



DECC AUTHORITY BOARD OF DIRECTORS ANNUAL RETREAT & REGULAR MEETING

January 25, 2024 Meeting Minutes

ANNUAL RETREAT 9:00 AM - 12:00 PM

CALL TO ORDER

An Annual Retreat was held Thursday, January 25, 2024, in the Senator Sam Solon Board Room. Chair Peter Singler called the retreat to order at 9:11 AM. A quorum of directors was present.

BOARD MEMBERS PRESENT

Chair Peter Singler
Vice Chair Laura Mullen
Treasurer Tony Sertich
Secretary Jason Vincent
Mary Finnegan
Zack Filipovich
Carli Amatuzio
Pat Mullen
Shane Peterson
Martha Bremer
Bill Nelson

BOARD MEMBERS ABSENT

None

DECC STAFF PRESENT

Dan Hartman
Amanda Denton
Ronni Murphy

OTHERS PRESENT

Councilor Terese Tomanek
Kim Mahoney, Venulogix Consultant
Media

Chair Singler opened the retreat with Board Member introductions and “ice breakers” to introduce new Board Members Amatuzio, Peterson, and Filipovich to the Board.

Finnegan arrived via Zoom at 9:55 AM

Councilor Tomanek arrived via Zoom at 9:55 AM

Mahoney arrived via Zoom at 9:55 AM

Media arrived via Zoom at 9:55 AM

Venulogix Consultant Kim Mahoney presented a summary of the DECC Operational and Organizational Review via Zoom. Mahoney summarized key themes, findings, and action items (page 42).

Finnegan departed at 10:57 AM

Councilor Tomanek departed at 10:57 AM

Mahoney departed at 10:57 AM

Media departed at 10:57 AM

Executive Director Hartman took Board Members on a DECC facilities tour highlighting key items as included in the 2024 legislative bonding funding request.

REGULAR BOARD MEETING 12:00 PM - 1:30 PM

CALL TO ORDER

A Regular Meeting was held Thursday, January 25, 2024, in the Senator Sam Solon Board Room. Chair Peter Singler called the meeting to order at 12:03 PM. A quorum of directors was present.

BOARD MEMBERS PRESENT

Chair Peter Singler
Vice Chair Laura Mullen
Treasurer Tony Sertich
Secretary Jason Vincent
Zack Filipovich
Carli Amatuzio
Pat Mullen
Shane Peterson
Martha Bremer
Bill Nelson

BOARD MEMBERS ABSENT

Mary Finnegan

DECC STAFF PRESENT

Dan Hartman
Amanda Denton
Ronni Murphy

OTHERS PRESENT

Forrest Karr, UMD Director of Athletics
Brian Nystrom, UMD Deputy Director of Athletics
Media

OTHERS ABSENT

Councilor Terese Tomanek

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, meeting minutes from the regular meeting on December 14, 2023, finance statements for November 2023, and the annual Material Financial Interest Disclosure Form and Conflict of Interest Policy Acknowledgement. MOTION to approve the consent agenda requested by Chair Singler; motion made by Sertich and seconded by Vincent. Motion unanimously carried.

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:** There was no update related to policies and procedures.
- 2. Contract Management:** Hartman provided an update regarding the Bayfront Festival Park Management Agreement. Hartman noted that he was contacted by City of Duluth staff in December regarding discussions about Bayfront Festival Park with a plan to resume discussions in January. Hartman was invited to a meeting to discuss the agreement on January 11, 2024. Hartman noted that shortly before the meeting he learned it would be an interview for the Bayfront Festival Park management agreement rather than a discussion about Bayfront. Hartman attended the meeting letting City staff know that the DECC reluctantly took on the management of Bayfront Festival Park at the request of City staff ten plus years ago and that the DECC may be comfortable with the transition of Bayfront Festival Park to another managing entity if the City desires. Hartman further noted to the City that the DECC Board did not have an opportunity to formally discuss the matter or take any potential Board-related action regarding the matter.

Hartman shared an update regarding the Ad hoc Parking Committee. The Committee has completed demonstrations with several parking vendors and plans to report findings back to the Board in the near future.

Media arrived at 12:35 PM

- 3. Community Connection:** Hartman shared slides depicting the social media reach for January. Facebook reach was 806,900 and Instagram reach was 63,400. Hartman noted the reach has decreased with slower operations during the holiday season. Hartman shared a graphic depicting a comparison of Facebook page likes for January. For comparison the DECC had 332 additional page likes with 95 pieces of published content and The Sandford Center had 34 page likes with 43 pieces of published content.
- 4. Economic Impact:** Hartman summarized some of the recent events at the DECC and their impact including Jerry Seinfeld; Stars on Ice; Glamour & Gold (Great Gatsby New Year's Eve event); the Wedding Show; BAMFF Film Festival; and UMD Bulldog Hockey.

Hartman reminded Board Members that December - February and summer are slow times for the DECC. Hartman continues to work on opportunities to maximize the DECC's slower seasons and encouraged Board Members to reach out with additional opportunities and considerations. Bremer shared that Leadership Duluth booked AMSOIL Arena concourse to ride e-bikes during the COVID-19 pandemic resulting in a unique experience and successful event.

- 5. Capital Investment:** Hartman noted that the Seawall construction project is still underway and that there have been some issues with supply-chain related to purchasing steel for the project. The project is also requesting changes to the Symphony Hall loading dock that are currently under review by the DECC team.

Hartman provided a bonding update. Hartman is currently working with LHB and Kraus Anderson to complete the cost analysis and conceptual design drawings for the 2024 legislative bonding funding request. Hartman is currently working on scheduling bonding-related tours and expects that work related to bonding with increase soon.

COMMITTEE REPORTS

Strategy

1. Chair Singler provided an update on behalf of the Strategy Committee. The Committee primarily focused on: Bayfront Festival Park Agreement discussions, the Annual Board Retreat, Committee assignments for 2024, and the Executive Director performance evaluation.
2. Chair Singler reminded Board Members that committees provide an opportunity for input, guidance, and counsel and no decision-making is completed at committees.
3. Chair Singler provided committee assignments to new Board Members as follows:

- Amatuzio - Governance Committee
 - Peterson - Finance Committee
2. Chair Singler shared that Hartman's 2023 performance evaluation will be sent out soon. Board Members that termed off the DECC Board after July 1, 2023, will be asked to complete an evaluation for Hartman. New Board Members beginning their first term on the DECC Board after July 1, 2023, will not complete a 2023 performance evaluation for Hartman.

Finance

1. Treasurer Sertich provided an update on behalf of the Finance Committee. The Finance Committee reviewed November financials. Treasurer Sertich extended a note of gratitude to Finance Director Denton and the finance team for their continued work in updating and streamlining the DECC's financial processes.
2. Finance Director Denton reviewed the November finance statements. Denton provided a summary of events that occurred in November including: DSSO, Sal Vulcano, Blippi: The Musical, four conventions, The Duluth Area Chamber Annual Dinner, Duluth Junk Hunt, and five Bulldog hockey events. Denton shared that building services has made great strides in reducing part-time payroll with the expense coming in at \$3,000.00 over budget. Property Maintenance has decreased expenses due to a heat bill that has not yet been expensed and milder winter temperatures/conditions. Marketing and Sales includes \$67,000 of Media USA advertising revenue (revenue January 2023 - November 2023). Catering's actual net profit margin is currently 29% (revenue - expenses/revenue). Catering's goal margin is 30%. Administrative includes \$193,000 funding from the City of Duluth for the temporary ice plant, included as revenue. Administrative expenses include month one of three for the rental of the temporary ice plant. Bayfront includes the \$70,000 management fee received in November. Denton closed by noting November 2023 net change in retained earnings was \$125,000. This was \$300,000 up from budget, with a variety of factors playing into this change. Year to date net change in retained earnings was a loss of \$726,000.

Governance

1. Vincent provided an update on behalf of the Governance Committee. The Committee was unable to meet in January and plans to resume meeting in February.

OLD BUSINESS

No Old Business was discussed.

NEW BUSINESS

Bremer departed at 12:55 PM

Hartman introduced UMD Director of Athletics Karr and Deputy Director of Athletics Nystrom to speak about the proposed amendment to the current UMD lease agreement. Hartman shared that UMD is proposing a second amendment to the current lease agreement to allow UMD to renovate the space next to the strength and conditioning area previously outlined in

the UMD lease agreement. UMD currently has exclusive rights to the strength and conditioning area as outlined (January 2024 Board Packet pg. 16). UMD is asking for additional "priority use" access to the space next to their exclusive use area as outlined (January 2024 Board Packet pg. 16). This amendment would still allow for the DECC to utilize the Mortensen Room space to sell alcohol at entertainment events and for other purposes as needed. Karr noted that if the DECC agrees to the amendment no financial commitment would be required of the DECC. UMD is currently raising funds to pay for the desired renovations through their foundation. Vice Chair L. Mullen asked for clarification regarding the timeline of the potential renovations. Karr clarified they are still seeking funding and require approval from the DECC Board prior to finalizing a timeline for the project. Secretary Vincent asked who would be responsible to cover any potential project funding shortfalls. Karr noted UMD would cover any funding gaps and that UMD would clarify that UMD would cover funding shortfalls in a written agreement if the project proceeds. P. Mullen noted that the DECC and UMD were previously in negotiations regarding the most recent lease agreement and asked if the DECC should consider circling back to prior negotiation discussions to complete all negotiations at once, rather than with multiple amendments. The Board discussed the agreement and negotiations. MOTION to approve the second amendment to the UMD lease as included in the January 25, 2024, DECC Board Packet made by Treasurer Sertich and seconded by Filipovich. Motion carried as reported. (8 - approve (Chair Singler, Vice Chair L. Mullen, Treasurer Sertich, Secretary Vincent, Amatuzio, Nelson, P. Mullen, Filipovich); 2 - absent (Bremer and Finnegan); 1 - abstain (Peterson)).

Karr departed at 1:00 PM.

Nystrom departed at 1:00 PM.

OTHER

Chair Singler provided an update regarding annual non-emergency executive director succession planning. The Strategy Committee met in January and reviewed the newly adopted Executive Director Succession Plan. The Committee asked Murphy to coordinate filling out the "contact inventory" as included in the plan. The inventory is 85% complete. Murphy is currently working on updating organizational charts to be included in the plan. The plan has been reviewed and signed by the Board Chair, Executive Director, and Potential Acting Executive Director.

ADJOURNMENT

Chair Singler requested a motion to adjourn. The meeting adjourned at 1:06 PM.

UPCOMING MEETINGS

The next regular meeting will be held February 29, 2024, location to be determined.

ANNUAL RETREAT 1:30 PM to 5:00 PM

CALL TO ORDER

The second part of the Annual Retreat was held Thursday, January 25, 2024, in the Senator Sam Solon Board Room. Chair Peter Singler called the retreat to order at 1:30 PM. A quorum of directors was present.

BOARD MEMBERS PRESENT

Chair Peter Singler
Vice Chair Laura Mullen
Treasurer Tony Sertich
Secretary Jason Vincent
Carli Amatuzio
Pat Mullen
Shane Peterson
Martha Bremer
Bill Nelson

BOARD MEMBERS ABSENT

Zack Filipovich
Mary Finnegan

DECC STAFF PRESENT

Dan Hartman
Amanda Denton
Ronni Murphy

OTHERS PRESENT

None

Chair Singler opened the second portion of the retreat by creating break-out sessions for Board Members to complete strategic planning. In reference to the DECC's Operational and Organization Review completed by Venulogix, break-out sessions responded to the following questions: what are your key takeaways; what questions do you have: what are our top three board priorities. Board Members discussed via break-out session.

The Board resumed meeting as a group and discussed the content from the break-out sessions. The Board plans to review a comprehensive list of action items from the Venulogix report and board priorities at the February 29, 2024, Regular Board Meeting.

The retreat adjourned at 4:21 PM.

Submitted by:

Peter Singler, Chair

Jason Vincent, Secretary

Date

Date