

Mayo Civic Center Commission Meeting
Wednesday, March 8, 2017 – 3:00 PM
Mayo Civic Center Offices Conference Room

Attendees: Commission Members

Teresa Chapman, Jerrie Hayes, Matt McCollom, Marv Mitchell, Dan Nelson, Amita Patel
Absent: Heidi Mestad

Other Attendees:

Marti Abts (Rochester Civic Music), Vicky Chih (Kahler), Donna Drews (Mayo Civic Center (MCC)), Matt Esau (Rochester Convention and Visitors Bureau (RCVB)), Mary Gastner (RCVB), Dave Goslee (City Attorney's Office), Chris Hesby (Powers Ventures), Tyler Jeatce (Kahler), Brad Jones (RCVB), Tyler Kase (Kahler), Chad Koehler (Lancer Hospitality), Andy Krogstad (MCC), Jo Oeltjen (MCC), Erin Okins (MCC), Kelly Retterath (Kahler), Adam Robards (Powers Ventures), Peter Virnig (Lancer Hospitality)

A. Call to Order

00:20 Audio Tape

The meeting was called to order by Marv Mitchell at 3:02 PM

B. Approval of Agenda

00:22 Audio Tape

Motion to approve the agenda was made by Amita Patel, Second by Jerrie Hayes. Motion was approved.

C. Open Comment Period

00:43 Audio Tape

None

D. Consent Agenda

01:07 Audio Tape

a. Council Item Review

i. None

b. Meeting Minutes

i. February 8, 2017

c. Monthly Financial Report

i. January 2017 & February 2016 Bills & Income Statements

Motion to approve the consent agenda was made by Jerrie Hayes, Second by Matt McCollom. Motion was approved.

E. Review Action Items from February 8, 2017 Meeting

01:35 Audio Tape

Sales Report would be contained in the Commissioner's packet – too late to get in this month's packet, but will be included in the future. Client list of lost events would be provided. The client's names need to be removed for confidentiality purposes.

F. Directors Report

02:34 Audio Tape

a. Construction Update

Donna Drews provided an update on the Convention Center Expansion Project. The MCC does not own anything yet – the target date is April 1. Work is being done on the finishing details and the work on Presentation Hall has a long way to go, but progress is excellent.



Skyway Level Grand Ballroom

G. Sales Report

12:37 Audio Tape

Matt Esau presented the sales reports. The estimated sales is \$608,972.94 thru February. The quarterly goal is \$788,000, but Matt is very confident they will make that 1Q17 goal. Matt reviewed the pace report and where they are in respect to their goals. The definite lead and lost sales activity reports were discussed. Some of the reasons for the lost sales were talked about. Matt Esau commended the MCC staff, operations team and the coordination team for the work they did on the NUVO Dance event. Dave Goslee reminded the group that lead data is confidential. It might be better to refer to leads by their market segment.

H. New Business

31:24 Audio Tape

a. Rochester Convention & Visitors Bureau Office Lease Renewal

The RCVB leases space from the City of Rochester. The RCVB Board approved the new lease. The changes are: the term of the lease (instead of an annual lease, it would be a self-renewing lease with a one-year out clause for either party) – the previous lease was a ten-year lease and there is a change in how the increase on the lease cost was calculated (the first lease was flat for the first five years and then it annually increase according to the CPI). The MCC Finance Committee reviewed the RCVB lease. The Committee felt the lease had not been brought to the correct entity – the lease is between the City and the RCVB, not the MCC and the RCVB. The

MCC Commission does not have the authority to negotiate for the City. The Finance Committee felt the rate that was being charged for the lease was too low. The Committee's recommendation was to have the City of Rochester negotiate the lease. Dave Goslee stated the lease should be approved by the City Council.

Motion was made by Jerrie Hayes to table the lease and refer it to the City Administrator staff for negotiation, Second by Amita Patel. Jerrie Hayes will put a list together of the issues with the lease as they see it and forward that to Donna Drews. There was discussion on when there were improvements done by the RCVB, the understanding was the RCVB did not notify the City as was stated they should in their lease. The rate increase was only 8% over the span of a decade – there was a question as to whether that rate was appropriate. This needs to be considered as we move forward. Motion to table the RCVB lease was approved.

ACTION: Jerrie Hayes will provide a list of issues with the lease to Donna Drews.

I. Unfinished Business

45:22 Audio Tape

a. Finance Committee Update

Report from Matt of the the flexibility in RAC rate and talked about seasonality, things that could be factored into pricing and talked about that the sales focus needs to be on the experience not the dollar sign. The Committee discussed some revenue numbers with Andy. There was a discussion on the 25% catering commission. It would be difficult to reduce the catering commission now for a couple of reasons: there are bookings that are at the rate and it would be problematic to do a reduction now and people would had booked at the 25% would need to have a refund through the City and that could get very complicated. The Finance Committee agreed that the 25% catering commission rate was reasonable given the market, we have a kitchen available for the caterers to use and the difference between paying labor and using your own kitchen to prepare and then cart the food here could be offset by the efficiencies of using the in-house kitchen. Having the meal prepared onsite provides quicker preparation, fresher food that is more appealing. The catering commission does need to be folded in as part of the overall cost of the event. The catering commission should be sold upfront to the customer. The decorator/audio visual commission was discussed. This continues to be flexible as there are not any contract with decorators or audiovisual providers. Until further notice, the five percent commission is no longer a requirement. We will create a process to register AV companies and show decorators that agree to pay the commission and identify them as preferred vendors.

b. Food & Beverage Committee Update

i. Catering Related Issues

ii. MCC Signature Caterers Services Standards & Guidelines

Discussion was had on disposable serve ware. Amita Patel thinks disposable serve ware should be extended to the ballroom. The type of the group may dictate this (i.e. youth groups). Sometimes the budget dictates the use of disposables. Exceptions can be made. Would rather provide the client some flexibility rather than have a space empty.

- Minnesota's largest ballroom, with seating capacity of more than 4,000 theatre-style or 2,000 banquet-style.
- The capacity to accommodate two 1,000-attendee events simultaneously.
- Stunning pre-function areas with views of the Zumbro River and downtown Rochester.
- More than 200,000 square feet of flexible meeting and exhibit space.
- A brand-new banquet production kitchen.
- The new Riverfront Plaza, which can serve as a multi-use gathering area or outdoor reception venue.
- Venues designed to accommodate sophisticated production, AV, and wireless service needs.
- A new interactive public art sculpture by Po Shu Wang that will be located outside on the southern side of the center and is expected to be installed before the Grand Opening.
- Coming soon - newly renovated and acoustically enhanced Presentation Hall.

d. Branding Task Force Update

The Branding Task Force is moving through the discovery phase into the creative phase. The next meeting will be March 24.

J. Other Business

TIME

No Other Business

K. Adjournment

TIME

Meeting was adjourned at 5:10 PM by Marv Mitchell.

Next Meeting: Wednesday, April 12 at 3:00 PM