

**Mayo Civic Center Commission Meeting
Wednesday, September 9, 2015 – 3:00 PM
Mayo Civic Center**

Attendees: Commission Members:

John Eischen, Jerrie Hayes, Shannon Knoepke, Heidi Mestad, Dan Nelson

Absent: John Beltz, Marv Mitchell

Other Attendees:

Donna Drews (Mayo Civic Center (MCC)), Dave Goslee (Rochester City Attorney's Office), Brad Jones (Rochester Convention and Visitors Bureau (RCVB)), Chad Koehler (Lancer Hospitality) Andy Krogstad (MCC), Gary Neumann (City Administrators Office), Jo Oeltjen (MCC)

A. Call to Order

Meeting was called to order by Heidi Mestad at 3:05 PM

B. Approve Agenda

No Comment

C. Open Comment Period

No Comment

D. Consent Agenda

a. Council Item Review

b. Meeting Minutes

i. August 12, 2015

c. Monthly Financial Report

i. July 2015

d. Strategic Plan Goals Update

Shannon commented she enjoyed reading the staff updates.

Motion was made by John Eischen to approve the items on the consent agenda, Second by Jerrie Hayes. Motion unanimously approved.

E. Sales Reports

The Sales Report includes all bookings – 22 events – added in July 2015. Those listed as “Confidential” are concerts or entertainment events, and if confirmed, will be announced to the public according to the promoter’s instructions. There were 14 new events and 8 repeat events; of those, 4 are confirmed. Each events is categorized according to type, e.g. non-medical conventions, entertainment, social, etc. Booking statuses indicate the following:

Hold – proposal has been sent and negotiations continue
Confirmed – event is definite
Contracted – a contract has been sent issued to the customer
Definite – paperwork is complete

Revenue date is a key component in measuring effectiveness. A year-to-year comparative report was requested, and will be provided at the October meeting. A “New Event” is a booking that has never been held at MCC, or has not been held at MCC in the last five years. There was discussion on the sales reporting process, and how best to achieve consistency for valid comparison. Several months ago it was agreed that all reporting would be funneled through Ungerboeck, MCC’s scheduling software. There was a request to add prior year booking data to the report so trends are more visible. Brad Jones reported that the RCVB is considering hiring an additional sales manager to focus on regional business opportunities, that in the future, the RCVB will provide Booking Pace Update Reports to the MCC Commission. A copy of a 2015 Cancelled and Lost Business Report was distributed. Copies of the RCVB’s Annual Report to the City Council were distributed.

F. New Business

None

G. Unfinished Business

a. MCC Food & Beverage Management Agreement One-Year Contract Extension

The original contract was for three years, and according to the IRS regulations, this agreement may then be extended for two one-year extensions. The terms will remain exactly the same as the current agreement. To date, Lancer has invested \$20,000 in capital equipment since their contract began. Motion was made by John Eischen to approve a one-year MCC Food & Beverage Management Agreement Contract with Lancer, Second by Jerrie Hayes. NOTE – As we prepare to open the new Convention Center in 2017, the MCC Commission will revisit this topic in 2016. Motion unanimously approved.

H. Construction Update

The overall project remains on schedule. Progress has been steady and steel installation is well underway. At this time, the general contractor believes the skyway connection will reopen in December of this year. Work began on the Civic Theatre “blackbox” this week, and construction of the banquet production kitchen is continuing as planned.

I. Generative Discussion

a. Overview of MCC Annual Operating Budget Process

Andy Krogstad reviewed the overall budget process, and provided information on MCC’s 2016 budget request. Andy explained that the first page of the information provides a listing of all revenue and expense line items affecting MCC, and that budget estimates are based on historical data, trends and revenue projections for 2016. The line items highlighted in red are submitted by the City Finance Department, not MCC staff. In late August, the Finance Department provides a preliminary budget estimate to the City Administrator, and in September, he submits a tax levy recommendation to the City Council for review. As required by State law, the Council must approve a preliminary tax levy prior to the end of month. During the months of October and November, the City Administrator reviews all departmental budgets, provides feedback, and almost always makes budget adjustments and/or

changes. Any budget revisions will be brought back to the MCC Commission for final review and approval. In early December, the City Council will conduct a series of Committee of the Whole Meetings to publicly review all budget requests on a department by department basis. Formal budget adoption usually occurs during the final City Council Meeting of the year. Commission members are encouraged to participate in the process and share concerns with members of the City Council

J. Director's Report

In August, Merit Roofing conducted its annual roof inspection, and they recommended approximately \$5,700 in roof repairs. Their report also included future recommendations for roof replacement of the Presentation Hall fly loft within three years, and the Elliott Suite and Administrative Offices roofs within five years. Union negotiations with IATSE (International Alliance of Theatrical Stage Employees and Moving Picture Operations of the United States and Canada) Local 416 are underway. Two Mayo Civic Center Commission members' terms are up: Heidi Mestad and Dan Nelson. Dan has agreed to continue for another three years, and Heidi's decision is pending. The Taylor Arena feasibility study will probably be completed in late September, and presented to the City Council first and the MCC Commission second. If approved, it is likely Taylor Arena will be demolished and the new Arena built on the same site.

K. Other Business

Shannon Knoepke and John Eischen are leading discussions on generating new revenue through sponsorships and naming rights. John reviewed a sponsorship concept based on fees and terms. Naming rights for venues such as the Exhibit Hall or Auditorium were mentioned. There will be some restrictions, but once targets are identified, an effort to market this opportunity will need to be discussed on a Commission level.

L. Adjournment

Meeting adjourned at 5:06 PM

Next Meeting: Wednesday, October 14, 2015 – 3:00 PM