

MINUTES

Grand Forks Events Center Commission

Wednesday, July 13, 2022 | 12:00 pm
Ballroom 5 & Conference Line



Call to Order: Jay Kleven called the meeting to order at 12:14pm.

Roll Call

Present: Jay Kleven, Pat McLean, Matt Walkowiak, Russell Kraft, Jarrod Spoor, Erik Martinson, Julie Rygg, Ken Vein, Greg Rixen

City: Mayor Bochenski, Todd Feland, Dana Sande, Danny Weigel, Rebecca Osowski, Bret Weber, Tricia Lunski, Kyle Kvamme, Maureen Storstad, Mike Vatnsdal, Candi Stjern, Tim Skarperud, George Hellyer

Alerus Center: Anna Rosburg, Jonathan Greene, Brandon Ruege, Derek Hoffert, Shelby Looker, Toryn Jones, Allen Hess, Polina Selinevich, Trevor Hahn, and Anna Heath

Guest: Rick Hontz

We have a quorum.

Thank You Pat McLean & Welcome Greg Rixen

Jay Kleven introduced Pat McLean. Anna presented Pat with a gift and he gave a short speech thanking everyone and for praising the work done within the commission and thanked everyone for his gift. Jay proceeded to introduce new commission member Greg Rixen from Happy Harry's.

Finance & Renovation Commissioner Appointment

Jarrod Spoor was nominated for the position being vacated by Pat McLean for this committee.

A motion was made to approve this by Matt Walkowiak; seconded by Ken Vein.

Motion passed unanimously.

2021 Overview & 2022 Outlook

Anna gave a recap of the big year that was 2021 for the Alerus center, touching on the big shows that moved to football the next day. The come back from Covid and the large amounts of events that made the year a success. 2022 has also been a big year so far with a busy fall with lots of shows and football. This is also on track to be a profitable year.

2023 Budget Overview

Anna began with the process of the budget approval process. This includes a healthy number of events each year, between 380-420 events. Anything too far over this becomes a drop off of profitability. For 2023 they are looking for a profitability of \$109,000 and approximately 415 events. 2022 was down as a rebuild year from covid and an expected loss but we are on track to

be a profitable year too. 2021 took a loss over \$253,000 but we have rebounded well from the pandemic and it's showing so far in 2022. Returning to normal spending, going back to conferences and rebounding with events and positions and getting back to business as usual. Brandon recapped the financials for May and rolling forecast from June's commission meeting.

Capital Forecast & Portfolio

Jay mentioned that the capital project plan budget has been approved then handed the next part over to Mayor Bochenski to present his Capital Reserve & Quality of Life Facility Funding slides, focusing on the sales tax for the Alerus expiring in 2029 and how to continue to improve funding on the community projects on behalf of the park district projects and BMX projects, all projects that have been created to keep families in the greater Grand Forks area, instead of traveling out of town.

Mike Vatnsdal reviewed the capital reserve for the Alerus and reflected on interest rates, inflation and the reinvestment of the funds available. He also reviewed the portfolio balance projections at the sunset of the sales tax in 2029 and the solvency of the portfolio with the changes from 21 to 22 and shaving off \$10million that will change the estimated date solvent dates by about 20years.

Todd Feland then reflected on the quality-of-life market capture focusing on more young families, youth amenities to attract visitors and the amenities and events that drive people to local businesses during their stays.

George Hellyer, director of parks, discussed possible locations for future facilities to include the lot south of Alerus Center, Columbia Mall and between the Icon and Choice fitness for indoor turf, courts and aquatic center, respectively. Currently conducting a feasibility study with the public to hear their wants, needs and get input. Next step will be construction costs and finally the operational costs with upkeep and running the projects into the future.

Mike stepped in again and went over the financials and longevity with the current sales tax, bond maturity, capital needs of the Alerus and quality of life bond. Then went over the funding scenario of the above-mentioned bonds and sales tax. It was stated that all the facilities will be city owned and all receive a share of the sales tax.

The Mayor concluded that he's all for a community for the kids and that there is a need for these facilities and being able to fund these items. This is a great start in the planning of the future of the community for young families.

Management Reports

- a. Executive- Anna focused on the last 5 years since Spectra/OVG360 took over the building and records set in this time.
- b. Finance- Brandon reported the summer project to streamline the events folders and looking forward to the new staff accountant to start and helping out
- c. Operations- Trevor indicated it's the slow season and they are busy maintaining the facility to prep for the busy season after Alan Jackson.
- d. Food and Beverage- Allen said that his staff has been busy with weddings, banquets, conferences and concerts, backstage catering and prepping for the fall. New POS system is up and running but will be perfected when the networking project is complete.
- e. Partnerships- Derek stated since 2017 there's been a 121% increase in gross partnership revenue and signed on 128 new partners. Still saw growth of 6% during

- the pandemic. This year were at 104% quota, 8% over last year. BMX revenue is up 12% this year. All the suites are sold, and the naming rights also sold for Steamatic Lounge with 60 seats added, 44 seats in upper suite level, over 200 on the bridge deck and 120 in Peterson Porch. 102% inventory growth and annual contract renewal is up 103%.
- f. Marketing- Toryn said that his goal is over 100,000 tickets sold for the year. All the social media followings have increased significantly over the last 5 years from an almost non-existent level. He also noted that Ticketmaster is able to break down ticket sales according to regional/location sales and Grand Forks, East GF only account for about 5% of actual sales, closer to 15% for the smaller shows.
 - g. Conference Sales- Shelby talked about 404 events for 2021. The Frozen Faceoff tournament fed 4 teams over 6 days was just over 1300 meals served. Currently sitting at 300 events but our goal is 408 for the year. Bookings for the fall will be going up for the fall with a blitz to book for holiday parties and meetings. Then she discussed some of the other events that bring in big dollars for the conference center side.
 - h. Events- Polina touched on summer projects including the event workbook and Emergency Action Plan and some fulltime staff attended bomb training. The first football meeting was held earlier and preparing for the fall now once Alan Jackson is over.

Committee Reports

- a) Visit Greater Grand Forks – Julie passed along that the ND Travel Industry conference that was held at the Alerus came back as the highest rated conference ever held at the Alerus.
- b) UND update –Erik thanked everyone at the Alerus and also mentioned the football meeting

Other Discussion

Rick Hontz for OVG360 praised the Alerus appreciated the kudos from the city and that we are still moving forward and looking toward bigger and better things with this merger.

Adjournment

***A motion was made by Russell Kraft to adjourn; seconded by Ken Vein
Motion passed unanimously.***

Meeting adjourned at 1:40pm.

Respectfully submitted,
Anna Heath

Jay Kleven
GFEEC Chair