



DECC AUTHORITY BOARD OF DIRECTORS

REGULAR MEETING

April 24, 2025, Meeting Minutes

MISSION

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

VALUES

Hospitality | Entertainment | Community | Visionary | Stewardship

CALL TO ORDER

A Regular Board Meeting was held Thursday, April 24, 2025, in the AMSOIL Arena. Chair L. Mullen called the meeting to order at 12:02 PM. A quorum of directors was present.

BOARD MEMBERS PRESENT

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

BOARD MEMBERS ABSENT

Carli Amatuzio

DECC STAFF PRESENT

Dan Hartman
Amanda Denton
Lucie Amundsen
Ronni Murphy

OTHERS PRESENT

Duluth City Council Liaison Nephew
Media
Member of Public

OTHERS ABSENT

None

AMENDMENT TO AGENDA

MOTION to amend the meeting agenda to include a rental proposal for a temporary ice chiller from Commercial Refrigeration Systems under New Business requested by Chair L. Mullen. Motion made by Vice Chair Sertich and seconded by Singler. Motion carried unanimously.

Duluth City Council Liaison Nephew arrive at 12:04 PM.

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 March 27, 2025, Regular Board Meeting; and finance statements for February 2025. MOTION to approve the consent agenda requested by Chair L. Mullen; motion made by P. Mullen and seconded by Filipovich. Motion carried unanimously.

EXECUTIVE DIRECTOR REPORT

Executive Director Hartman began by providing an update on the DECC's strategic plan.

There are no significant updates related to the facilities conditions assessment, but Hartman expects an update in the coming months.

Hartman testified with the House of Representatives Capital Investment Committee regarding the DECC's bonding bill submission for 2025. The DECC's submission includes significant accessibility upgrades primarily in Symphony Hall and repairs/replacement of the DECC's current Victaulic heating system. Hartman shared an actual Victaulic ring and photo of a ring as part of his presentation. The current model runs water throughout the facilities for heating. The system runs in the summer months, resulting in additional a/c cooling needed. Pressure changes in the system can cause leaks that are difficult to repair. This week, staff were injured attempting to make a repair to the system. If the DECC's bonding bill does not pass, the Board will need to discuss how to fund upgrades to this system through other means.

Hartman is currently drafting a list of potential stakeholders for the public purpose conversation with Praxis Strategy Group. Hartman will present a list of stakeholders to the Board in coming months.

Hartman noted that the campus master plan initiative is on hold until the facilities conditions assessment and public purpose initiatives are complete.

Hartman provided several updates related to strategic initiatives four and five: 5% increase in revenue annually and increase profitability by 3% annually. Hartman began by providing a hockey season recap. The DECC made \$237,000 more in food and beverage than in the previous season. Hartman attributes this to games that occurred earlier, pricing, the addition of mixed cocktails via the City Lights Cocktail Lounge, and adjustments to grab and go locations. The new Executive Director for Visit Duluth will be announced soon and should be starting in the coming months. Secretary Vincent suggested that the DECC Authority Board invite the new Executive Director to meet with the DECC Authority Board. Board Members agreed. Hartman shared that he attended the Sea Trade Conference in April and met with Viking Cruises. Hartman noted that it is important to continue to partner with Viking as they have discontinued stops in other ports. Hartman reminded Board Members that the City of Duluth has significant debt related to cruising implementation and it is advantageous for Duluth to continue to partner with Viking to bring cruising to Duluth. Hartman noted the DECC Board will need to discuss the cruising baggage facility in the coming months and make a

decision regarding potential implementation. Hartman shared several updates from the Pollstar Conference he attended in April.

Hartman provided updates related to the best practices strategic initiative. While at Pollstar, Hartman met with a group that creates curated scent experiences for convention groups. Hartman shared an image of a sample that he believes would pair well in DECC convention spaces. Hartman shared that a long-time staff member is leaving the DECC. Hartman is currently reviewing the DECC's staffing model and looking for opportunities to adjust the model to better support the DECC's needs. Hartman expects that staffing model adjustments will take place over the next several months. Hartman summarized the concept of "unreasonable hospitality" by Will Guidara that was discussed at the directors planning session this week. Hartman shared a photo example of "unreasonable hospitality" created by event planner Olivia Niska to welcome the Minnesota Council of Teachers of Mathematics to the DECC. Niska created math-themed chalk drawings outside of Entrance B to welcome the group at the start of their event.

COMMITTEE REPORTS

Strategy

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

1. The Committee met to outline procedures for the executive director performance evaluation. Board Members can expect an email with evaluation details in the near future.

Finance

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

1. The Committee reviewed February financials, discussed the DECC's bonding-related RFP for construction manager at risk services, and discussed the status of the audit.
2. Finance Director Denton reviewed the financials.

Denton directed Board Members to the balance sheet. Denton noted the tourism taxes of \$1.2 million were received, which was \$358,000 over budget. Total current assets are \$6.1 million and total current liabilities are \$3.04 million. Year to date retained earnings for the current period are a loss of \$16,000.

Denton directed Board Members to the consolidated management summary noting the year-to-date actual is the loss of \$16,000 previously referenced and the net change in retained earnings for February is \$147,000 which is \$25,000 better than budget. Denton provided a summary of February events noting the Duluth Sports Show was down an estimated 5,000 in attendance, resulting in lower revenues. February 2025 hosted an equal number of conventions compared to the prior year. There were less total smaller events in February 2025 (three vs. seven). Sports were comparable, but 2025 saw the addition of the USA Curling Nationals, bringing in an estimated \$100,000 in additional revenue. Entertainment was comparable, but 2025 saw an estimated 2,000 less event attendees. Denton noted the Taylor Dayne show close out will be reflected in March financials. Denton reported positive variances in building services and concessions for the month. Property Maintenance, which includes utilities, was about 5% over budget for the month, or \$10,000. Denton noted this includes payroll expenses associated with the USA Curling Nationals event. Goals were not met in catering an entertainment. Denton noted that Cider North ticket sale revenues are coded to entertainment, but the product costs and labor are coded to catering.

Denton directed Board Members to the forecast. The forecast now reflects year-to-date actuals for January and February. If March through December end on budget, the year will end with \$461,000 or \$655,540 after projections.

Denton provided an update on the status of the audit. The DECC is working to meet the April 30th audit opinion date goal. Denton is currently reviewing preliminary audit drafts. The audit exit meeting is scheduled with the Board Chair and Executive Director on April 30th. At the next Regular Board Meeting, Denton will present the March financials with 2024 updates included.

Governance

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

1. The Committee reviewed the draft Promotional Marketing Expenses policy as included in the Board Packet.
2. The Committee discussed a process for 2025 Board Officer elections.
3. The Committee reviewed Board Member terms and discussed next steps for Board Member recruitment.

OLD BUSINESS

No Old Business was discussed.

NEW BUSINESS

Hartman introduced the rental proposal from Commercial Refrigeration Systems for the rental of a temporary ice chiller. The proposal includes a monthly rental fee (\$16,750.00) and a one-time fee for ethylene glycol (\$12,000.00). Hartman clarified that the DECC expects to rent the chiller for an estimated ten months. Commercial Refrigeration Systems is considered a sole supplier of chiller equipment that integrates with the DECC's current systems. The chiller is a temporary solution for cooling and icemaking in DECC Arena and other nearby venues. Hartman noted the chiller should no longer be needed after the DECC completes related HVAC projects with legislative appropriation/bonding funds from the 2023 award.

The Board discussed the temporary chiller proposal and ice-making in DECC Arena.

MOTION to approve the Commercial Refrigeration Systems rental proposal for a temporary chiller requested by Chair L. Mullen. Motion made by Vice Chair Sertich and seconded by Singler. Motion carried unanimously.

Hartman introduced the draft Promotional Marketing Expenses policy. Hartman explained that it is an industry standard to purchase promotional marketing items for sales purposes. Hartman noted the policy is written with a maximum annual spend threshold due to a previous audit request.

The Board discussed the draft policy.

MOTION to approve the Promotional Marketing Expenses policy requested by Chair L. Mullen. Motion made by Treasurer Mattke and seconded by Secretary Vincent. Motion carried unanimously.

Chair L. Mullen introduced an updated Regular Meeting Schedule for the DECC Authority Board with changes red-lined as included in the Board Packet. Hartman noted he may be traveling during the planned July 31st Regular Meeting for the International Association of Venue Managers Conference. The updated

schedule reflected an adjustment of the Regular Meeting in July to the date of July 24th. MOTION to approve the updated schedule requested by Chair L. Mullen. Motion made by P. Mullen and seconded by Filipovich. Motion carried unanimously.

OTHER

Hartman announced that the next Tourism Industry Update will occur on May 1st at the DECC. Hartman encouraged Board Members to attend.

ADJOURNMENT

Chair L. Mullen adjourned the meeting at 12:34 PM.

UPCOMING MEETINGS

The next regular meeting will be held May 29, 2025, in the Senator Sam Solon Board Room.

Submitted by:

Laura Mullen, Chair

Jason Vincent, Secretary

Date

Date