



Duluth Entertainment Convention Center

DECC AUTHORITY BOARD OF DIRECTORS ANNUAL RETREAT & REGULAR MEETING

January 30, Meeting Minutes

ANNUAL RETREAT 8:30 AM to 12:00 PM

CALL TO ORDER

An annual Board Retreat was held Thursday, January 30, 2025, in the Senator Sam Solon Board Room. Chair L. Mullen called the meeting to order at 8:30 AM. A quorum of directors was present.

BOARD MEMBERS PRESENT

Chair Laura Mullen
Vice Chair Tony Sertich
Treasurer Maya Mattke
Secretary Jason Vincent
Carli Amatuzio
Shane Peterson
Kristi Schmidt
Stephanie LaFleur
Peter Singler
Zack Filipovich

BOARD MEMBERS ABSENT

Pat Mullen

DECC STAFF PRESENT

Dan Hartman
Amanda Denton

OTHERS PRESENT

Duluth City Council Liaison Nephew

OTHERS ABSENT

None

The Board participated in an annual retreat. The retreat included board governance training by Propel Nonprofits and a review and discussion regarding the DECC's strategic plan.

REGULAR MEETING 12:00 PM to 1:30 PM

CALL TO ORDER

A Regular Board Meeting was held Thursday, January 30, 2025, in the Senator Sam Solon Board Room. Chair L. Mullen called the meeting to order at 12:00 PM. A quorum of directors was present.

BOARD MEMBERS PRESENT

Chair Laura Mullen
Vice Chair Tony Sertich
Treasurer Maya Mattke
Secretary Jason Vincent
Carli Amatuzio
Shane Peterson
Kristi Schmidt
Stephanie LaFleur
Peter Singler
Zack Filipovich

BOARD MEMBERS ABSENT

Pat Mullen

DECC STAFF PRESENT

Dan Hartman
Amanda Denton

OTHERS PRESENT

Duluth City Council Liaison Nephew
Media

OTHERS ABSENT

None

PUBLIC OPEN COMMENT PERIOD

Chair L. Mullen 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 L. Mullen reviewed the consent agenda. The consent agenda included the meeting agenda, meeting minutes from the Regular Board Meeting on December 12, 2024, and finance statements for November 2024. MOTION to approve the consent agenda requested by Chair L. Mullen; motion made by Secretary Vincent and seconded by Singler. Motion unanimously carried.

EXECUTIVE DIRECTOR REPORT

Executive Director Hartman shared two important numbers for DECC Board Members to note. The DECC had 517,000 attendees in 2024. Of note, the DECC's attendance is double the attendance at Bentlyville and 50,000 more attendees than the DECC had in 2023 (excluding Bayfront Festival Park attendance). The DECC also made 45 million in economic impact based on the DECC-IT tool created by UMD for calculating economic impact. Hartman noted DECC attendance includes UMD hockey, conventions, entertainment, etc. Hartman shifted to summarize events from the last month including the Wedding Show and Banf Film Festival.

Hartman shared the video created to showcase Executive Chef Carpenter and team. Hartman noted the video was created by Story North Productions in "Chef's Table" style and will be used by meeting planners to showcase the DECC's catering options. The Board discussed the video, digital marketing, and accomplishments of the DECC catering team.

Hartman discussed additional events that occurred in the last month including figure skating competitions, the Martin Luther King Jr. Day Rally, and Broadway Chicago. The revival of Broadway at the DECC has been successful with Chicago nearly selling out. Hartman noted hockey has been going well and the new scoreboard has been working great. Hartman would like to look into updating the ribbon board in AMSOIL Arena which would help amplify the fan experience by displaying digital messages and graphics throughout the arena. Hartman is exploring sponsorship opportunities for this upgrade and projects the cost would be an estimated \$600,000.

Hartman closed by providing an update on social media noting in January the DECC had 2.8 million views on Facebook. Hartman summarized the DECC's social media performance and the impact and benefits of social media marketing.

Hartman provided a written report on the last month of DECC activities for Board Members to review.

COMMITTEE REPORTS

Strategy

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

1. The Committee set up a meeting cadence for the year, discussed content for the annual retreat, Bayfront Festival Park, and the Executive Director performance evaluation.

Finance

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

1. The Committee discussed the presentation of the finance statements and asked the finance team to explore updates to potentially streamline and clarify the presentation. Hartman noted that the current set up is considered industry standard but does not work well for the DECC as the DECC has several venues to report on. The DECC's long-term goal is to adjust reporting to be focused more on business lines rather than focused on departments.

2. The Committee discussed the annual audit. Treasurer Mattke noted the intention of the audit is not to find fraud but rather to test systems and ensure proper controls are in place. The audit aims to ensure financial misrepresentations do not happen, proper policies are in place, and instances of non-compliance are detected.

Finance Director Denton reviewed the financials.

1. Denton directed Board Members to the November Balance sheet noting operating cash is up an estimated \$650,000 from the prior month, accounts receivables are down about \$650,000, and total current assets are at \$7.6 million. Payables are down about \$750,000 from the prior month and total current liabilities are at \$4.2 million. The year-to-date change in retained earnings is \$471,000 for the year, and that is down about \$20,000 from the month prior.
2. Denton directed Board Members to the consolidated management summary noting a net change loss of \$24,000. The loss was up from budget about \$77,000 and catering and concessions contributed to the positive variance. Denton paused to remind Board members that the 2024 budget is based on 2023 actuals plus added revenue goals. Denton shared that the Minnesota Invasive Species Conference provided a large revenue impact in addition to an extra UMD hockey series and a large line up of entertainment including REO Speedwagon, Steve-O, and other events.
3. Denton directed Board Members to the forecast noting the December budget reflects ending the year at \$421,000, or \$557,000 after additional projections.
4. Denton closed by noting the finance team is currently working on year-end reporting and the audit.
5. Hartman shared that he focuses on the sub-operating profit/loss actual vs. budget and year-to-date actual vs. budget. Hartman shared this provides a good idea of the health of the DECC's financials. Hartman added that the DECC's financials are currently better than expected but will likely be down in December due to less holiday parties, hockey games, and entertainment compared to 2023. Hartman noted that Bentlyville traffic has a significant impact on events at the DECC due to decreased access to parking.

The Board discussed the November 2024 financials and December event impact on financials.

Governance

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

1. The Committee did not meet in January.

OLD BUSINESS

Hartman reintroduced the Bayfront Festival Park agreement. The amendment suggested by the Board previously to add the fee escalator to the last two years of the agreement was not able to be introduced as it was too close to the Duluth City Council Meeting. Hartman suggested the Board approve the agreement as is without the fee escalator for the last two years of the agreement. Hartman is confident the DECC can make up the missed revenues through other sources due to less contractual restrictions in the new agreement. MOTION to approve the Bayfront Festival Park agreement made by Vice Chair Sertich, motion seconded by Singler. Motion carried unanimously.

NEW BUSINESS

Hartman reminded Board Members that the Board previously passed a resolution to support cruising at the DECC as long as it did not cost the DECC operational dollars. The agreement stipulated that once the customs and border patrol cruising facility space renovation was paid off by tariff dollars the DECC would receive the additional tariff dollars as revenue. At this time, the DECC does not profit from cruising, but the DECC is reimbursed for the cost of any DECC associated activities. Hartman stated that the DECC is the only convention center he is aware of that manages cruising operations. It has been a challenge for the DECC to become familiar with all of the specialized requirements for cruising operations due to limited staff availability and experience. The DECC continues to learn of new requirements for cruising operations. The DECC has been made aware that it is required to have a permanent room/location for baggage handling by the Coast Guard. If the DECC creates a permanent baggage room, it must be set aside for cruising operations and cannot be used for anything else during non-cruising operating times. The City and the DECC do not have funding available for this project at this time. The DECC is considering asking the cruise lines to support the project via a third tariff to fund the permanent room. However, cruising lines are several years into their contract period and may not be willing to support a third tariff. There have been no bids for the project completed at this time. The DECC is in conversation with the City, cruising operators, and the Coast Guard regarding a permanent baggage handling area. It has been requested that the DECC create a plan and get it in place by the end of this cruising season. The Board discussed cruising and the request for a permanent baggage handling area.

OTHER

Denton introduced the Audit Communication Memo from auditors Baker Tilly as included in the board packet. Board Members discussed the memo, and no questions were presented.

Hartman introduced the annual conflict of interest statement as included in the board packet. Hartman directed Board Members to fill out the statement and submit to Denton.

ADJOURNMENT

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

UPCOMING MEETINGS

The next regular meeting will be held February 27, 2025, location to be determined.

Submitted by:

Laura Mullen, Chair

Jason Vincent, Secretary

Date

Date