

Mayo Civic Center Commission Meeting
Wednesday, March 9, 2016 – 3:00 PM
Mayo Civic Center McDonnell Suite

Attendees: Commission Members

Teresa Chapman, Heidi Mestad, Marv Mitchell, Dan Nelson, Michael Smith

Absent: John Eischen, Jerrie Hayes

Other Attendees:

Donna Drews (Mayo Civic Center (MCC)), Matt Esau (Rochester Convention and Visitors Bureau (RCVB)), Julie Gay (Freelance), Dave Goslee (City Attorney's Office), Brad Jones (RCVB), Chad Koehler (Lancer Hospitality), Andy Krogstad (MCC), Gary Neumann (City Administration), Jo Oeltjen (MCC), Andrew Setterholm (Post-Bulletin)

A. Call to Order

Time (0:00)

The meeting was called to order by Heidi Mestad at 3:03 PM.

B. Approval of Agenda

Time (0:11)

Motion to approve the Agenda was made by Marv Mitchell, Second by Teresa Chapman. Motion was unanimously approved.

C. Open Comment Period

Time (0:35)

No Comments

D. Consent Agenda

Time (0:47)

a. Council Item Review

i. TSP, Inc. Contract Amendment 9 for Audio-Visual Commissioning

b. Meeting Minutes

i. February 10, 2016

ii. Monthly Financial Report (Marv Mitchell asked for this to be pulled out of the Consent Agenda)
Mr. Mitchell asked a question on outstanding accounts receivables: In 2015 were there any bad debts or unpaid invoices written off during the year or at year end. Andy Krogstad indicated that there were, but it amounted to no more than a few hundred dollars. Mr. Krogstad went on to discuss the lodging tax for December that will be posted soon – there typically a three-month lag on when it is distributed (the MCC's portion of the lodging tax is estimated to be between \$70,000 and \$80,000). Mr. Krogstad also reviewed the income statement for 2015. Approximately \$550,000 should go into reserves. With the incorporation of the lodging tax funds the MCC will be under budget for 2015. It currently appears that the 2016 lodging tax will increase.

Motion to approve the Monthly Financial Report was made by Marv Mitchell, Second by Dan Nelson.

Motion unanimously approved.

- iii. December 2015 Unaudited Financial Statements
- iv. January 2016 Financial Statements & Bills
- c. Strategic Plan Goals Update
- d. Construction Update

Motion to approve the Consent Agenda with the exception of the Monthly Financial Report was made by Michael Smith, Second by Marv Mitchell. Motion unanimously was approved.

E. Sales Report – Matt Esau, Rochester Convention & Visitors Bureau
Time (16:05)

Matt Esau reviewed the Sales Report and the Pace Report. RCVB uses three major lead generators: IMM, Mint and Cvent. RCVB is using a new development focus: three afternoons a week for two hours, with the doors shut, are spent on cold calls. This is actual telephone/email time: it does not include the research or time it takes to get the information into the system. The RCVB team does it together and then meet afterwards to discuss results. Report included: Confirmed Events with priority level listed and showing the event type.

ACTION – Decision dates (event name, when it would happen and the economic factors) from Matt Esau. Present two or three things that are a challenge.

F. Director's Report
Time (43:51)

It has been a busy month. The Bernie Sanders campaign rally was a large event, as was the eight basketball tournament games on the same day. There were about 10,500 people that went through the building that day.

The Clock Tower has been removed from the front of the Civic Center as part of the construction project.

Legion and McDonnell Suites will go out of service at the end of March 2016.

Donna Drews, Gary Neumann, the City's bonding attorney, and Brad Jones met with the State's bonding attorney to discuss potential naming rights for the MCC and/or internal venues and legal restrictions pertaining to IRS regulations and tax-exempt bonds. Gary Neumann said there may be some options open to us, and the State's bonding attorney plans to draft a document outlining the discussion.

G. New Business
Time (53:56)

- a. MCC Revenue Gap/New Revenue Stream Options Committee Report – Teresa Chapman and Michael Smith

The group brainstormed possible, additional revenue streams. Some ideas talked about were:

- commissions from all vendors
- box office/facility fee increase
- room rental rate increase (room rates have not increased in five years)
- kitchen rental charges
- increase concessions
- advertising/naming rights
- lease displays (possibly doing it ourselves)

In 2017, the catering commission rate goes to 25%. The current catering commission of 15% was established over ten years ago.

ACTION – Commission members reply to Donna with any input. Prioritize the revenue streams by revenue by year. Determine the amount of revenue from each source and what the level of difficulty is.

H. Unfinished Business

Time (1:24:58)

Commission Chair Heidi Mestad had to leave the meeting. Vice Chair Marv Mitchell continued the meeting.

a. MCC Convention Center Art Committee Update – Marv Mitchell

The MN State Arts Board is still editing the Request for Proposal (RFP), but it is expected to be release in the very near future.

b. 2016 Goal Prioritization – Marv Mitchell

Mayo Civic Center Strategic Plan Status Report. Suggestion on how to lay the information out and do monthly updates was handed out. Handouts on other convention centers and what they do for non-profits were included in the packet.

I. Other Business

Time (1:28:24)

No Other Business

J. Adjournment

Time (1:28:25)

Motion was made to adjourn the meeting by Michael Smith, Second by Dan Nelson. Meeting adjourned at 4:32 PM.

Next Meeting: Wednesday, April 13, 2016 at 3:00 PM