Duluth Entertainment Convention Center

Thursday, May 29, 2025
12:00 PM to 1:30 PM
Senator Sam Solon Board Room

DECC AUTHORITY BOARD OF DIRECTORS

MEETING MINUTES
April 24, 2025, Regular Meeting

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

VALUES
Hospitality | Entertainment | Community | Visionary | Stewardship

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CALL TO ORDER

A Regular Board Meeting was held Thursday, May 29, 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
Zack Filipovich
Pat Mullen
Peter Singler
Kristi Schmidt
Stephanie LaFleur
Shane Peterson
Carli Amatuzio

BOARD MEMBERS ABSENT
None

DECC STAFF PRESENT
Dan Hartman
Amanda Denton
Lucie Amundsen
Ronni Murphy

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 April 24, 2025, Regular Board Meeting; and finance statements for March 2025. MOTION to approve the consent agenda requested by Chair L. Mullen; motion made by Treasurer Mattke and seconded by Vice Chair Sertich. Motion carried unanimously.

EXECUTIVE DIRECTOR REPORT

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

Discussions regarding the facilities conditions assessment are still in progress. Hartman expects to have an update for Board Members in the coming months.

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

Hartman shared the draft list of potential meetings for the DECC public purpose discussions with the hired consultant. The consultant is planning to host three days of meetings with one day in Duluth, one day on the Iron Range, and one day up the North Shore. The Board discussed the list of potential meeting groups. The Board suggested that DECC clients and tenants be invited to the business community/non-profit community meeting. Hartman will finalize the list with the consultant and present the final information to the Board. Meeting details will be posted and meetings will be open to the public.

The master plan initiative is on hold until the public purpose discussions are complete and the DECC's facilities conditions assessment is complete. Hartman noted the DECC recently completed an RFP for a construction manager at risk for the DECC's bonding projects. Completion of the DECC's bonding projects will help inform the DECC's master planning process.

Hartman shared several updates related to recent events at the DECC. The DECC hosted a homegrown show in AMSOIL Arena and a secret show in the rear section of Symphony Hall. The DECC also hosted the Beatles Rain show again. Hartman noted this group puts on a great show and encouraged Board Members to attend if it comes to the DECC in the future. The DSSO hosted showings of Star Wars with the accompaniment of the Symphony. The event was a success, nearly selling out both performances with many attendees dressing up in related attire. The first Harbor Monsters exhibition game occurred during Memorial Day weekend. Attendance was likely impacted by the holiday weekend, with 800 attendees in total. Hartman noted DECC staff have made adjustments to ticketing, line management, and the locations of concessions items that have all been helpful in improving guest experience at the games.

Hartman notified Board Members that the DECC will be spending about $80,000 to upgrade the rigging system in DECC Arena. The rigging upgrades are overdue and will present opportunities to get additional entertainment in DECC Arena in the future. Hartman clarified that the DECC was able to proceed with this purchase due to the financial successes of 2024.

Hartman notified Board Members that the DECC made an emergent purchase to upgrade piping for the temporary chiller by DECC Arena and Pioneer Hall. It was necessary to complete the upgrades quickly to ensure event traffic in both areas was not impacted by pipes running across the floor and that cooling can continue to run in the warmer months uninterrupted. The upgrade infrastructure was provided by Commercial Refrigeration Systems the sole vendor that offers infrastructure that integrates with the DECC's

current cooling systems. The upgrade also provides a permanent infrastructure tie in that will aid in continued cooling of the DECC campus.

Hartman attended UMD graduation ceremonies in May. Hartman noted each ceremony fills AMSOIL Arena, providing additional opportunities for the DECC to create added guest experiences. Hartman summarized some ideas such as opening up a graduate, family, staff, and alumni event on Harbor Drive after the ceremony.

Hartman shared that the DECC hosted Method Man and Redman in AMSOIL Arena. Despite higher Pollstar averages, ticket sales at the DECC were low for this event. Hartman noted that Pollstar numbers from some acts are inaccurate which can make it challenging to decide which acts to book and where to host an event at DECC facilities. Hartman summarized by noting that the DECC should continue to take calculated risks on bringing events in, learn from the experience, and adapt as necessary. Hartman shared that the DECC can consider alternative venues in the future such as Pioneer Hall to decrease the financial risk of potentially low ticket sales.

Hartman summarized the success of the recent Nate Bargatze show in AMSOIL Arena. Hartman noted that Bargatze was at Symphony Hall in 2022. The AMSOIL Arena show in 2025 had 7,840 tickets sold, the highest ticket sales of any event at the DECC in its entire history (including Elton John). The high ticket sales were due to Bargatze's popularity in addition to the DECC's ability to add some more seating with the "in the round" floor set up. The Board discussed the event, parking, and opportunities for the DECC to improve guest experience through improved wayfinding signage.

Hartman shared a poster for Bayfront Festival Park promoting the summer line up. Hartman noted that this year's line up was primarily created by Winterfell Management, and next year's line up will be created by the DECC. Hartman and team are focusing on promoting the Bayfront brand through postering, Bayfront uniforms, etc. Hartman passed around samples of the Bayfront Festival Park poster in addition to other local artist posters celebrating recent events at the DECC. Hartman shared that the DECC worked with Warrior Printress on the creation of the Bayfront poster and shared photos summarizing the design and printing of the poster.

Hartman shared that the Duluth Fire Department recently completed high ropes training in AMSOIL Arena. The DECC regularly offers up space for DFD to complete training exercises on site.

The William A. Irvin is open for regular tours. Hartman noted the Irvin posts on social media are performing well. Hartman shared samples of the new branded materials for the Irvin created by a local designer.

Hartman shared that the DECC is self-promoting a Halestorm/Lindsey Stirling concert in AMSOIL Arena. The DECC received a shout out on the national Venue Coalition Arena Network call for selling 50% of event tickets in the first week, outselling other venues by percentage.

Cruise ships will be coming to Duluth in the coming weeks. This is the first season that the ships will dock along the seawall.

The DECC has placed a "Love Duluth" sign on Harbor Drive for the public to use as a photo opportunity. This sign was made possible by a donation from Judy Gordon to the DECC Fund at Boreal Waters (Duluth Superior Area Community Foundation). The DECC is hosting a press event about the sign on Friday, May 30th at 11:00 AM. Board Members were encouraged to attend.

COMMITTEE REPORTS

Strategy

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

1. The Committee met to review the results of the DECC's audit.

2. The Committee completed the annual review of the Executive Director emergency succession plan and contact inventory of key information.

3. The Committee discussed the cruising baggage handling room.

4. The Committee discussed the RFP for the construction manager at risk.

5. The Committee reviewed the results of the Executive Director annual evaluation.

Finance

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

1. The Committee reviewed March financials and the audit results. The Committee discussed the DECC's repair fund and how the financial successes of 2024 are attributing to this fund and what the impact of that is on the DECC's financials.

Finance Director Denton reviewed the financials.

2. Denton directed Board Members to the balance sheet. Total current assets are $5.8 million and total current liabilities are $2.5 million. Year to date change in retained earnings for the current period is $63,000.

   Denton directed Board Members to the consolidated management summary noting the March net change in retained earnings is $53,000 which is $33,000 under budget. Denton provided a summary of March events noting the DECC hosted the robotics competition, Motorhead Madness, Manion's, and the new event: National Association of College and University Food services. UMD Men's hockey included a new game this year and the DECC hosted the WCHA Final Faceoff which exceeded budgeted revenue. For entertainment, the DECC hosted Dwight Yoakam, Lee Brice, Dr. Jordan Peterson, and One Night of Queen. Entertainment attendance for the month was down from last year by about $2,000 attendees. Property Maintenance utilities were 4% under budget for the month, but there were expenses for the DECC paying for off site UMD ice time during the AMSOIL Arena scoreboard replacement.

   Denton directed Board Members to the forecast. The forecast now reflects year-to-date actuals through March. If the continues as budgeted, the DECC will end the year at $644,000 with projections included.

   Hartman paused to say thank you to Amanda Denton and team for the successful completion of the annual audit.

   Denton provided an update on the status of the audit. The audit was completed by firm Baker Tilley and is in final status. Denton directed Board Members to review the Reporting and Insights document and the DECC's audited financial statements document as handed out at the meeting. The DECC had no audit findings, and no reportable deficiencies. Denton summarized that the audit tests for internal controls, accounting practices, accounting estimates, financial statements

disclosures, unusual transitions, misstatements, compliance with laws, and going concerns. Denton closed by noting the DECC completed the audit on time to roll up to the City of Duluth audit.

Denton noted for the financial statements after the contributed capital depreciation and non-capital adjustments the DECC ended the year at about $500,000. The DECC is in the process of spending some of these funds on long overdue capital improvements. The Board discussed the audit and congratulated Denton and team on the successful completion of the audit.

Governance
Secretary Vincent provided an update on behalf of the Governance Committee. The Committee did not meet and plans to resume meeting next month.

OLD BUSINESS
No Old Business was discussed.

NEW BUSINESS
Hartman introduced RFP 01-25 for construction manager at risk services based on a guaranteed maximum price – bonding infrastructure upgrades. Hartman noted the DECC has an Owner's Representative firm and Architect firm on board for the DECC's bonding projects. The DECC recently completed an RFP for construction manager at risk services. The DECC received four submissions for the RFP from the following firms: ICS, Kraus Anderson, Jamar, and McGough. The DECC, Owner's Rep, Architect and Shane Peterson reviewed proposal submissions. The evaluation group determined that the most advantageous proposal was submitted by Kraus Anderson due to pricing, experience with the DECC and LHB, and overall proposal submission. MOTION to approve Kraus Anderson's proposal for RFP 01-25 requested by Chair L. Mullen. Motion made by Filipovich and seconded by Singler. Motion carried unanimously.

Hartman shared three key discussion points regarding the creation of a cruise passenger baggage handling room for cruising operations at the DECC. Hartman is in support of tis because it supports community good. This is the primary reason why Hartman thinks the DECC should agree to create a cruise passenger baggage handling room at the DECC. However, Hartman clarified that the DECC would be giving up a usable space that could be converted into a store front for Harbor Drive or used for strategic relocation of staff offices. Hartman noted the City has taken out about $500,000 in debt service for cruising operations. The City has paid about $50,000 of that debt service thus far. Additionally, the City took out about $800,000 of debt service to finish the seawall dredging. If the DECC says no to the implementation of a baggage handling room, the Customs and Border Patrol will cease cruising operations in Duluth as it is part of their standardized protocols to have a separate space for these operations. If this happened, the City of Duluth would still be required to pay off the outstanding debt service. Hartman further clarified; the creation of the baggage handling room would not have direct cost to the DECC. Hartman introduced Resolution 01-25 proposing design and construction of a cruise ship baggage handling room within the DECC campus. The Board discussed cruising operations, the baggage handling room, and Resolution 01-25. MOTION to adopt Resolution 01-25 requested by Chair L. Mullen. Motion made by Treasurer Mattke and seconded by Amatuzio. Motion carried unanimously.

MOTION to move to a closed session pursuant to section 13D.05 3(a) to evaluate the performance of an individual who is subject to the public body: Executive Director Hartman requested by Chair L. Mullen at 1:05 PM. Motion made by Vice Chair Sertich and seconded by Schmidt. Motion carried unanimously.

Hartman, Denton, Amundsen, Duluth City Council Liaison Nephew, and Media departed at 1:05 PM.

Mattke departed at 1:05 PM. Mattke returned at 1:07 PM.

The Board reviewed summarized results of the annual performance evaluation (1/1/2024 to 12/31/2024) for Executive Director Hartman. The Board discussed the evaluation results.

MOTION to move to an open session requested by Chair L. Mullen at 1:25 PM. Motion made by Filipovich and seconded by LaFleur. Motion carried unanimously.

Hartman, Denton, Amundsen, and Duluth City Council Liaison Nephew returned at 1:25 PM.

Chair L. Mullen noted that the Board reviewed Hartman's evaluation results and results were positive.

Chair L. Mullen asked for a motion to adjust Hartman's compensation. MOTION to increase the base rate of Executive Director Hartman's salary by 8% retroactive to January 1, 2025, made by Singler.

Mattke noted that Hartman declined a salary adjustment the prior year and this adjustment is in part reflective of catching up from the declined adjustment, to align better with current market rates, and in part due to meeting operational goals in the last year. Chair L. Mullen noted that the Board will continue to monitor Hartman's progress toward meeting and exceeding outlined goals in relation to compensation discussions in the future.

Motion seconded by Schmidt. Motion carried unanimously.

Hartman thanked the Board for their continued support.

OTHER

No Other Business was discussed.

ADJOURNMENT

Chair L. Mullen adjourned the meeting at 1:30 PM.

UPCOMING MEETINGS

The next regular meeting will be held June 26, 2025, in the Symphony Hall Mezzanine.

Submitted by:

Laura Mullen, Chair	Jason Vincent, Secretary
Date	Date

Duluth Entertainment Convention Center

RESOLUTION 01-25

DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY RESOLUTION PROPOSING DESIGN AND CONSTRUCTION OF A CRUISE SHIP BAGGAGE HANDLING ROOM WITHIN THE DECC CAMPUS

At a meeting of the Duluth Entertainment Convention Center Authority Board of Directors, held in the Senator Sam Solon Board Room on Thursday May 29, 2025.

WHEREAS, the Duluth Entertainment Convention Center Authority (DECC) seeks to continue to support the community effort to establish Duluth as the Minnesota and Lake Superior port of call for cruise ships on the Great Lakes; and

WHEREAS, This effort is consistent with the DECC's mission to serve as a foundation for hospitality and tourism, and provide services that maximize the economic benefit of our community; and

WHEREAS, The DECC Board of Directors desires to confirm its support for the design and construction of a cruise passenger baggage handling room within the DECC campus; and

WHEREAS, The DECC desires to demonstrate its support for the effort to design and construct a Customs and Border Protection ("CBP") cruise passenger baggage handling room at the DECC; and

WHEREAS, The DECC recognizes the location of a cruise passenger baggage handling room at the DECC would provide Duluth the opportunity to further support processes for embarkations and debarkations; and

THEREFORE, IT BE RESOLVED, The DECC Board allows for the design and construction of the space referenced in Appendix A as a cruise passenger baggage handling room.

FURTHER, IT BE RESOLVED that in order for the use of DECC space as a cruise passenger baggage handling room to ultimately be approved, the following conditions would be met:

1. Actual capital expenditures associated with buildout of the cruise passenger baggage handling room shall not come from the DECC operating budget or other DECC financial resources.

2. No request shall be made of the DECC for any direct, or indirect, financial contribution for capital expenditures related to the project.

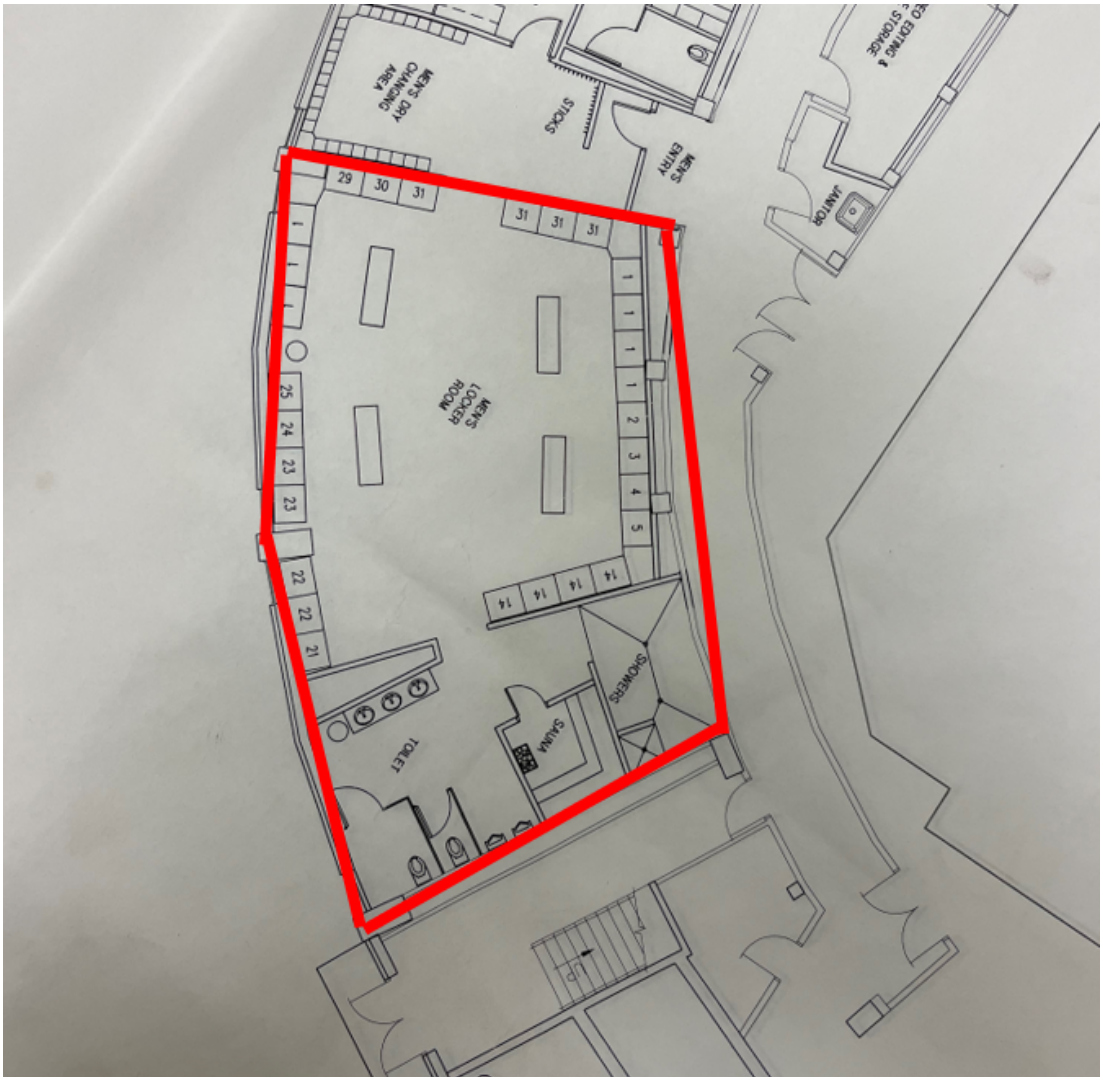
3. The DECC shall not be otherwise financially encumbered as a result of future capital needs, or future shortfalls for bond payments.

4. The DECC's direct operating costs related to active utilization of the cruise passenger baggage handling room, shall receive first priority over any other related expenses. Additional indirect expenses shall take third position after any related buildout bonding or debt service expenses incurred by the City of Duluth.

5. The free-lease with CBP for the cruise passenger baggage handling room will not put overall autonomy of the DECC at risk. Further, contractual use or lease of the space will be defined through agreement directly and exclusively with the DECC.

6. When the cruise passenger baggage handling room no longer is being used for CBP purposes exclusive usage rights revert to the DECC for its own purposes.

7. No current or future funds shall be used to finance the cruise passenger baggage handling room from the DECC Tourism Tax fund reserve or annual allotments.

8. Both parties need to agree to this document by December 31, 2025.

APPENDIX A: