

Photo Credit: Ken Harmon



Regular Board Meeting
DECC Board of Directors

Thursday, November 14, 2024



AGENDA

DECC Authority Board of Directors Regular Meeting

MISSION

We host events, create experience, and drive our regional economy.

VALUES

Hospitality | Entertainment | Community | Visionary | Stewardship

MEETING AGENDA

- I. Call to Order
- II. Public Open Comment Period
 - a. *Members of the public sign in and each receive 3 minutes to speak.*
- III. Approval of Consent Agenda
 - a. Agenda
 - b. Regular Meeting Minutes - October 31, 2024
 - c. September 2024 Financials
- IV. Executive Director Report
 - a. Strategic Plan Update
 - b. Update
- V. Committee Reports
 - a. Strategy
 - i. Update
 - b. Finance
 - i. Update
 - c. Governance
 - i. Update
- VI. Old Business
 - a. No Old Business
- VII. New Business
 - a. 2025 Budget
 - b. 2025 Proposed Officer Slate
 - c. 2025 Meeting Schedule

- d. Bayfront Festival Park RFP
- e. Marcus Theatres Agreement

VIII. Other

- a. No Other Business

IX. Adjournment

UPCOMING MEETINGS

The next regular business meeting is scheduled for **Thursday, December 12, 2024**. Location to be determined.



DECC AUTHORITY BOARD OF DIRECTORS REGULAR MEETING

October 31, 2024, Meeting Minutes

CALL TO ORDER

A Regular Board Meeting was held Thursday, October 31, 2024, in the Senator Sam Solon Board Room. 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
Zack Filipovich
Shane Peterson
Pat Mullen
Maya Mattke

BOARD MEMBERS ABSENT

Secretary Jason Vincent
Carli Amatuzio
Kristi Schmidt

DECC STAFF PRESENT

Dan Hartman
Amanda Denton
Ronni Murphy

OTHERS PRESENT

Media

OTHERS ABSENT

Duluth City Council Liaison 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 Board Meeting on September 26, 2024, and finance statements for August 2024. MOTION to approve the consent agenda requested by

Chair Singler; motion made by Mattke and seconded by Filipovich. Motion carried unanimously.

EXECUTIVE DIRECTOR REPORT

Executive Director Hartman provided a strategic plan update to the Board. The six strategic initiatives as approved at the June 2024 strategic planning session:

1. Complete a facilities conditions assessment by 12/31/2026.
2. Clarify the DECC's public purpose by 12/31/2027.
3. Complete a campus master plan by 12/31/2028.
4. Increase revenue by 5% annually beginning 2025.
5. Increase DECC operational profitability by 3% annually beginning 2025.
6. Continue adopting and embodying industry best practices beginning 2025.

Hartman shared several strategic plan updates.

1. Hartman shared a sample of the upcoming video project about the DECC's menu and Executive Chef, Jerry Carpenter.
2. Hartman noted that the DECC team completed the first quarter cycle of the strategic plan with a high goal completion rate. The directors met in early October to select goals for the next quarter. Thus far, the strategic plan is progressing on track.
3. Hartman shared that the Duluth Superior Area Community Foundation (DSACF) has agreed to set up a DECC Fund for interested individuals/groups to donate funds to support the DECC. The fund will allow individuals/groups to support the DECC in a variety of ways and will also allow the eligible parties to claim applicable tax deduction(s) for the donation. The DSACF will charge a 5% administration fee for management of the fund. The set up through DSACF will streamline management, processing, and access to funds for the DECC. Hartman extended a note of gratitude to Shaun Floerke and the DSACF team for partnering with the DECC on this project.
4. Hartman provided an update on the status of City of Duluth Tourism Taxes as of August 2024. Hartman noted in July the city was down 0.3% and in August the city was up 5.9%. Hartman clarified that not all parts of the city are experiencing the same levels of tourism traffic. Some parts of the community are expanding while others are not experiencing high volumes of traffic. It is important to review data consistently for overall trends for the city.
5. Hartman shared findings from the recent International Entertainment Buyers Association (IEBA) conference he attended. Hartman noted that the DECC is successfully building relationships within the entertainment community. The Venue Coalition President indicated that the DECC consistently performs above expectation, for venue size/location, in relation to entertainment events. Hartman shared additional findings noting that the DECC plans to adapt applicable ideas such as "thank you" signage, concert passports, and specialized bar set ups.

6. Hartman shared that the Haunted Ship made the Forbes list of scariest haunted houses in 2024. Forbes sent staff to “secret shop” the ship and published an article on the Top 7 Haunted Houses.
7. Hartman shared that the upcoming Swan Lake Ballet is selling well and has sold above ticketing averages for Symphony Hall.
8. Hartman reviewed some of the set up and menu changes made for the 2024-2025 UMD hockey season noting that the cocktail lounge and grab and go location changes have been well received.

Sertich arrived at 12:29 PM.

Board Members discussed Hartman’s updates.

Hartman noted that a handout of the past month of activities was included with the materials for today’s meeting.

COMMITTEE REPORTS

Strategy

Chair Singler provided an update on behalf of the Strategy Committee.

1. Negotiations with the DECC and DES are still ongoing, and Board Members can expect an update soon.
2. The Committee discussed the 2025 Board Retreat. Chair Singler noted the retreat will occur on January 30, 2025, and that Board Members should plan for a half-day retreat. The DECC is planning to have Propel Nonprofit come to the retreat to present a board education refresher for Board Members.
3. The Committee discussed necessary HVAC controls upgrades for the DECC’s Johnson Controls computer system. The DECC is in the process of completing updates for this software that will lead to improved diagnostics and additional efficiencies for HVAC control.
4. Hartman shared that there is an open RFP for Bayfront Festival Park. Hartman noted that the DECC Board may need to schedule a special meeting to discuss the application, depending upon when the application window closes.
5. Hartman is currently in negotiations with Marcus Theatres regarding their expiring contract. Hartman will bring a draft copy of the updated agreement to the Board for review at a future meeting.

Finance

Treasurer Sertich provided an update on behalf of the Finance Committee.

1. The Committee reviewed August financials and the recommended owner’s representative and construction auditing proposal for the DECC’s bonding projects.

Finance Director Denton reviewed the financials.

1. Denton directed Board Members to the August 2024 balance sheet noting the DECC's total current assets are at \$6 million and total current liabilities are \$3.3 million and year-to-date change in retained earnings through August is a loss of \$248,000. Denton noted the combined current and long term lease liabilities increased by \$810,000 with the addition of the AMSOIL Arena scoreboard lease.
2. Denton directed Board Members to the August 2024 consolidated management summary. The net change in retained earnings for the month of August was a loss of \$98,000, with a \$10,000 favorable variance for the month when compared to budget. The 2024 budget was based on 2023 actuals plus the additional revenue goals in building services and entertainment. In 2023, the DECC had more entertainment during the month of August. However, in 2024, the DECC had more conventions, socials, and weddings. These differences account for the variances within building services, catering, and entertainment departments for the month of August. Building Services had revenues that were similar to 2023. However, they did not surpass the new revenue goal for 2024, resulting in an unfavorable variance for the month. Catering had increased revenues due to the increase in non-entertainment events and two Harbor Monsters playoff games, resulting in a favorable variance for the month. Entertainment had an unfavorable variance for the month due to less entertainment, resulting in decreased associated revenues.
3. Hartman noted that significant payroll reductions have aided the DECC in making positive financial shifts despite not meeting revenue goals.
4. Denton reviewed the updated forecast, noting the DECC is currently projected to end the year at \$119,000 after projections.

The Board discussed August 2024 financials.

Governance

Vice Chair L. Mullen provided an update on behalf of the Governance Committee.

1. The Committee did not meet in October and plans to resume meeting in November.

OLD BUSINESS

No Old Business was discussed.

NEW BUSINESS

Hartman shared that the DECC completed an RFP for owner's representative and construction auditing services for administrative assistance with the DECC's \$5,000,000 legislative appropriation. The DECC received a proposal from C&M Construction Audit/Avison Young. Hartman summarized the need for an owner's representative/construction auditing services.

The Board discussed the proposal.

MOTION to approve C&M Construction Audit/Avison Young’s proposal for owner’s representative/construction auditing services (RFP 04-24) for the DECC’s 2023 appropriation project, requested by Chair Singler. Motion made by Filipovich and seconded by Peterson. Motion carried unanimously.

OTHER

No Other Business was discussed.

ADJOURNMENT

Chair Singler requested a motion to adjourn. The meeting adjourned at 12:55 PM.

UPCOMING MEETINGS

The next regular meeting will be held November 14, 2024, location to be determined.

Submitted by:

Peter Singler, Chair

Jason Vincent, Secretary

Date

Date



DECC AUTHORITY BOARD OF DIRECTORS

2025 Board Meeting Schedule

Regular Meetings

MISSION

We host events, create experience, and drive our regional economy.

VALUES

Hospitality | Entertainment | Community | Visionary | Stewardship

DATE

Thursday, January 30, 2025

Thursday, February 27, 2025

Thursday, March 27, 2025

Thursday, April 24, 2025

Thursday, May 29, 2025

Thursday, June 26, 2025

Thursday, July 31, 2025

Thursday, August 28, 2025

Thursday, September 25, 2025

Thursday, October 30, 2025

Thursday, November 13, 2025

Thursday, December 11, 2025

LOCATION

DECC - TBD

DECC - TBD

DECC - TBD

DECC - TBD

DECC - TBD

DECC - TBD

DECC - TBD

DECC - TBD

DECC - TBD

DECC - TBD

DECC - TBD

DECC - TBD
(4:00 PM to 5:30 PM)

Regular Board Meetings are held the last Thursday of the month from 12:00 PM to 1:30 PM, unless otherwise specified.