

**Mayo Civic Center Commission Meeting
Wednesday December 13, 2017 – 3:00 PM
Mayo Civic Center Office Conference Room**

Attendees: Commission Members

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

Other Attendees:

Donna Drews (Mayo Civic Center (MCC)), Matt Esau (Rochester Convention and Visitor's Bureau (RCVB)), Mary Gastner (RCVB), Julie Gay (Freelance), Dave Goslee (City Attorney's Office), Val Halling (Mayo Clinic), Brad Jones (RCVB), Andy Krogstad (MCC), Jo Oeltjen (MCC), Randy Peterson (Post-Bulletin), Steve Rymer (City Administration)

A. Call to Order

0:03 Audio Tape

The meeting was called to order by Marv Mitchell, Chair, at 3:03 PM.

B. Approval of Agenda

00:13 Audio Tape

Motion to approve the agenda was made by Matt McCollom, Second by Teresa Chapman. Motion was approved.

C. Open Comment Period

00:30 Audio Tape

Julie Gay, blogger, has heard questions about the MCC lighting and it has come up for a second time – all the lights on at the MCC. Andy Krogstad explained that MCC lighting systems are monitored and scheduled to go off in the evening unless there are activities in the building. Whenever there is an activity in the MCC or the Rochester Art Center (RAC), lighting in public areas will be on. MCC personnel are working with the software vendor to better define the lighting schedule. At midnight and 2:30 AM, there should be a “loop” that runs through the system to turn lights down. Many events run well past midnight, and for safety and security reasons, lighting must be available. Also, cleaning crews are scheduled to begin work as events conclude. Crews are often working sometimes as late as 3:00 – 4:00 AM. One benefit is LED lighting – 100% of the public areas in the new Convention Center is equipped with LED lighting.

D. Value Stream Mapping – Val Halling, Mayo Clinic Compliance and Integrity Operations Manager

02:53 Audio Tape

Val Halling gave a presented details on the value stream mapping and process definition used to create a sales booking process to benefit MCC customers. The goals of this initiative was to identify service gaps, remove waste, identify efficiencies and ultimately improve the customer experience. Value Stream Mapping is based on a Japanese led concept of delivering quality products and services that are what the customer wants, when the

customer wants them, in the amount they want and at the right price. All steps are designed to benefit the customer by creating value by eliminating waste to ensure that our internal and external customers receive the best possible service from both the RCVB sales team and MCC staff. Value equates to whatever the customer is willing to invest. The Japanese word for waste is Muda – or anything that takes resources, but doesn't really have a value to the customer. There two types of Muda – Type I is incidental work or activities that you have to do (i.e. regulatory requirements) to make your process work, strictly non-value added activities, and not necessary but we tend to build them in as years go by because we have always done them that way. Type II those areas that could be improved such as waiting, transporting things, inventory piling up, or doing more than necessary. Value streaming is creating a process applied from the beginning to the end to assure customer satisfaction by developing a current state map, future map, ideal state map, and then an implementation plan. Val distributed copies of the process flow the group worked to create and explained how it was developed, cross communications, and potential opportunities. An implementation plan identifying each opportunity and its impact were categorized into four areas: A – Easy to do, basic impact; B – Easy to do, may require time to implement; C – Hard to do, huge impact. As a group, staff members from both RCVB and MCC each step as an A, B or C opportunity, a team leader and the team members. Team leaders have already met to start working on the A impacts. Staff will provide progress reports and monthly updates to the MCCC. Participants in the Value Stream Mapping Process were: Donna Drews (MCC), Matt Esau (RCVB), Jay Gunnarson (RCVB) for a brief time, Brad Jones (RCVB), Joe Kollar (MCC), Andy Krogstad (MCC), Deanna Meyer (RCVB), Perry Spindler (MCC), and T.R. Wheeler (MCC). Earlier in 2017, Marv Mitchell, MCCC Chair, and Randy Staver, City Council President, requested that staff participate in this process, and made arrangements with Val Halling to facilitate the process and create and implementation plan.

ACTION: Value Stream Processing Updates

E. Consent Agenda

31:27 Audio Tape

- a. Council Item Review
 - i. Convention Center Expansion Change Order 16
- b. Meeting Minutes
 - i. November 8, 2017
- c. Monthly Financial Report
 - i. November 2017 Bills & Income Statement
- d. Director's/Staff Reports
- e. MCCC Committee Reports
- f. Sales Report

Motion to approve the consent agenda was made by Matt McCollom, Second by Teresa Chapman. Motion was approved.

F. Review Action Items from November 8, 2017 Meeting

31:52 Audio Tape

- a. Review 2018 Operating Budget

Andy Krogstad reviewed a detailed report comparing the adopted 2017 budget and the recommended 2018 budget. Andy discussed revenues, expenses and food and beverage/catering-related information. Overall, employee Services makes up 43% of the budget (funding for three new MCC full time positions

was included in the 2017 budget), and utilities costs consume 16% of the budget. Professional services include vendor security, the contract for Lancer Hospitality (our in-house food and beverage management contract), and post-event cleanup. Under rents and leases, AVVR equipment rental is listed. The City of Rochester charges are costs for IT services, replacement charges from the IT Department, technology revolving fund to help offset future purchases, replacements and upgrades to technology (i.e. networks switches which have a life expectancy of about six years, projectors in the meeting rooms and the ballroom, etc.). Also in 2018, MCC begins pay back for the energy improvement upgrades (McKinstry Project). The lighting consumption in the arena was metered before the upgrades and then metered again after the upgrades. The savings was over 50%. Rochester Public Utilities provided two rebate checks to the MCC for a combined total of \$133,420. These rebates are for work done in the new Convention Center, and will be added project reserves.

G. New Business

01:08:42 Audio Tape

- a. Election of 2018 Officers
Matt McCollom, Chair
Dan Nelson, Vice Chair
Amita Patel, Treasurer
Teresa Chapman, Secretary

The Nominating Committee submitted the above people for the positions as listed. Marv Mitchel asked for any nominations from the floor. There were no other nominations.

Motion to approve the officers as listed above was made by Teresa Chapman, Second Matt McCollom. Motion was approved.

H. Unfinished Business

01:08:45 Audio Tape

- a. 2018 RCVB Sales Plan and Budget Review

The 2018 RCVB budget was included in the packet. Brad Jones talked about the RCVB budget. The biggest adjustment is in marketing this year – there is more spending in this area. The sales goals have been set for 2018. All sales people exceeded their sales goals for 2017. When preparing the RCVB budget, the RCVB utilizes their department chairs for their budget. Comments were made that the RCVB budget is supposed to be presented and approved in the October meeting of the MCC Commission. The RCVB Board approves the RCVB budget in November. Matt McCollum asked Brad to bring budget numbers to the MCC Commission meeting in October 2018 – as a preliminary budget.

ACTION: Brad Jones to bring preliminary budget number to the MCC Commission meeting in October 2018.

- b. 2018 MCC Marketing Plan and Budget Review

The marketing summary was included in the packet. Mary Gastner talked about the marketing plan. Erin Okins is the MCC marketing liaison. In the RCVB contract with the City, the marketing budget is to be a collaborative effort with the RCVB and MCC. The RCVB marketing budget is about 8% of their overall budget. The marketing plan is supposed to be presented and approved at the November meeting. In the future, the marketing plan will be consider a 3-5 year rather than just one year plan.

c. Arena Task Force Update

The City Council has tabled the Arena Task Force.

I. Other Business

01:28:32 Audio Tape

a. Recognition of Commission Member Service

There are three people leaving the Mayo Civic Center Commission this year: Jerrie Hayes, Heidi Mestad and Marv Mitchell – all three are original Mayo Civic Center Commission members. Due to term limits, Jerrie Hayes and Marv Mitchell must both step down. Heidi Mestad has found her new job challenging, and asked the Mayor to replace her. Marv has agreed to attend until his replacement is named. Donna Drews recognized Marv Mitchell for all he has done while on the Mayo Civic Center Commission. Marv commented that the first two years of the Mayo Civic Center Commission (started in January 2014) were storming years, the last two years have been norming years. The next time period requires that the MCC Commission stay focused and perform the duties required as stated in the City Ordinance establishing the MCC Commission. There is a lot of work to be done, including revisiting the financial potential tied to exclusive food, beverage and catering services. All aspects of such an arrangement need to be considered including the political, customer, community and revenue potential impacts while always keeping the customer first in all we do. Marv asked the commissioners to continue to assert their authority over the Rochester Convention and Visitor's Bureau (RCVB) as it relates to the Mayo Civic Center. According to City Ordinance, the MCC Commission is the governing authority, and by appointment of the Mayor, has fiduciary responsibility for this facility. Overseeing MCC's sales and marketing functions as stated in the City's contract with the RCVB is the Commission's role and vital to MCC's success. Marv reiterated that the Commission is the governing authority – it is not the other way around. Be sure the MCC Commission is well represented at the RCVB Board and Executive Committee Meetings. Marv recommended that the RCVB meeting agendas should frequently include discussions on MCC sales and marketing strategies. Currently there are a lot of topics discussed at RCVB meetings by MCC is rarely a focus. If you look at the RCVB contract with the City, the care and feeding of the MCC is its primary objective.

Donna Drews prepared a PowerPoint presentation reviewing the past year – she highlighted the Grand Opening in May, some of the events that took place during the year, and the last slides were the artwork being readied for transport from California to Minnesota (the artwork had the shipper's wrapping removed today – 12/13/17).

ACTION: Active participation on the RCVB Board and Executive Committee

J. Adjournment

01:37:57 Audio Tape

Motion was made to adjourn by Marv Mitchell at 4:37 PM.

Next Meeting: Wednesday, January 10, 2018 at 3:00 PM