

River's Edge Convention Center Advisory Board

Meeting Notes – April 11, 2017

Present Jodi Domeier, Patty Gaetz, Marty Mahowald, Alvin Yu

Not Present Julie Lunning, Scott Raden

Staff Present Bill Dunsmoor, Rich Gallus, Tony Goddard

1. The meeting was convened at 5:05 pm at the Convention Center.
2. The Board considered the minutes of February 14, 2017. Goddard noted that Councilmember Hontos had emailed a correction relating to City Council action, and that the correction is apt. After discussion, the Board approved revised minutes, which will be circulated with the next meeting packet. The corrected language reads: "Key to the project is the Administration's proposal to seek Legislative authorization to increase hospitality taxes; the Council, at its regular meeting of 2/13/17, added that to the City's Legislative Priorities. If Legislative authority is received, the Council would need to enact an ordinance in order to increase hospitality taxes, following public hearings."
3. Goddard then commented that the Legislative proposal did not move forward and is dead for this session. There apparently was lodging business opposition that cause Legislators to withdraw the bills that had been proposed in both Houses. He went on to say that he is working with finance consultants to determine what the City's capital capacity as it relates to the MAC, River's Edge, and Paramount. The Administration intent is to bring forward a budget proposal for 2018 that addresses the mounting capital needs.
4. The Board reviewed the 2016 financial reports that had been distributed in the meeting packet. The City's new finance system provides clear revenue and expenditure reports, but still has shortcomings: timing is still slow; we still do not have March 31, 2017 reports available, for example; and there is no history before 1/1/16. Goddard will continue to create his own historical report to allow trends. The 2016 results were very positive, showing another year of steady revenue and profitability gains. We came very close to covering all of the operating costs with earned revenues alone – 98.7%. Goddard answered questions about several income and expense categories. The Board had an extended discussion of energy consumption. Electrical consumption dropped significantly, due in large part to lighting improvements. Dunsmoor estimates that we have made about 80% of the possible lighting upgrades. We do not yet know estimated savings from replacing aging HVAC and boiler equipment, but believe they will be substantial. Goddard commented that rooftop solar installations could also generate significant revenue if we can manage to replace the aging roof.
5. The Board reviewed draft policy for the use of the two outdoor spaces available for programming: the riverside plaza and the parking space under the West parking ramp. After discussion, the board supported the draft policy, with the understanding that management is still refining the alcohol service section.
6. Gallus distributed a draft revision of our evaluation form, based on previous discussion and recommendations from Alvin Hu. The board discussed and commented, gave direction to the staff to continue toward an electronic version, incorporating comments. There was further

discussion about social media management, which is already quite active. Management staff routinely monitor social media and we contract with Dayta Marketing to support. Prof. Hu offered to perform any statistical analysis that we might want. He suggested that we consider using the Net Promoter Score methodology to place our ratings in a broader context.

7. Dunsmoor provided an update of recent operations at the facility, noting that this is a very heavy season which pushes the operations staff to the limit. In March and April we will have 74 separate events, several of them multiple days, and host 32,000 patrons. The April 22<sup>nd</sup> Newsboys concert is sold out at 3,000 seats. The past weekend, we hosted two new events – a model train show and a gun show, both of which had been displaced from the St. Cloud Armory, which is being refurbished. Both shows were successful, despite our prices being higher than the Armory, demonstrating that we provide good value. The train show has already committed to return for two future dates and the gun show is interested. Dunsmoor also gave an update on the construction project that will add an elevator to the east side of the building, greatly enhancing flow within the building and access to the plaza and trail.
8. Next Meeting: Tuesday May 9, 2017, 5:00 pm
9. Adjournment at 6:35 pm.

Submitted by Tony Goddard