



# Duluth Entertainment Convention Center

## DECC AUTHORITY BOARD OF DIRECTORS REGULAR MEETING

September 26, 2024, Meeting Minutes

### CALL TO ORDER

A Regular Board Meeting was held Thursday, September 26, 2024, in the Symphony Hall Mezzanine. 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  
Zack Filipovich  
Carli Amatuzio  
Shane Peterson  
Pat Mullen  
Maya Mattke

### BOARD MEMBERS ABSENT

### DECC STAFF PRESENT

Dan Hartman  
Amanda Denton  
Ronni Murphy

### OTHERS PRESENT

Chad Rykal, CR-BPS  
Duluth City Council Liaison Tomanek  
Erik Birkeland, City of Duluth  
Media

### OTHERS ABSENT

None

### 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

MOTION to amend the August 29, 2024, Regular Meeting Minutes requested by Chair Singler; motion made by Vice Chair L. Mullen and seconded by Treasurer Sertich. Motion unanimously carried.

*Media arrived at 12:02 PM.*

Chair Singler reviewed the consent agenda. The consent agenda included the meeting agenda, amended meeting minutes from the Regular Board Meeting on August 29, 2024, and finance statements for July 2024. MOTION to approve the consent agenda requested by Chair Singler; motion made by P. Mullen and seconded by Filipovich. Motion unanimously carried.

## OTHER

Executive Director Hartman introduced Chad Rykal from CR-BPS and Erik Birkeland from City of Duluth to discuss facilities conditions assessments.

Rykal explained that CR-BPS has worked with St. Louis County and the City of Duluth to complete facilities conditions assessments throughout the past fifteen years. Both entities use asset management software to track facilities data. CR-BPS will assess the facilities and load data about the facilities into the software. The software will provide industry standard cost and lifecycle estimates for each asset and the software is updated at least three times per year. The DECC has an option to partner with the City and the County to fall under the same license. CR-BPS would assess the DECC's facilities and create the asset profile. The DECC could have CR-BPS work on an as-needed basis to provide additional asset updates over time as the DECC works through capital upgrades, etc. The software includes asset information from carpeting and paint to mechanical and HVAC, etc. Rykal closed by noting the software is a powerful planning tool.

*Mattke arrived at 12:07 PM.*

Birkeland explained how the City utilizes the software noting there are high quality reporting capabilities that are helpful for capital planning and project management. Birkeland noted the software is helpful for budgeting and institutional knowledge. The software has helped the City be proactive rather than reactive with capital planning.

Rykal and Birkeland confirmed a phased approach is possible for a facilities conditions assessment. Rykal also shared that once the DECC's data is entered into the software it is still considered the DECC's data and the DECC can utilize the CR-BPS team or get DECC staff trained to make continued data updates in the software. Rykal noted they typically enter annual "not to exceed" fee contracts with organizations.

The Board discussed facilities conditions assessments and the asset management software with Rykal and Birkeland.

*Rykal and Birkeland departed at 12:35 PM.*

## 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 that the DECC team is implementing several new ideas for UMD hockey this season. Hartman shared a sample of an updated concessions menu noting that brand names have been added to the items on the menu. Hartman noted that the DECC purchases quality food and beverage items and it is important to showcase that to guests.
2. Hartman shared a photo from the concessions sampling media day noting it was a success. Hartman described several of the new food items as included on the slide. Hartman noted a Suites sampling night occurred this week and attendance was higher than in past years. Hartman and team appreciated having time to connect with Suites Owners and guests prior to the start of the hockey season.
3. Hartman shared that Minnesota Power has agreed to sponsor the UMD Bulldog hockey cup and popcorn bucket for the hockey season. Hartman included a sample photo of the sponsored cup design.
4. Hartman shared that he is still seeking potential sponsors for the new scoreboard in AMSOIL Arena. Hartman shared a photo of the scoreboard noting the sponsorship would be included on the bottom of the board. Hartman encouraged Board Members to share any potential sponsorship contacts with him.
5. Hartman shared a sample of the promotor/ad packet that is being created for the DECC.

Hartman presented a summarized history of the Duluth tourism tax, noting that the intention is to make the city less reliant on property tax to raise revenues by encouraging travelers to visit and spend money in Duluth.

Hartman shifted to review the state of tourism in Duluth. Hartman shared that tourism taxes for the month of July are currently down 0.3% from budget, but up 3.8% from budget for the year-to-date. However, in July of 2023 tourism taxes were up 20.1% from budget, or 19.8% from budget for year-to-date.

Hartman noted the tourism growth slowdown in July 2024 is likely due to the following: rainy/cold weather in June; the Twin Cities market is booming again post-

COVID; Duluth marketing has not had much change in the last three years; the DECC and Bayfront Festival Park have had less large entertainment in July 2024; and the DECC did not have any large conventions in July 2024.

Hartman and the Board discussed tourism and tourism taxes.

6. Hartman shifted to discuss additional strategic plan updates noting that the professional menu photos are complete. Hartman shared a few sample photos noting they will be impactful for menus, website, and social media use.
7. Hartman noted that the Chef video should be complete in October and that he will share the final product with the Board.
8. Hartman shared that there are several updates for UMD hockey this season. The DECC team is working on creating a craft beer station at the south entry to AMSOIL Arena. Hartman and team are working on updates to the Suites experience including Suites-specific branding. Hartman and team are creating some concourse layout changes for grab and go beer stations, etc. Hartman shared that the DECC has received final approval from UMD to create a mixed cocktails station in AMSOIL Arena for UMD hockey. The cocktails station will be located along the windows that overlook the city near the UMD merchandise area and ice cream area.
9. Hartman shared that the guest services team recently underwent training for the upcoming hockey and events season. Training included de-escalation training, a tour, AMSOIL fun facts, and a quiz.
10. The DECC team recently worked with UMD, DFD, and the Fire Marshal's office to complete a fire drill in AMSOIL Arena to prepare for the upcoming hockey season.
11. A weekly facilities repair list has been created and is accessible to management. The Property Maintenance team is working on creating an up-to-date heavy equipment list as well.
12. Hartman and a few team members recently went to a St. Paul Saints game to complete an experimental review. Hartman shared findings from the visit with the Board. Two findings of note included promotional stickers on the backs of chairs and a beer sampling station where breweries bring in samples of their product for guests to try.
13. Hartman shared that Broadway is back at the DECC and ticket sales have already surpassed expected amounts. The community seems very supportive of having these shows available at the DECC.
14. Hartman closed by noting the DECC is in peak busy season. Hartman shared a list of several events, all occurring this week at the DECC. Hartman noted that many staff members are working long days and many days in a row. Hartman asked Board Members to share a note of appreciation if they run into any staff members at the DECC for their hard work during this busy time.

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. The Committee discussed orientation for new Board Member Mattke. Mattke's orientation will occur on Friday and Singler will be Mattke's Board Mentor.
2. The Committee discussed plans for the Board Retreat in January 2025. Murphy has reached out to Propel to discuss options for board training. Board Members are encouraged to reach out to Chair Singler or Murphy with suggestions or requests for the upcoming retreat.
3. The Committee discussed the DECC's expiring line of credit with the City of Duluth and communication strategies. Chair Singler plans to send out an update on behalf of himself regarding the line of credit in October.
4. The Committee discussed upcoming Officer positions for 2025. Secretary Vincent will be in touch to Board Members to discuss their interest in any Officer positions.

### Finance

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

1. The Committee reviewed July financials and the recommended architecture and engineering proposal for the DECC's bonding projects.
2. Sertich reminded Board Members that the DECC's forecast balances the DECC's financials swings by year end, but the DECC is currently in its slow season. As Hartman has previously suggested, July's numbers are down. Sertich also noted that the DECC's budgeting is on prior year actuals, and this July the DECC did not have some large scale events that occurred last July, further impacting the financials.

Finance Director Denton reviewed the financials.

1. Denton directed Board Members to the July 2024 balance sheet noting the DECC's total current assets are at \$6.1 million and total current liabilities are \$3.3 million and year-to-date change in retained earnings through July is a loss of \$150,000.
2. Denton directed Board Members to the July 2024 consolidated management summary. The 2024 budget was based on 2023 actuals. July 2023 included several large revenue generating events that did not reoccur in 2024. Additionally, Bayfront Festival Park revenues were included for 2023, but not 2024, further impacting the budget. These adjustments account for the unfavorable variances in July for building services, catering, and entertainment. Concessions currently has a favorable variance due to a payroll reclassification that corrected applicable payroll to catering. The Irvin has an unfavorable variance because revenues are down 17% for the month. Hartman

noted the Irvin will be down for the year because the season was cut short to allow for an earlier start to the Haunted Ship season. Denton redirected to note that overall, for the month of July, there was a loss of \$297,000 with a year-to-date loss of \$150,000.

3. Denton directed Board Members to the forecast through July 2024. The forecast currently reflects a year-end of \$156,000, or \$110,000 after projections.

The Board discussed the July 2024 financials.

## **Governance**

Secretary Vincent provided an update on behalf of the Governance Committee.

1. The Committee did not meet in September and plans to resume meeting when the governance policies are ready for review.
2. Vincent noted there has been no update from the Governor's Office regarding appointments. The City Council is scheduled to meet with a potential Mayoral appointment in October.
3. Vincent is currently connecting with Board Members to discuss their interest in an Officer position for 2025. The proposed slate of Officers will be presented at a future meeting.

## **OLD BUSINESS**

No Old Business was discussed.

## **NEW BUSINESS**

Hartman reminded Board Members that the DECC has \$5 million available in 2023 appropriation funds for upgrades to the DECC. As part of this process, the DECC put out an RFP for architecture and engineering services to design the projects. The DECC had a small committee review proposals and the committee has recommended the proposal submitted by LHB for approval. The proposal was also reviewed by the Finance Committee.

Hartman noted that the DECC continues to work with DEED to get the required administrative approvals for the DECC's appropriation projects. The DECC has experienced delays due to the parking ramp project, because the parking ramp is not specifically mentioned in the Legislative language. Hartman will keep the Board apprised as this progresses.

MOTION to approve LHB's proposal for A/E services (RFP 03-24) for the DECC's 2023 appropriation project, requested by Chair Singler. Motion made by Treasurer Sertich and seconded by Vice Chair L. Mullen. Motion unanimously carried.

## **OTHER**

No Other Business was discussed.

## ADJOURNMENT

Chair Singler requested a motion to adjourn. The meeting adjourned at 1:15 PM.

## UPCOMING MEETINGS

The next regular meeting will be held October 31, 2024, location to be determined.

Submitted by:

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Peter Singler, Chair

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Jason Vincent, Secretary

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Date

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Date