

**MINUTES OF THE METROPOLITAN ENTERTAINMENT & CONVENTION  
AUTHORITY BOARD OF DIRECTORS MEETING – JULY 12, 2016**

A meeting of the Board of Directors of the Metropolitan Entertainment & Convention Authority (“MECA”), a Nebraska nonprofit corporation, was called to order by Chairwoman Diane Duren at 10:00 a.m. on July 12, 2016, in the MECA Board Room at CenturyLink Center Omaha, 455 N. 10<sup>th</sup> Street, Omaha, Nebraska.

**Roll Call:**

Present: Chairwoman Diane Duren, Ms. Susie Buffett, Mr. Jay Noddle, Mr. Willy Theisen, and Ms. Dana Washington.

**Proof of Publication:**

Notice of the meeting was published in *The Daily Record* on July 5, 2016, and in the *Omaha World-Herald* on July 5, 2016.

A copy of the Open Meetings Law was posted on the table near the side entrance to the MECA Board Room.

**Approval of Minutes:**

Mr. Noddle moved for approval of the minutes of the June 7, 2016, MECA Board Meeting, seconded by Ms. Washington.

Motion carried: 5-0.

**President/CEO Report:**

Mr. Roger Dixon stated that he could not be more proud of the entire MECA team for their hard work and dedication ensuring that both the Men’s College World Series (CWS) and the U.S. Olympic Swim Trials were very successful events. The hot and humid weather, as well as rain delays, were a factor that affected the CWS this year. Regardless, the CWS was well-run and transitioned seamlessly into the U.S. Olympic Swim Trials. There were four days of overlap between the two major events with no problem whatsoever. Mr. Dixon acknowledged issues with the concessions for the final game of the CWS. The time of the game (12:00 noon on a work day) made it difficult for Levy’s workforce, which is made up of 80-90% of not-for-profit groups, to take time off from their regular jobs and be available on the unscheduled day.

**Other Business:**

**Convention Center Sales & Marketing Update**

Ms. Denise Niebrugge reported there are currently 171 events on the books utilizing 290 event days for 2016 - 2017. Since the June 7, 2016 Board Meeting, 12 events with 23 event days and over 2,200 hotel room nights have been added. In addition, nine new license agreements have been signed.

Ms. Niebrugge will be attending the American Society of Association Executives (ASAE), which is an annual event attended every August with the Omaha Convention & Visitor’s Bureau (OCVB). This trade show for executive associations will be held in Salt Lake City, Utah. This team will also attend the

Connect Marketplace event at the Gaylord in Grapevine, Texas at the end of August. They will have one-on-one appointments with associations, corporate, and sports markets.

Lastly, Ms. Niebrugge provided an update for the new Marriott Hotel. The OCVB was notified that a manager, Ms. Lori Singer, was hired to take the lead. The hotel will be posting the director of sales and marketing, and general manager positions in the next seven to 10 days.

### **Corporate Sales and Marketing Update**

Mr. Tom O’Gorman stated that MECA is in the process of going through the overall review of the bungalows and rentals. Surveys have been sent to all clients asking questions about their individual experiences and requesting feedback. There were a lot of people who toured the bungalows and the comments made at that time were all positive. Mr. O’Gorman believes that as MECA moves forward with this endeavor, there will be a better return on bungalow rentals.

At TDAPO, there are 551 Club seat account renewals. Club seats are currently at a sold-out status. At CLCO, the Club seat account renewals consist of 384 accounts, with the process nearly complete. Mr. O’Gorman will start the process to find new buyers for the 50 seats that didn’t renew.

Most everyone in the performance industry likes to wait through the summer months when people are on vacations before they start announcing new on-sales. Announcements will begin in September and it looks to be a very good year for MECA.

### **Operations and Technology Update**

Mr. Kevin Raymond stated that after the dust had settled from hosting the CWS and the U.S. Olympic Swim Trials, MECA welcomed over a half-million guests through both facilities in just 17 days. Looking back to reflect, that number is unbelievable and would not have been possible without the commitment of a world-class staff. Mr. Raymond specifically recognized Ms. Katie Bassett, Stadium Manager, and Mr. Dan Blank, Turf Field Manager, and their entire staff for their hard work and dedication in making TDAPO perform and look its best for the CWS. It was very hot and humid with rain delays. This was the first year both “if necessary” games were played on Saturday. It was also the first time in the history of CWS that the championship game was played on Thursday. They met every challenge that presented itself, and rather than just doing what was needed to get by, they tried to make it better. This attitude was echoed by MECA’s part-time staff, who had either called or emailed their supervisors asking to help when it was announced the game would be played on Thursday. There is phenomenal commitment from MECA’s full-time and part-time employees and Mr. Raymond is proud to be part of that team.

At CLCO, focus shifted to the U.S. Olympic Swim Trials and the relief of air-conditioning, as the staff was becoming very tired. Nevertheless, the staff’s relentless passion and commitment to every single event, regardless of the day, time, or overlapping was outstanding. Mr. Raymond specifically recognized Mr. Matt Burcham, Director of Events, and Ms. Krystal Shiers, Director of Facility Operations, for doing a great job balancing the scheduling and management of staff.

Finally, on Tuesday, July 5 there was an issue with power in the arena. State and federal regulations stipulate that the Omaha Public Power District (OPPD) must test and transfer circuits on a monthly basis. CLCO experienced three consecutive issues that resulted in total loss of power to the arena. Typically, OPPD transfers power from one circuit to the other and then shuts off power. However, due

to human error, the power was not transferred before being shut off. MECA has a substation in the back of the building (which is referred to as the ATO switch) that regulates the power so that if power is lost unexpectedly, it would transfer. That hardware failed. Lastly, MECA has a generator for both sides of the building that did not start due to low fluid levels. Corrective actions have been taken to ensure that this does not happen again. OPPD is updating their procedures manually so nothing gets turned off before confirming that it has been transferred. Hardware tests will be run monthly to make sure if there is an unexpected outage, the hardware will in fact transfer to a different circuit. Internally, the annual maintenance on the generator will be changed to semi-annual. The generator will be fired up monthly and a manual check for leaks, etc. will be completed. Mr. Raymond expects with all three new procedures in place, this occurrence will be avoided in the future.

Chairwoman Duren noted that although the power outage was disruptive, at least it occurred after the two major events were done. Mr. Raymond responded that OPPD does look at MECA's event schedule and schedules maintenance accordingly.

### **Levy Restaurants Update**

Ms. Chris VanDorn echoed the sentiment of being proud of the commitment of the Levy team and then provided a breakdown of the statistical information for the CWS. Levy saw a swing this year in the menu mix, with 2015 food sales being at 60% and beverages at 40% of the total sales. This year, with the combination of beer and wine sales to the general public, as well as the extreme heat, food actualized at 40% and beverages increased to 60% of the total sales. The 2016 total sales were up just over 27%. Going into the CWS, Levy calculated the beer and wine sales at 400 units per 1,000 people. It actualized very close to that number at just over 430 units per 1,000 people. As Levy projected to be the case, wine appealed to a small sector and only made up about 2% of those units. Draft beer based on availability around the concourse was about 62% of those units. Can beer, which was made available when the NCAA approved the portable locations, was about 36% of total units sold. There was increase of just over \$2.00 in per caps from the prior year. Ms. VanDorn reviewed a few of the top selling items which included: bottled water at 86,394 units; souvenir soda 32 oz. and 24 oz. at 56,171 and 24,970, respectively; waffle cones at 22,979; jumbo hotdogs at 29,383; the walking nacho at 2,686 units; the grounds crew taco at 1,411; signature burger at 1,145; the re-concepted Reuben at 730 (almost double from prior year); and the big hit of the Series was the giant South O taquitos. Chef Al prepared 200 of the giant taquitos, hoping that it was not too many, nearly 900 – or four times that amount were sold. The ability to review how all these items perform will provide the chefs a very good starting point in determining next year's menu.

The U.S. Olympic Swim Trials typically is not a high-profile concession event due to event sessions being shorter. Levy did provide a significant amount of catering throughout the building. The most popular offerings were the action stations provided in the Lexus Club. Due to the event ending in July, Levy is still finalizing some of the last orders but anticipates final sales for 2016 will represent a 20% increase from 2012.

Chairwoman Duren inquired if Ms. VanDorn had received any feedback from the members of the national Levy leadership who were in town for the Swim Trials. Ms. VanDorn responded that they were amazed and raved about the facility, offering kudos to MECA and its staff. They could not say enough about the great event.

### **Public Relations Update**

Ms. Kristi Andersen stated that the media coverage was fantastic on a national scale for both the CWS and U.S. Olympic Swim Trials. According to information provided by the OCVB on media monitoring, the CWS had approximately \$18 million worth of television/radio ad value alone with more than 106 million impressions. The Swim Trials had a television/radio ad value of more than \$4 million and 44 million impressions. The reach is much higher when you add the online and print numbers. All-in-all millions of dollars worth of coverage and publicity were received for the City of Omaha during these two major events.

The two big local stories were parking during the overlap of CWS and the Swim Trials and the service of alcohol to the general public at the Stadium. Ms. Andersen was happy to report that there were not many issues at all. Information on parking was communicated proactively, with MECA giving guests additional options to park. The local media did a very nice job of helping spread that message and it seemed to go well. The feedback received was all positive and this ended up being a non-issue. There were few incidents regarding alcohol during the CWS. Internally, 16 total alcohol-related incidents included suspending alcohol service to a guest and removal from or denied access to the Stadium due to the appearance of intoxication. Protocols and practices seemed to work very well. The Omaha Police Department's (OPD) enforcement outside the Stadium reported a total of 78 citations, whereas last year there were 97 citations during the CWS. The number was down and OPD saw a significant drop in the amount of open containers on the street compared to last year.

Both events went very well from a guest services standpoint. MECA received a lot of positive comments from the event organizers - from NCAA to USA Swimming, guests and the athletes themselves raved about the facilities.

Mr. Theisen noted that when he wasn't attending the events, he watched it on television and the announcers were constantly flabbergasted by how two events running simultaneously could go so well. Omaha looked very good.

Finally, Mr. Noddle added that MECA should consider looking at the Summer Fest event in Milwaukee, Wisconsin as a comparable for other events in the future.

## **Committee Updates:**

### **Internal Governance Committee**

Ms. Dana Washington reported that the Internal Governance Committee met on Tuesday, July 5, 2016, at MECA's offices. In attendance were Ms. Washington; Chairwoman Duren; Mr. Dixon; Ms. Tabitha Chase; and Mr. Bob Freeman. The meeting began with a presentation by Mr. David Brisson and Mr. Tim Vanderloo, Financial Advisors with Wells Fargo. The advisors provided a full overview of MECA's investment policy and strategy. The Committee conducted a review of the Second Quarter 2016 Investment Summary and found the summary to be reasonable and consistent with policy. The Committee reviewed the May 2016 Financial Statements. After overviews from and discussions with Ms. Chase, the Committee found the reports to be reasonable compared to plan and prior periods and consistent with standard MECA accounting practices. The Committee reviewed the proposed 2016 - 2017 Budget and found it to be reasonable and consistent with prior year's management discussion with the Board. The Budget has been submitted to the full Board. Finally, the Employee Gift Log was reviewed for May 2016 to ensure compliance with the Code of Business Conduct and Ethics Policy. No unusual items were noted.

### **Real Estate Committee**

Mr. Jay Noddle stated the Real Estate Committee has been very busy. Consultants were in town for a four-day workshop the week of June 13 and met with each of the stakeholders, plus some. At the end of the workshop there was a short presentation. A draft is being prepared of the findings and the Committee is due to receive a distribution of those materials in the next week or so. There will be another working group meeting on August 3, which will be followed by a Committee meeting on August 8 or 9. Mr. Noddle believes the Committee will be finished with the site planning and concept design portion by the end of October.

### **Contract Approvals:**

Chairwoman Duren indicated there are three contracts requiring approval today.

### **CLCO**

#### **10 Men LLC**

**RESOLVED**, that the Agreement between MECA and 10 Men LLC to provide all labor, equipment and materials to resurface the roof above Exhibit Hall C and five awnings at CenturyLink Center Omaha, as more fully described on the attached summary, is hereby approved, and Roger Dixon as President/CEO is authorized on behalf of MECA to execute the Agreement following its finalization in a form reasonably approved by counsel.

Chairwoman Duren invited public and Board comment and asked for a motion.

Moved by Mr. Theisen, seconded by Ms. Buffett.

Motion carried: 5-0

#### **Commercial Flooring Systems, Inc.**

**RESOLVED**, that the Agreement between MECA and Commercial Flooring Systems, Inc. to provide all labor, equipment and materials to repair and seal approximately 206,000 square feet of concrete floor in the exhibit hall at CenturyLink Center Omaha, as more fully described on the attached summary, is hereby approved, and Roger Dixon as President/CEO is authorized on behalf of MECA to execute the Agreement following its finalization in a form reasonably approved by counsel.

Chairwoman Duren invited public and Board comment and asked for a motion.

Moved by Mr. Noddle, seconded by Ms. Washington.

Motion carried: 5-0

#### **Daktronics, Inc.**

**RESOLVED**, that the Agreement between MECA and Daktronics, Inc. for the design, supply, installation and configuration of four pro-table video displays at CenturyLink Center Omaha, as more specifically set out on the attached summary, is hereby approved, and Roger Dixon as President/CEO is

authorized on behalf of MECA to execute the Agreement following its finalization in a form reasonably approved by counsel.

Chairwoman Duren invited public and Board comment and asked for a motion.

Moved by Mr. Noddle, seconded by Ms. Buffett.

Motion carried: 5-0

### **Presentation of Best Practices and Convention Center Sales**

Mr. Dave Radcliffe with The Radcliffe Company (TRC) introduced himself and explained that his company had been commissioned by the OCVB and MECA to conduct a “best practices” study to evaluate the current convention sales performance and the corresponding interface with the CLCO. The goal of this analysis was to identify, within a competitive context, the extent to which both the OCVB and MECA may avail themselves of industry standards and best practices in meeting their respective missions. The analysis and evaluation represents an appropriate response to the challenges of successful destination marketing in today’s complex environment and shifting trends in the most common models of organizational structure employed by communities seeking enhanced economic impact as a result of visitor spending.

For the purpose of TRC’s study, a competitive and comparative review of a six city set (Omaha, Grand Rapids, Des Moines, Louisville, Cincinnati and Milwaukee) was used to identify any trends or operational differences that might reflect best practices. Mr. Radcliffe discussed the more notable items that were revealed upon the study of space costs, booking policies, organizational deployments, and operating budgets. These items are important because all of these cities share the same mission in marketing the destination, as well as the public assembly facilities within each market.

In conclusion, TRC believes that the evolving relationship between MECA and the OCVB is currently on the right track with the improved communication ultimately leading to an enhanced business success. Mr. Radcliffe then discussed several recommendations intended to identify organizational efficiencies and improve competitive position. The OCVB, by comparison, is underfunded and is ranked number two just over Des Moines. The City should consider allocating more funds to help the OCVB compete for more convention business for the City of Omaha. CLCO should consider adding more meeting rooms. More restaurant and entertainment options should be developed within a convenient walking distance of CLCO. Officials should consider offering circular or transit options to help guests easily get to the Old Market area, which has important appeal.

A paper copy of Mr. Radcliffe’s slide presentation shall be placed with these minutes.

### **Next Board Meeting**

The next MECA Board of Directors Meeting is scheduled for Tuesday, September 13, 2016, at 10:00 a.m. in the MECA Board Room.

### **Executive Session**

Chairwoman Duren stated the time of 11:02 a.m. and invited a Motion to enter into closed Executive Session for purposes of discussing personnel, real estate and potential claims matters.

A Motion to go into Executive Session for these specified purposes was made by Ms. Washington, seconded by Mr. Theisen.

Motion carried: 5-0.

**Adjournment**

At 11:35 a.m. a Motion was made to come out of Executive Session and to adjourn, made by Mr. Theisen, seconded by Ms. Washington.

Motion carried: 5-0

Adjournment (11:35 a.m.)