated per the current management agreement with the City with a focus on safety and compliance. The DECC would focus on setting clients up for success by providing access to resources, park rules and regulations, and reinforcing best practices through the use of checklists, a Bayfront Festival Park guidebook, etc. The Board discussed the DECC's role at

Bayfront Festival Park, potential liabilities related to the DECC's role, and considerations related to shifting the DECC's role to a coordination status.

3. Hartman is currently in discussions with DSSO regarding additional options for DSSO events and rehearsals. Discussions include the potential for more DECC space rental, off-site rehearsals, and potentially moving concerts to Sundays.
4. **Community Connection:** Hartman provided several updates related to community connection. In recent weeks Hartman has spent time touring State and Local Officials around DECC facilities to ensure all are well-informed about the DECC, the DECC's impact, and the DECC's capital needs.

Hartman shared that the idea of appointing a Council Liaison to the DECC Board has been discussed. Hartman has seen this at other local entities including Spirit Mountain, Great Lakes Aquarium, and Glensheen. If enacted, the City Council President would select a City Councilor to serve as a non-voting member of the DECC Board. Appointing a Council Liaison would help ensure the City Council is informed of the DECC's happenings and provide additional context regarding the DECC's operations as needed. Hartman encourages and supports the idea to designate a Council Liaison for the DECC Board.

Hartman provided a brief social media update to the Board: 1,324,444 Facebook reach and 131,181 Instagram reach. Hartman noted that numbers for the Haunted Ship are down this year, likely due to the DECC's marketing team having less availability to market the Haunted Ship in recent weeks.

5. **Economic Impact:** Hartman shared that October is the busiest month of the year for the DECC. In recent weeks the DECC has hosted many conventions, entertainment events, UMD hockey has begun, and the Haunted Ship has opened up for the month of October.

Hartman shared a photo summary of recent events at the DECC including the Entrepreneur Fund Event, Midwest Climate Resilience Conference, Vampire Circus, ABBA Mania, the Haunted Ship, and UMD Hockey.

Hartman shared that the DECC is testing out some operational changes in AMSOIL Arena. AMSOIL Arena is officially cashless. Hartman noted that the transition is going well, and more smoothly than originally expected. Hartman noted that the DECC tried a Family Value Stand with discounted concessions items, similar to stands at the MN Twins games at Target Field. The DECC's Family Value stand was outside of AMSOIL Arena in the DECC Arena concourse. The stand was not well utilized. Hartman noted the DECC has instituted self-serve bars in AMSOIL Arena. Customers appreciate the shorter wait-times and convenience, but this project may require additional adjustments as the DECC team works to find what is most convenient and customer-friendly approach.

Hartman provided an update about the Haunted Ship. Attendance is down, likely due to limited marketing and less-than-ideal weather. However, sales are steady, likely due

to the Fast Pass and implementation of a new premium VIP experience. The Haunted ship has sold \$490,000 in ticket sales, with \$35,000 being attributed to VIP ticket purchases.

- 6. Capital Investment:** Hartman provided several updates related to capital investments.

The DECC has submitted the final application for bonding bill funds to the Office of Management and Budget.

McKinstry is currently completing a no-charge energy usage assessment of DECC facilities. McKinstry will utilize the assessment to create a report for the DECC team that details potential improvements for the DECC's consideration.

Hartman provided an update about the Seawall Project. The project is officially underway and a portion of Harbor Drive will be inaccessible and blocked off for the duration of the project. Hartman shared designs and drawings detailing changes to the Harbor Drive space that will occur with the completion of the project.

Hartman is working with local artist Ann Klefstad to get a sculpture bench installed at Entrance C (between City Side Convention Center and DECC Arena). Klefstad has secured grant funding to create the project, and the installation of the bench is an opportunity to showcase more local art at the DECC.

- 7.** Hartman closed by sharing his fall/winter goals with the Board. Hartman plans to do the following: monitor staffing to ensure it is more closely aligned with staffing as budgeted; focus on convention sales; create and implement a tangible goal-setting process with the DECC management team; improve external communication regarding Nov/Dec parking at the DECC with Bentlyville; and create an improved communication strategy with the public regarding the successes and challenges of happenings as the DECC. Dan suggested that he is considering a regular Facebook live update about the DECC. The Board discussed strategies for keeping the public informed about the DECC.

COMMITTEE REPORTS

Strategy

- 1.** Chair Singler provided an update on behalf of the Strategy Committee. The Committee reviewed and responded to media inquiries.
- 2.** The Committee met with Shamrock Productions and Lundeen Group at the request of both entities. Both Shamrock Productions and Lundeen Group have hosted events at the DECC for many years and shared concerns regarding potential competing business at the DECC. The Committee, Shamrock Productions, and Lundeen Group discussed the concerns brought forth by the entities and how they can all partner to further aid the success of their events at the DECC. Opportunities included additional marketing, experiential support, and the possibility of conceptualizing trade shows together.

Finance

1. Secretary & Treasurer L. Mullen provided an update on behalf of the Finance Committee. Secretary & Treasurer L. Mullen noted that the Board agreed to proceed with prior-month financial statement review at the last Board Meeting, and the Finance Committee did not put forth a recommendation to adjust the finance statement review.
2. Finance Director Denton provided a review of August finance statements. Denton noted three summer entertainment events were closed out in Ticketmaster, cash declined an estimated \$200,000, and that the DECC is still facing financial challenges. Denton closed by noting she is currently working on the 2024 budget. The Board discussed the financial update and recommended the DECC team look into additional data projections.

Governance

1. Vincent provided an update on behalf of the Governance Committee. Vincent noted the Governance Committee reviewed and recommends updates to the Complimentary Tickets Policy and the Travel and Expense Reimbursement Policy.
2. Vincent shared that he will be reaching out to Board Members regarding a Board Officer slate for 2024.

Ad Hoc Parking

1. Nelson provided an update on behalf of the Ad Hoc Parking Committee. The Committee reviewed a demonstration by Air Garage. The Committee plans to meet in November to summarize findings and plan next steps.

OLD BUSINESS

No Old Business was discussed.

NEW BUSINESS

Chair Singler introduced the updated 2023 DECC Board Meeting schedule noting that the November Regular Board Meeting has been adjusted to occur on November 9, 2023. MOTION to approve the updated 2023 DECC Board Meeting Schedule requested by Chair Singler. Motion made by Sertich and seconded by Heffernan. Motion unanimously carried.

Chair Singler introduced the updated Complimentary Tickets Policy that has been reviewed by legal and the Governance Committee. Hartman discussed the changes reflected in the policy. MOTION to approve the updated Complimentary Tickets Policy requested by Chair Singler. Motion made by Nelson and seconded by Vincent. Motion Unanimously carried.

Chair Singler introduced the updated Travel & Expense Reimbursement Policy that has been reviewed by legal and the Governance Committee. Murphy discussed the changes reflected in the policy. MOTION to approve the updated Travel & Expense Reimbursement Policy requested by Chair Singler. Motion made by Sertich and seconded by Vice Chair Bremer. Motion unanimously carried.

OTHER

Chair Singler provided an update regarding the annual Board Retreat. The DECC has received notice from the Office of the Secretary of State that Governor-appointments will not be made until after October 20th. Additionally, we expect to receive our final report from the venue consultant in November/December. Due to these factors, the Board prefers to push the Board Retreat to January when the new appointees should be seated and the Board will have had a chance to review the consultant's report.

Hartman reminded Board Members that the DECC is in need of a new scoreboard for AMSOIL Arena and a Master Plan. Hartman suggested the Board consider approving the DECC to seek out a ten-year payment plan for both the scoreboard and Master Plan. The Board discussed Hartman's suggestion. The Board suggested Denton include payment for the scoreboard and Master Plan in the 2024 budget.

Chair Singler introduced the supplemental 2024 Committee Selection Sheet handout provided to each Board Member. Chair Singler asked Board Members to fill out the sheet with their preferred committee assignment(s) and submit the completed copy to Murphy.

ADJOURNMENT

Chair Singler requested a motion to adjourn. The meeting adjourned at 1:00 PM.

UPCOMING MEETINGS

The next regular meeting will be held November 9, 2023, location to be determined.

Submitted by:

Peter Singler, Chair

Laura Mullen, Secretary & Treasurer

Date

Date