

**MINUTES OF THE METROPOLITAN ENTERTAINMENT & CONVENTION
AUTHORITY BOARD OF DIRECTORS MEETING – JANUARY 10, 2017**

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 8:00 a.m. on January 10, 2017, in the MECA Board Room at CenturyLink Center Omaha, 455 N. 10th Street, Omaha, Nebraska.

Roll Call:

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

Proof of Publication:

Notice of the meeting was published in *The Daily Record* on January 3, 2017, and in the *Omaha World-Herald* on January 3, 2017.

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. Theisen moved for approval of the minutes of the November 18, 2016, MECA Board Meeting, seconded by Ms. Buffett

Motion carried: 5-0.

President/CEO Report:

Mr. Roger Dixon stated that MECA has awarded Kiewit Building Group, Inc. a sole source construction contract in a unique situation requiring immediate modifications to the weight-bearing rigging points in the Grand Ballroom at CenturyLink Center Omaha (CLCO). Safety concerns were raised in November, and time was of the essence to complete this project in December.

Mr. Dixon noted that the Board approved this contract via a Consent Resolution in December due to safety, project familiarity, timing and revenue protection considerations.

Chairwoman Duren stated that the Board considered it a real safety issue, and therefore required immediate attention. Mr. Noddle agreed, stating it was very helpful to be able to reach out to Kiewit who is familiar with the building operates under a Master Agreement with MECA and was able to meet the timing requirement. Mr. Theisen also observed that Kiewit completed the comprehensive work within a short time window.

Other Business:

Convention Center Sales & Marketing Update

Mr. Dixon stated that he will be reporting for Ms. Denise Niebrugge as she is current attending the Professional Convention Management Association (PCMA) conference in Austin, Texas. There are currently 139 events on the books utilizing 261 event days for the fiscal year 2016-2017. Since the

November 18, 2016, Board Meeting, 22 events and over 10,853 hotel room nights have been added. In addition, 24 new license agreements have been signed.

Ms. Dixon announced that MECA has secured three more city-wide events. The Western Interstate Child Support Enforcement Council (WICSEC) will be in Omaha in October, 2018, with over 1,400 hotel rooms. Later in January 2018 the Religious Conference Management Association (RCMA) will have approximately 350 meeting planners in Omaha utilizing over 3,100 hotel rooms. The third event is the American Association of Woodturners which will be in Omaha in July, 2021, with over 2,500 hotel rooms.

Corporate Sales & Marketing Update

Mr. Tom O’Gorman stated that since the last Board meeting on November 18, 2016, he had the opportunity to go to New York to meet with Creative Arts Agency (CAA), William Morris Entertainment, Paradigm, and AEG Live. It was especially important to get in front of Paradigm, as they represent Coldplay and several other artists that will be announced in a month or two. All in all, it was a productive trip with great networking opportunities. Mr. O’Gorman also noted that the Green Day concert was announced yesterday.

Finally, Mr. O’Gorman stated that the renewal period for Club seats at TD Ameritrade Park Omaha (TDAPO) has begun. CLCO is currently at 99% renewals because of single seats still available.

Operations and Technology Update

Mr. Kevin Raymond stated that this December was an active month with events, specifically the Terence Crawford boxing match and Creighton University Men’s basketball which occurred on the weekend of December 9. The turnaround time was very tight with both events. Mr. Raymond commended Mr. Matt Burcham and Ms. Krystal Shiers and their entire staff for a job well done, noting this as an example of MECA’s dedicated and hard-working staff.

Mr. Dixon also noted that MECA certainly appreciates the partnership it has with Creighton University. The December 10 date was the original date of the Men’s basketball game, but Top Rank Boxing wanted the date for the Crawford/Molina boxing match. Mr. Bruce Rasmussen contacted the opponent and worked to move the game to December 9.

December is typically a month where projects can be completed. The banquet office was cleaned, painted, and new cubicles were installed. New furniture was received and placed in the convention center which is a very nice new amenity for guests. It’s been a light winter, but there have been streaks of very cold weather which has provided some challenges. CLCO had some pipes that froze on the mezzanine above the convention center exhibit hall. The freeze actually caused one of the fire heads to freeze and burst. There was some water damage, but it was contained to Show Office C which has been completely repaired and is back to usable condition. On Christmas morning, a very rare thunderstorm occurred that caused a high-voltage electrical surge at TDAPO. Three of the main fuses in the primary transfer switch were blown. Power was transferred to MECA’s generator, and this was used for a few days until it was trouble-shot and repaired. Mr. Raymond was happy to report that the new TDAPO Stadium Manager, Mr. Nate Stahlacker, was quick to contact the contractors and did an excellent job resolving the issue. Lastly, as Mr. Dixon mentioned, MECA did replace the 75 sky hooks in the Grand Ballroom. The project is nearly complete with the exception of a small amount of electrical work. Mr.

Raymond expects the work to be finished today and noted that Kiewit did great job with the expedited project.

Levy Food and Beverage Update

Ms. Chris VanDorn reported that since last the Board meeting, the Levy team has been busy with the Creighton University Men's basketball games, the Terence Crawford/John Molina Jr. boxing match and 17 group sales events. The December 31 basketball game against Villanova was Levy's highest grossing food and beverage revenue for Creighton in building history. Levy will staff and prep for all future games as sell-outs. At this point in January, it is hard to believe that Levy is already looking ahead to Creighton University Men's Baseball season, but it is officially less than 60 days to opening day at the Stadium, and the first planning meeting was held yesterday. New suite menu planning has begun with Levy Corporate for the new menus and new menu items at TDAPO.

Every year in December, Levy Corporate holds an end-of-the-year update meeting in Chicago. Various locations are recognized for achievement in different areas. Ms. VanDorn was happy to report that they were recognized in five areas: 1) Financial results – all financial targets were exceeded for the year, and they ranked among the highest in the company which qualified them for the president's trip; 2) Honorable mention for the Golden Gavel Award which is a legal compliance and low-risk in predetermined areas of their operation; 3) awarded the President's Excellence Award for Safety and Sanitation as a result of numerous inspections completed throughout the year; 4) awarded the 4th Quarter Shared Smiles Award as part of the Levy Cares effort. Ms. VanDorn was excited to present the trophy to the Board. It will join the other prestigious awards located in the display case in the lobby. Every quarter the Shared Smiles Award is given to a location that demonstrates outstanding contribution to their local community. This award in particular was given for the combination effort of Levy and MECA provided during the October drive for the Omaha Backpack Program; and 5) based on the Levy Cares work done throughout the year, Ms. VanDorn's team was selected as the recipient for the annual Shared Smiled Award for the entire year of 2016. Some of the groups Levy worked to help are Saving Grace Perishable Food Rescue, Food Bank Backpack Program, Ronald McDonald House, Salvation Army Back To School Supply Drive, Open Door Mission's Project Santa, Salvation Army's BaconFest at the Croc Center, and Eastern Nebraska Veterans Home. The grand prize will be a check on Levy's behalf made out to the local charity of their choice. It was a great 2016 for Levy in Omaha.

Public Relations Update

Ms. Kristi Andersen stated that not only was the Terence Crawford /John Molina Jr. boxing match a lot of work operationally, but for the media as well. Media was in the building from the beginning of the week all the way through the boxing main event. More than 11,000 fans were in attendance. HBO broadcast it live to a national audience, and according to Nielsen Media Research, the TV viewers peaked at approximately 871,000 people watching the fight. This was another successful boxing event for MECA.

The Midlands International Auto Show is scheduled for January 26 - 29. The local media stations will likely be here every morning to do live shots, creating a lot of attention for the show. This is always a fun event, and it's good to be indoors to get out of the cold winter weather. This year's show will feature the all new Lincoln Continental, Chevy Bolt EV, Jaguars, luxury SUVs and for the first time at this auto show, Maserati will be here.

Ms. Andersen reported that CLCO has been working with the Saving Grace Perishable Food Rescue for quite some time. This month they featured CLCO in print, social media, and in their marketing materials as one of their key partners. MECA is one of 30 organizations in the City who donate food to Saving Grace, and this year alone, Levy provided more than 275 tons of food. It was a very nice honor to be recognized. This is such a great organization, and both MECA and Levy are proud to be a part of it.

Committee Updates:

Internal Governance Committee

Ms. Dana Washington reported that the Internal Governance Committee met on Monday, January 9, 2017, at MECA's offices. In attendance were Mr. Stephen Curtiss, City of Omaha Finance Director; Ms. Washington; Chairwoman Duren; Ms. DeAnn Olsen, Mr. Dixon; and Ms. Tabitha Chase. Mr. Jeremy Vokt and Ms. Kailey Riskowski, both accountants with Bland and Associates joined the meeting to discuss the financial statements. An independent auditor's report for the years ended June 30, 2016, and June 30, 2015, was found to be a clean audit with no findings. The Committee reviewed the year-end operating results presentation and the October and November 2016 financial statements. After overviews from and discussions with Ms. Olsen, Ms. Chase and Mr. Dixon, the Committee found the reports to be reasonable compared to plan and prior periods and consistent with standard MECA accounting practices. The Committee then conducted a quarterly review of the Investment Summary and found the summary to be reasonable and consistent with policy. The draft of the new travel policy was discussed, and it will be forwarded to the full Board for review and comment this month and then presented for approval at the February Board meeting. The Committee reviewed outside auditor's bids for 2017-2019. Finally, the Committee discussed future meeting dates for 2017 meetings.

Real Estate Committee

Mr. Jay Noddle stated that the consultants and the Lot B Study Committee have finished their comprehensive report. Chairman Stinson distributed the draft report with a recommendation of the next steps to move forward to the Committee yesterday, which included Mayor Jean Stothert and Chairwoman Diane Duren. This concludes the study by the Lot B Study Committee. Further implementation will be carried out by the Study Group consisting of Mr. Doug Bisson, Mr. Steve Jensen, Mr. Jay Noddle and Mr. Ken Stinson. Mr. Noddle expects MECA and the City to enter into discussions following review. It may be sometime shortly thereafter that the findings and recommendations could be made public. Mr. Theisen questioned the timing of the release of the document in correlation to the Board meeting today, as he was unable to open and review the 500 page document. Mr. Dixon noted that the document will be printed and delivered to the Board. Chairwoman Duren added that the document did not demand an immediate response from MECA, and the fact that it was distributed the night before the Board meeting was irrelevant. It does, however, require that the document be reviewed and discussed among the Board to ensure that everyone is in agreement. Mr. Noddle stated that it will be up to the Board to review the report and recommendations, give comments and ultimately and hopefully, accept both the report and recommendations, as will be the case with the City.

Year End Presentation

Ms. DeAnn Olsen presented the financial results for Fiscal Year 2015-2016 which ended on June 30. MECA's focus in Fiscal 2015-16 remained consistent on staying competitive. Highly attended events generated a substantial economic impact for the City. Improving the fan experience continues to be a

top priority and will be accomplished by reinvesting in the facility. CLCO has been very successful in attracting the types of events that have helped to put the City of Omaha on the map. It is important to the community that CLCO stays among the most successful venues in the country, and MECA will work hard to achieve this goal. Focus will also continue on successfully managing TDAPO.

One million guests walked through CLCO's doors in Fiscal 2015-16! Events contributing to the solid attendance were sold-out concerts including Luke Bryan, Zac Brown Band, two Taylor Swift shows, a world championship boxing match, WWE Raw and comedians like Amy Schumer and other events which attracted good crowds. Major sporting events were the shining stars for MECA this fiscal year. The 2015 NCAA Women's Volleyball Championship and the 2016 Olympic Swim Trials brought big crowds and put Omaha in the national spotlight. Looking ahead, there are a number of highly sought after events that have chosen CLCO, such as this spring's FEI World Cup and 2018's Sweet Sixteen. MECA is optimistic these events and others will give guests ample entertainment options and help achieve goals.

Ms. Olsen stated it was a very successful year. MECA generated a \$4.7 million dollar profit in Fiscal 2015-2016 which represents a 51% increase over the past fiscal year. MECA generated \$43 million dollars in revenue in Fiscal 2015-2016. These funds are reinvested into the facility which becomes more important as the facility ages. Notably, CLCO continues to be a significant driver of economic impact for the community as a whole. According to the Omaha Convention & Visitors Bureau (OCVB), the U.S. Olympic Swim Trials alone were directly responsible for \$74 million in economic impact. Now in its 14th year of operation, CLCO is in need of updating and equipment needs to be replaced. The earnings MECA generates helps fund these requirements. In Fiscal 2015-16, \$1.7 million was spent on improvements. Projects in calendar 2015 and 2016 included the addition of a lactation suite for nursing moms located in the Grand Hallway, meeting room level lounge furniture, and expanding the wireless capabilities throughout the building including free public Wi-Fi in the arena. All of these projects were paid for by MECA - no taxpayer dollars were used.

TDAPO also saw another successful year at the stadium. In May, the Big Ten Baseball Tournament was hosted for the second time. MECA is pleased that the Big Ten has made a commitment to hold their tournament at TDAPO in 2018-2022. The 2016 Men's College World Series (CWS) went to a historic 17 games and drew approximately 341,667 fans, which was the third highest attendance in CWS history. In addition to these events, many corporate meetings and wedding receptions were hosted, and TDAPO is looking forward to welcoming back the Big East Baseball Tournament in May. Financially, TDAPO was again successful in Fiscal 2015-16, generating a net operating profit of \$5.1 million. These proceeds were placed in the "Waterfall" settlement, along with public funding sources, to cover debt service, the NCAA's guarantee, and fund a capital repair and replacement reserve. As a reminder, MECA receives a management fee to operate the facility.

In closing, Ms. Olsen noted that MECA is pleased that in Fiscal 2015-2016 to meet the goals of maintaining solid attendance, growing revenue and profits, and investing to keep this facility looking as new as the day it opened without taxpayer assistance. These objectives, along with working hard to attract and successfully carry out high-profile events for Omaha will continue to be MECA's focus.

Contract Approvals:

Chairwoman Duren indicated there is only one contract requiring approval.

TDAPO

Mamava, Inc.

RESOLVED, that the Agreement between MECA and Mamava, Inc., to purchase a portable lactation pod for TD Ameritrade Park 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 Ms. Washington seconded by Mr. Noddle

Motion carried: 5-0

Next Board Meeting

The next MECA Board of Directors Meeting is scheduled for Wednesday, February 8, 2017, at 8:00 a.m. in the MECA Board Room. [Note: This Meeting now moved to Tuesday, February 7, 2017 at 1:30 p.m.]

Executive Session

Chairwoman Duren stated the time is 8:43 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. Buffett seconded by Mr. Theisen.

Motion carried: 5-0.

Adjournment

At 9:40 a.m. a Motion was made to come out of Executive Session and to adjourn, made by Mr. Theisen, seconded by Ms. Buffett.

Motion carried: 5-0

Adjournment (9:40 a.m.)