

Mayo Civic Center Commission Meeting
Wednesday, July 8, 2015 – 3:00 PM
Mayo Civic Center McDonnell Suite B

Commissioner Attendees: John Beltz, John Eischen, Jerrie Hayes, Shannon Knoepke, Heidi Mestad, Marv Mitchell, Dan Nelson

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

A. Call to Order

- a. Meeting was called to order by John Beltz at 3:00 PM.

B. Open Comment Period

- a. No Comments

C. Council Item Review

- a. Approval to Participate in State of MN Guaranteed Energy Service Program
Lighting improvements – guaranteed energy savings program. In an effort to improve sustainability and reduce electrical costs, approval was requested to engage in a process of evaluating MCC's current lighting systems by working with professional energy audit firm. The City frequently uses this type of service to gain energy improvements and payback upfront costs with energy savings and rebates from the utility companies. This process is called a guaranteed energy savings program, and the firm that does the audit guarantees the savings if their recommendations are accepted. Some of MCC's lighting systems are 30 years old, and by improving technology and reducing lighting replacement costs, significant savings are possible. In order to qualify for this program, the State of Minnesota requires the authoritative body to approve the terms of the service to be provided. This sets the wheels in motion for the State to issue a Request for Proposals, and secure a qualified energy audit firm. Once completed, the Commission will have an opportunity to review recommendations, and determine the next step. If for some reason the plan is put aside, the energy audit firm must be reimbursed for any costs associated with the energy audit, roughly 0.15 per SF. Motion was made by Jerrie Hayes to request and recommend that the Rochester City Council consider and approve soliciting the RFPs from State approved energy service companies for the MCC energy savings audit, Second by Heidi Mestad. Motion unanimously approved.

D. Action Items

- a. Approve Meeting Minutes – June 10, 2015

Motion was made by John Eischen to Approve the June 10, 2015 Meeting Minutes, Second by Jerrie Hayes. Motion unanimously approved.

b. Approve Monthly Financial Report – May 2015

a. Income Statements

Revenue and expenses are down. The lodging tax is up about 3% over last year. Historically, September through November are MCC's highest revenue months. Because some months have more activity than others, the revenues and expenses are not evenly spread. Six-month averages over the five-year period were requested, and should include a chart of the last five years by month to determine variability. Motion to Approve the Monthly Financial Report for May 2015 was made by Heidi Mestad, Second by Jerrie Hayes. Motion unanimously approved.

b. Operations and CIP Payments

There were no unusual payments or expenses. We received two reimbursements from the State of MN for the expansion project – not 100%, but about 41%. Motion was made to Approve the Operations CIP Payments for May 2015 by Marv Mitchell, Second by John Eischen. Motion unanimously approved.

c. Approve MCC Booking Pace Report

Events are listed by status on the report. The fourth sheet in the packet lists tentative and confirmed bookings and estimated revenue totaling \$221,846. The economic impact is projected by the RCVB. After an event, actual revenues are entered, and economic impact is determined.

E. New Business

a. City of Rochester 2016 Budget Process

The budget process timetable was reviewed. The Commission was asked how they would like to engage in the budget process. Overall, 2016 revenue will probably look similar to 2015, and because salaries and utilities usually increase, a greater portion of the lodging tax will be needed to close the gap. During the budget process, some line items are entered by the Finance Department, such as full-time salaries, insurance, utilities and things of that nature. Andy Krogstad will prepare a 2016 budget draft for review by a subcommittee including Commission members John Eischen, John Beltz and Marv Mitchell. If a subcommittee meeting is needed, John Eischen, Finance Chair, will schedule a meeting. The final budget request will then be presented for approval at the August Commission Meeting.

b. Price Waterhouse Convention Center Report

The International Association of Venue Managers (IAVM) pays for the Price Waterhouse Convention Center Report. MCC is considered a regional convention center with less than 100,000 square feet of exhibit space. Overall, MCC compares very well relative to attendance, number of events, and occupancy. Our rental rates are very low, as is food and beverage revenue per attendee. This report suggests MCC is utilizing staff very well. It was mentioned that additional staffing would support additional services, and also that MCC's rental rates have not increased in five years.

F. Construction Update

Construction is going really well. Pile driving should be done in a week to ten days on the Civic Center Drive side of MCC, and then the pile driver will be relocated to the east side to begin driving piles for the kitchen. Some soil correction was needed in the back, but so far, it has been minimal. Heidi has heard good comments about the construction updates to stakeholders – the comments have been wonderful.

G. Unfinished Business

a. MCC Business Plan – Review Draft Metrics, Targets, Initiatives and Tasks

The draft presented was the latest version of several that have been presented to the Commission. Because we are now into the second half of 2015, staff requested feedback and direction on the most recent draft. In several cases, the items in the plan have already been completed. Motion by John Eischen to approve the Mayo Civic Center Business Plan as is, Second by Marv Mitchell with the intent that this plan would be carried into 2016. A suggestion was made to assign a staff person to each objective, create action items, and provide monthly updates. There is an expectation that staff will build on this further by adding elements as needed to achieve goals as determined at June's strategic planning session. John Beltz, John Eischen, Shannon Knoepke, and Marv Mitchell approved the motion. Jerrie Hayes and Dan Nelson opposed the motion. Motion approved.

b. RCVB/MCC Joint Meeting and RCVB Annual Retreat Update

Brad Jones (RCVB) reviewed the Sales, Marketing and Communications, Event Services, and Visitor Experience Plan Priorities. The RCVB/MCCC Joint Executive Board Meeting is scheduled on the third Thursday of the month at 12:15 PM in the RCVB Office. In August, the RCVB Board will approve the 2016 Plan and prioritize each section. It was mentioned that CVB sales staff intend to spend about 70% of their time pursuing new business.

H. Other Business

Donna Drews and David Silker will be attending the IAVM – *VenueConnect* Annual Conference and Tradeshow in August in Baltimore.

I. Adjournment

Motion to adjourn the meeting was made by John Eischen, Second Meeting by Marv Mitchell. Meeting was adjourned at 4:51 PM.

Next Meeting: Wednesday, August 12, 2015, 3:00 PM