



Duluth Entertainment Convention Center

DECC AUTHORITY BOARD OF DIRECTORS REGULAR MEETING

February 27, 2025, Meeting Minutes

CALL TO ORDER

A Regular Board Meeting was held Thursday, February 27, 2025, in the Harbor Side Convention Center. Chair L. Mullen called the meeting to order at 12:00 PM. A quorum of directors was present.

BOARD MEMBERS PRESENT

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

BOARD MEMBERS ABSENT

Zack Filipovich

DECC STAFF PRESENT

Dan Hartman
Amanda Denton
Lucie Amundsen

OTHERS PRESENT

None

OTHERS ABSENT

Duluth City Council Liaison Nephew

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.

Treasurer Mattke arrived at 12:03 PM

APPROVAL OF CONSENT AGENDA

Chair L. Mullen reviewed the consent agenda. The consent agenda included the meeting agenda and draft finance statements for December 2024. MOTION to approve the consent agenda requested by Chair L. Mullen; motion made by Vice Chair Sertich and seconded by Singler. Motion carried unanimously.

EXECUTIVE DIRECTOR REPORT

Executive Director Hartman shared that he continues to look for funding sources for the FCA. He will provide a status update in the coming months.

Hartman shared that an agreement has been signed with Praxis Strategy Group to facilitate the DECC's public purpose conversation.

Hartman shared that there are no updates on the campus master plan at this time. Hartman shared a slide of DECC attendance by venue for 2024 showing how many individuals each space throughout the year. Venue utilization data will help inform the campus master plan.

Hartman shared at the January directors planning session three new goals were created that aligned with the goals in the annual operating budget. The goals include: \$500,000 in entertainment, \$250,000 in non-entertainment, and \$100,000 in sponsorships.

Hartman discussed the differences between promote vs. co-promote vs. self-promote shows. To decrease liability the DECC prefers to seek out promoted shows. However, self-promote shows have been mostly advantageous. The industry is trending toward more self-promote shows due to premium ticket experiences.

Hartman introduced the 80/20 theory: 20% of what a business does makes 80% of the business's revenue. With this theory in mind, Hartman plans to focus on 1,000+ attendee conventions/meetings and 4,000+ entertainment events. Hartman plans to focus sales efforts on these types of events.

The Board discussed event and sales strategies at the DECC.

Hartman reviewed strategic plan goal six, best practices. Hartman shared that the DECC is hiring event floor coordinators to adjust event staffing models. This position will be responsible for serving as a point of contact at events for clients and staff. Additionally, this role will reduce the hours worked by building services management. Hartman shared a photo of signed paddles in AMSOIL Arena celebrating the bands that have played the space. Hartman noted signage has been created that explains the background of the owl sculpture donated by Trampled By Turtles.

Hartman reviewed the DECC's participation in Duluth Days noting the DECC brought a photo set up and encouraged representatives to pose for a photo showing support of the DECC. Duluth Days is attended by many people and is a great opportunity for the DECC to connect with legislators.

Hartman summarized key takeaways from the Minnesota Tourism Conference. Hartman believes a Duluth tourism/DECC campaign is necessary. The campaign should explain why

tourism is important to Duluth, how it lowers property taxes, supports the local economy, etc. Additionally, the campaign should focus on how the DECC is connected to tourism. The DECC is the largest attraction in Duluth with double the attendance of other attractions in the area. Hartman believes it is important to educate the community and potential ambassadors regarding tourism. Hartman's additional takeaways included the creation of a comprehensive list of tourism assets for the area and the advantages of skywalk access.

Hartman described small takeaways from the conference. Presenters indicated that tourism is still strong, the short term rental market is up 30% from 2019, the labor market is in flux, premium group travel is trending, and outdoor recreation is the 3rd largest market nationally. Hartman shared statistics from the conference noting that in 2023 Minnesota had 80.2 million visitors, \$14.1 billion in visitor spending, \$180,473 jobs generated, and \$2.3 billion state and local taxes generated. Hartman shared that St. Louis County had \$1.052.9 million in spending, 5,189 jobs generated, and generated tourism taxes of \$100.3 million.

Hartman described his positive experience in the Minneapolis skywalk with several photos and discussed different ways that Duluth could leverage skywalk access in positive ways that support the community and tourism.

The Board discussed the Duluth skywalk.

COMMITTEE REPORTS

Strategy

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

1. The Committee did not meet due to the Explore Minnesota Tourism Conference.

Finance

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

1. The Committee reviewed draft December financials. As Hartman indicated previously, the DECC will not meet previously forecasted year-end financials.

Finance Director Denton reviewed the financials.

2. Denton directed Board Members to the balance sheet. Denton noted the DECC is still undergoing the year-end closing process. December financials will be updated after this process is completed. Current assets operating cash is \$2.3 million, up about \$300,000 from the prior month and accounts receivables are down \$1.3 million from the prior month. Total current assets are \$6.9 million and current liabilities, accounts payable are at \$606,000, down \$200,000 from prior month and total current liabilities are at \$3.7 million. The year to date change in retained earnings is \$169,000, down \$301,000 from prior month.
3. Denton directed Board Members to the consolidated management summary. The net change in retained earnings for the month was a loss of \$301,000. Denton reminded Board Members that the 2024 budget was created from 2023 actuals plus new

revenue goals. Denton noted that building services, catering, concessions, and cruises all contributed to the negative variance for the month. Denton noted December had three large revenue generating events including Winter Village and Arrowhead EMS. In 2024, the DECC had less entertainment and no UMD hockey in December. Denton also discussed the cruising-related expenditures. Denton closed by noting the current financials do not include the finalized tourism taxes from the City. The DECC expects to receive an update regarding tourism taxes in the near future and will make adjustments to the financials as applicable.

The Board discussed the draft December financials.

Hartman shared that the DECC has received negative feedback on social media regarding the upcoming Jordan Peterson event. Hartman clarified that the DECC, as a public entity, cannot deny events the opportunity to be at the DECC unless contractual, scheduling, or legality issues arise.

Governance

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

1. The Committee did not meet in February.

OLD BUSINESS

No Old Business was discussed.

NEW BUSINESS

No New Business was discussed.

OTHER

No Other Business was discussed.

ADJOURNMENT

Chair L. Mullen requested a motion to adjourn.

UPCOMING MEETINGS

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

Submitted by:

Laura Mullen, Chair

Jason Vincent, Secretary

Date

Date

