

**Mayo Civic Center Commission Meeting  
Wednesday, October 14, 2015 – 3:00 PM  
Mayo Civic Center**

**Attendees: Commission Members:**

John Eischen, Jerrie Hayes, Heidi Mestad, Marv Mitchell, Dan Nelson

Absent: John Beltz, Shannon Knoepke

**Other Attendees:**

Donna Drews (Mayo Civic Center (MCC)), Matt Esau (MCC), Julie Gay (Blogger), Brad Jones (Rochester Convention and Visitors Bureau (RCVB)), Andy Krogstad (MCC), Gary Neumann (Assistant City Administrator), Jo Oeltjen (MCC), Andrew Setterholm (Post Bulletin)

**A. Call to Order**

Meeting was called to order by Heidi Mestad at 3:03 PM

**B. Approve Agenda**

No changes

**C. Open Comment Period**

No comments

**D. Consent Agenda**

**a. Council Item Review**

i. MCC Convention Center Expansion Change Order 3

ii. AVVR 2016 Audio Visual Services Agreement

**b. Meeting Minutes**

i. September 9, 2015

**c. Monthly Financial Report**

i. August & September 2015

**d. Strategic Plan Goals Update**

Motion was made by Marv Mitchell to approve the Consent Agenda, Second by Jerrie Hayes. Motion unanimously approved.

**E. Sales Reports**

Brad Jones reported that the team is doing well. Just finished third quarter – the goal was \$2.03M, we are at \$1.975M in sales (96% of the goal). Sales Team is about \$73,000 off that pace. Brad feels the team understands where they need to be. We are at about 99% of goal on rent, 92% on food and beverage, and 97% on services and equipment. Upselling of food and beverage is being addressed. The

lead funnel still looks very good, and we are confident we will close 50-60% of the leads. The question was asked what booking priority levels were on that business, but Brad did not that information with him. October is off to a good start. The 2018 Botanical Society of America Convention just confirmed. Other prospects include the Association for Professionals in Infection Control, National Indian Health Board Annual Conference, American Cleft Palette Association, American Academy of Psychologists, American College of Nurse Midwives, MN Veterinary Medicine Association, American Society Healthcare Engineering, and American Spinal Injuries Association. In the last month, 17 leads were lost. Recently, we have been competing with Louisville and Sioux Falls.

The 2013 SAG report recommended that the MCC staff should be fully focused on customers, event services, and operations, and all MCC sales functions should be turned over to the RCVB sales staff. This transition occurred in early 2014, and since then all booking inquiries have been directed to the RCVB. At that same time, all existing customers were informed that all future booking arrangements should be made with the RCVB. In the summer of 2014, it was decided that all data should be streamlined, and live in Ungerboeck (UB), MCC's scheduling and operations software. The RCVB sales staff is responsible for selling, negotiating, determining the rates, data entry, and confirming all bookings with the exception of entertainment, ticketed and grandfathered events - MCC staff continues to book these events.

#### **Event Phases**

1. Phase 1 – Proposed, then go to:
  - i. Confirmed
  - ii. Cancelled or
  - iii. Lost
2. Phase 2 – Confirmed
3. Phase 3 – Actualizing Event

New Booking – a new event or an event that hasn't been here for five (5) years.

#### **Priorities of Events**

Priority 1 – Can be booked anytime (can be a 14-16+ month cycle)

Priority 2 – 18 Months

Priority 3 – 12 Months

There may be other criteria that is applied (i.e. An RFP is requesting a proposal for 3 years – 2017, 2018 and 2019)

Members of the Commission emphasized that the RCVB has revenue goals vital to MCC's success, and monthly sales reports including a listing of confirmed events, tentative leads, annual revenue forecasts, booking priorities, conversion rate percentages, etc., should be part of the monthly MCC Commission packet, and RCVB staff should present updates to the Commission at their monthly meetings.

#### **F. New Business**

- a. MCC Convention Center Art Allocation Funding Committee

As a requirement of State funding, funds have been allocated to include art enhancements to the new Convention Center's public areas. Suggestions have included adding artistic affects to

Terrazzo floor, wayfinding, and customized lighting fixtures. The State Arts Board does have guidelines, and CPMI, MCC's onsite construction representative, will help us through this process. As representatives of the MCC Commission, Marv Mitchell and Dan Nelson volunteered to serve on the Convention Center Art Committee.

#### G. Unfinished Business

##### a. Arena Replacement Feasibility Study Update

Earlier this year, the RCVB hired Hammes Sports to study the feasibility of bringing a USHL hockey franchise to Rochester. The study was recently completed, and presented to the City Council on October 12<sup>th</sup>. The Council has requested a proposed financing plan. So far, potential team owners and investors, several local hockey supporters, the USHL, RCVB, MCC, and a few others from the City people have been engaged. The USHL would like to bring a team here in time for the 2017-18 season. Because there may be some IRS restrictions due to previous State bonding agreements tied to the existing Arena, City Administration has requested clarification from the State. Dan Nelson volunteered to serve as the MCC Commission's representative on the Arena Committee.

##### b. 2016 Budget – Additional Staffing Request Update

Stevan Kvenvold, City Administrator, presented his 2016 staff recommendations to the Council in September. The four positions requested by MCC were included in Stevan's request – the custodian and custodial crew chief will be hired mid-year, and the technical operations manager and event coordinator after the third quarter. The Council will conduct budget hearings in early December, and closer to that time, additional information will be provided.

#### H. Construction Update

Overall, construction is going very well. Steel erection is underway, and work has begun on the Rochester Civic Theatre's addition. The banquet production kitchen is taking form, and the skyway is still on schedule to reopen in December.

#### I. Monthly Discussion Topic – *Implementation of Naming Rights & Sponsorship Plan*

The focus of this effort is to sell naming rights to individual venues, not the overall Mayo Civic Center, to increase revenue and diversify our revenue streams. There are some restrictions when selling naming rights, e.g. Mayo cannot meet in a venue that is named after a pharmaceutical company, and the City will not allow tobacco or liquor signage. The funds that are raised from this will go toward the MCC operating budget, not the City's general fund. A suggestion was made to outsource this responsibility, and issue an RFP requesting professional services. City Administration will verify if there are any IRS rules associated with State bonding that regulates the sale of venue naming rights, and Donna will prepare a draft RFP for Commission and City Council approval.

#### J. Other Business

The RCVB Board expressed concern about the lack of participation by the Mayo Civic Center Commission at the RCVB/MCC Joint Meetings.

2016 Officers will need to be identified in December. The terms for Heidi Mestad and Dan Nelson are expiring at the end of this year. Dan Nelson has agreed to serve another term; Heidi Mestad has not notified us of her wishes.

Chris Hesby, Powers Ventures, said the cooperation between the Honker and the Civic Center Staff has been awesome.

Marv Mitchell offered kudos from Mayo Clinic on the Dalai Lama event.

K. Adjournment

Motion by Jerrie Hayes to adjourn the meeting, Second by Marv Mitchell. Motion unanimously approved. Meeting was adjourned at 5:21 PM

Next Meeting: Wednesday, November 11, 2015 – 3:00 PM