



DECC AUTHORITY BOARD OF DIRECTORS REGULAR MEETING

February 29, 2024, Meeting Minutes

CALL TO ORDER

A Regular Board Meeting was held Thursday, February 29, 2024, in the Harbor Side Convention Center Room 202. Chair Peter Singler called the meeting to order at 12:00 PM. A quorum of directors was present.

BOARD MEMBERS PRESENT

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

BOARD MEMBERS ABSENT

Pat Mullen

DECC STAFF PRESENT

Dan Hartman
Amanda Denton
Ronni Murphy

OTHERS PRESENT

Media

OTHERS ABSENT

Councilor 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 and Regular Board Meeting Minutes & Annual Retreat Minutes from January 25,

2024. MOTION to approve the consent agenda requested by Chair Singler; motion made by Nelson and seconded by Bremer. 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:** Hartman provided an update on recent policy/procedure work at the DECC.
- 2.** The Governance Committee is currently working on a private social gathering policy statement that complies with Minnesota Open Meeting Law. The statement will be reviewed by legal counsel before it is presented to the Board.
- 3.** The DECC team have been working on several new/updated operational policies including: DECC Employee Handbook; Information Security Incident Response Plan; Credit Card Policy; System Access and Password Policy (audit requirement); unauthorized or Suspicious Person Protocol; IT Disaster Recovery Response Plan; and Annual Employee Training Program Plan.

Media arrived at 12:02 PM

- 4. Contract Management:** Hartman provided an update on recent contract management activities at the DECC.
- 5.** Hartman has been in discussions with the City of Duluth and Port Authority regarding cruising and how cruising operations can be simplified. Cruising operations are complicated and require in depth knowledge of maritime and cruising-related regulations, rules, security requirements, etc. Hartman noted it would be ideal to have a Port Authority staff manage cruising operations and to have the DECC facilitate cruising, similar to when the DECC hosts events. Hartman noted some discussions have included the consideration of a City of Duluth staff to manage cruising operations. If a Port Authority or City staff were selected, their role could be paid for by the tariffs collected for cruising. Hartman noted he would like to have more stakeholder discussions to better define the long term plan and structure for cruising in the Duluth area prior to making changes.

Secretary Vincent arrived at 12:05 PM

Filipovich asked if adjusting cruising operations to a Port Authority or City of Duluth-based position would decrease the DECC's cruising-related liability. Hartman confirmed that this change would lessen the DECC's cruising-related liability.

- 6.** Hartman announced that he has been researching starting a non-profit for the DECC. Hartman has also met with legal and determined that a non-profit is a viable option for the DECC. A non-profit would allow the non-profit board to fundraise for the DECC and it would allow donors to be eligible for potential tax benefits for their contribution. The DECC non-profit would be required to have a board of at least three

members and would need to be incorporated. A comparable example is the Friends of the Duluth Public Library. The non-profit board would determine how to utilize the funds. Examples could include naming rights for City Side Convention Center, new carpets for Symphony Hall, etc.

7. Hartman provided a summary of the work completed by the Ad Hoc Parking Committee.

Hartman reminded Board Members of the Committee's mission: The Ad Hoc Parking Committee is a limited-term task force designed to support the DECC's strategic priorities: Operational Excellence and Productive Workforce, while aligning with the DECC's "Hospitality" core value. This committee will provide Board Members with an opportunity to deep dive into parking at the DECC and provide input and feedback regarding the DECC's future parking strategy.

Hartman shared the goals created by the Committee: complete a comprehensive review of parking operations; provide an excellent guest experience; review and determine potential financial impacts; and analyze staffing and efficiency. Hartman noted the Committee received feedback from the parking team regarding their wish list including: cashless transactions, investment in ramp infrastructure; digital signage; additional ramp surveillance cameras; event-based tracking; and improved power pedestals for RV parking. Hartman further shared that the Committee researched parking solutions and received demonstrations from Interstate Parking, Park Mobile, and Air Garage.

Hartman shared the DECC's parking goals: fast entry and exit for parkers; ability for human and human-less interaction when parking; simple and fast payment (cash, credit, and pre-pay options); more than "just a kiosk".

Hartman reminded Board Members that DECC parking operations have many unique features: RV parking; a variety of customers; at times, heavy concentrations of certain customer types; trailer parking; parking passes; elimination of parking spaces for some events (i.e., Thomas Shows); and Marcus Theatres-related parking reimbursement.

Hartman noted the key finding is that the DECC requires a hybrid parking model. For example, cash, credit, and pre-pay options; QR code/online payment and booth options; reserved and non-reserved options, etc. Hartman noted parking at the DECC is 70% cash transactions currently.

Hartman shared next steps with the Board. The DECC team will present a detailed parking plan for review at a future board meeting. The plan will likely include a request for proposal (RFP) or perhaps multiple RFPs based on the DECC's hybrid model needs. Hartman noted the ideal time to launch changes to parking operations is during the summer months.

Nelson thanked Hartman for the Ad Hoc Parking Committee summary, noting that next steps will be provided by the DECC operations team. Nelson further noted that a

hybrid model will provide necessary flexibility for initial implementation but could change at a later date. Secretary Vincent shared support for a hybrid model noting it because apparent early in the Committee's work that a hybrid model would be suitable for DECC Parking operations.

- 8. Community Connection:** Hartman provided several updates related to community connection.
- 9.** Hartman reviewed social media metrics for Facebook and Instagram for the last month. Hartman clarified that Instagram metrics decreased because the DECC did not run paid advertisements on Instagram during this time. However, the DECC did run paid advertisements through Facebook. Hartman explained that paid advertisements are strategically important for engagement, and the DECC remains ahead of the curve compared to other similar entities. Hartman presented a comparison of posted content with the DECC posting 101 pieces of content on Facebook, The Sandford Center posting 62 pieces of content, and Mayo Civic Center posting 23 pieces of content. Hartman observed that the DECC has an advantage in that we have entertainment in addition to conventions and other events, in relation to content to publish.
- 10.** Hartman shared that he continues to meet with elected officials. Congressman Stauber, staff representatives for Senators Klobuchar and Smith, and Commissioners Boyle and Grimm visited the DECC. During these meetings, Hartman provided a "DECC 101" update, discussed capital needs, and future plans for the DECC.
- 11.** Hartman shared that the DECC is partnering with the Joyride program for events. Joyride aids guests in getting a sober ride home after events. The venue (DECC) and a sponsor each contribute \$5.00 per ticket so the user can have \$10.00 off a sober ride service. The DECC has partnered with Joyride previously and looks forward to working with them again.
- 12.** Hartman shared that the DECC is working on creating a display of art created by a past DECC employee, and local artist, Oddio. Many of Oddio's paintings are located throughout internal office in the DECC facilities. This display would be located in the skywalk, allowing for greater public access and providing much needed vibrancy to the space.
- 13. Economic Impact:** Hartman provided several updates related to economic impact.
- 14.** The DECC held the second annual Cider North event in January. The event was a success again this year, with comparable attendance to 2023. Hartman noted the event has received positive feedback, and the DECC plans to bring it back in 2025.
- 15.** Hartman shared that the DECC is currently designing a taco festival. The DECC reached out to local promoters for a potential collaboration, but none were interested. The DECC plans to put the taco festival on Harbor Drive during the summer months, with 20+ taco options, margaritas, etc.

16. Hartman shared that comedian Charlie Behrens returned to the DECC with two sell out shows. The Jesus Christ Superstar Broadway production also returned and was a success. Hartman noted that Broadway shows at the DECC in prior years have had mixed results. The DECC team strategized with promoters to market the event differently to help ensure the event's success. Hartman observed that it is the DECC's role to help large-scale/national acts come to the Duluth-area including touring shows, sports, etc. The DECC continues to look at bringing more large-scale events to this area.

17. Hartman provided an update regarding the Sport Show. Hartman noted that Shamrock Productions was understandably upset that the escalator in City Side Convention Center was broken during the Sport Show. Hartman provided additional background regarding the broken escalator. City Side Convention Center has two escalators, and both can be set to run upwards or downwards. In Addition, City Side has two staircases and two elevators. One of the two escalators broke in summer of 2023. Hartman opted not to repair the broken escalator as it was during the heart of the DECC's cashflow issues and that majority of spending was frozen. The DECC went through fall 2023 with the escalator unrepaired without issue. Hartman did not feel comfortable authorizing the repair of the escalator until the DECC's fall financials were entered and reviewed. Hartman had access to October and November financials in January 2024 and determined the DECC's expenses and payroll were moving in a positive direction. Hartman authorized the escalator repair at this time. Hartman expected the repair to be complete before the Sport Show. However, due to supply chain issues, the necessary parts were not delivered on time for the repair. Alternatively, the DECC team ensured the working escalator was functional in addition to the stairs and elevators. Hartman reiterated that he could not, in good faith, approve the expense earlier without a prior review of the DECC's fall financials. Moreover, Hartman noted that he is apologetic for the stress caused to the Shamrock Productions team in relation to the escalator. Of note, the Sport Show had record attendance and the DECC has received positive feedback related to guest experience. Hartman noted that the Women's Expo occurred last weekend and had record attendance as well.

18. **Capital Investment:** Hartman provided several updates related to capital investments. Hartman expects to be traveling for work related to legislative bonding for March - May. There are fewer bonding funds available this year, but the DECC has submitted a request prioritizing replacement of the Victaulic rings used in the DECC's heating system.

19. The DECC has been working with McKinstry to complete an energy audit of DECC facilities. McKinstry has finalized their report and submitted several energy efficiency-related improvements that would result in cost savings for the DECC. Hartman plans to have McKinstry present their proposal to the DECC Board in March.

COMMITTEE REPORTS

Strategy

1. Chair Singler provided an update on behalf of the Strategy Committee. Chair Singler summarized the frequency of Strategy Committee meetings and the purpose of the Strategy Committee. The Committee discussed the McKinstry energy audit, the Joyride program, creation of a DECC non-profit, private vs. public social gatherings, and payroll management (particularly for part-time staff). Regarding payroll management, the Committee noted part-time staffing will likely flex significantly dependent upon the number of events at the DECC and the potential addition of new events/new business.
2. Chair Singler summarized a complaint sent to the DECC Board from a DECC client related to the escalator in City Side Convention Center. Chair Singler reminded Board Members that the DECC has a board communication policy and a board email account. Chair Singler summarized protocol for board communication and summarized communication with/related to the DECC client. Chair Singler noted that a response was crafted and sent to the client noting that the escalator is an operational matter and has been referred to operations for resolution, further noting that the DECC Board offers a public comment period at Regular Board Meetings.
3. Chair Singler reminded Board Members that the Board Chair serves as the official spokesperson on behalf of the DECC Board. Chair Singler noted that Board Members may receive communication from the public, City, or other stakeholders from time to time. In these instances, Chair Singler asked Board Members to ensure he is looped into these communications to follow board communication policy. Chair Singler closed by noting that Board Members are welcome and encouraged to reach out to him with questions or feedback related to the board communications process.
4. Chair Singler shared an update related to Executive Director Hartman's performance evaluation for 2023. The evaluation is currently being edited to include the five "buckets" from the 2022 strategic framework: capital investment, contract management, policies and procedures, community connection, and economic impact. The evaluation should be sent to Board Members in March. The evaluation will not be sent to Board Members beginning their term after July 1, 2023, and will be sent to past Board Members Williams and Heffernan (terms ended January 2024).

Finance

1. Treasurer Sertich provided an update on behalf of the Finance Committee. The finance team is currently focusing on year-end work (fiscal year closure) and the annual audit, due to this, no December financials are available. The Committee reviewed specific portions of the financials as related to payroll costs. Building Services and Building Maintenance draft payroll expenses both show close to budget payroll expenses for December. Of note, part-time payroll will be significantly impacted by the slow season during winter months, and further impacted when the DECC begins to ramp up to the busy season in the spring, adding additional pressure on the DECC's budget. The DECC has had a \$50,000 savings in payroll for Building Services and Property Maintenance thus far as of December 2023.

2. Hartman noted the two months for the DECC to watch are March and April. We must dramatically reduce staff hours while getting the work done. Payroll went up 58% in 2023 though we used less staff hours than in 2019.

Governance

1. Secretary Vincent provided an update on behalf of the Governance Committee. The Committee is working on a public/private gatherings policy/statement with guidance from legal counsel. The Committee is currently reviewing the DECC Authority Board Bylaws, and the Board can expect an updated copy with suggested revisions in the coming months.

OLD BUSINESS

Hartman shared the results of the Venulogix Report action items survey sent to Board Members. Board Members were asked to rank the action items that are considered “board level” to assist with 2024 strategic planning. Seven Board Members completed the survey. Board Members will be given additional time to ensure the survey is completed by all. Thus far, the top three priorities are: a facilities conditions assessment to establish a prioritized capital improvement plan; reestablishing the venue’s mission, vision, and values; and Stakeholder clarification discussions – City, County, State, Clients, etc.

Chair Singler noted the Board will need to discuss how to begin addressing these priorities, likely during carved out time at Regular Board Meetings. Chair Singler will follow up at the March Regular Board Meeting with final survey results.

12:53 PM Bremer departed.

Hartman reviewed and summarized the ranked/prioritized staff items from the Venulogix Report.

Chair Singler encouraged Board Members to connect with him if they have ideas for how to fit strategic planning into Board plans for 2024, how action items can be facilitated, etc.

NEW BUSINESS

No New Business was discussed.

OTHER

No Other Business was discussed.

ADJOURNMENT

Chair Singler requested a motion to adjourn. The meeting adjourned at 12:59 PM.

UPCOMING MEETINGS

The next regular meeting will be held March 28, 2024, location to be determined.

Submitted by:

Peter Singler, Chair

Jason Vincent, Secretary

Date

Date