

MINUTES OF THE METROPOLITAN ENTERTAINMENT & CONVENTION AUTHORITY BOARD OF DIRECTORS MEETING – JULY 7, 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 8:30 a.m. on July 7, 2017, in the MECA Board Room at CenturyLink Center Omaha, 455 N. 10th Street, Omaha, Nebraska.

Roll Call:

Present: Chairwoman Diane Duren, Ms. Susie Buffett, Ms. Dana Washington, and Mr. Jay Noddle who participated by telephone. Mr. David Jacobson was unable to attend.

Proof of Publication:

Notice of the meeting was published in *The Daily Record* on June 30, 2017, and in the *Omaha World-Herald* on June 30, 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:

Ms. Buffett moved for approval of the minutes of the June 13, 2017, MECA Board Meeting, seconded by Ms. Washington.

Motion carried: 4-0.

President/CEO Report:

Mr. Roger Dixon commended staff for the execution of another great NCAA Men’s College World Series (CWS). Hosting a major event like the CWS is always a big challenge. Last year at TD Ameritrade Park Omaha (TDAPO) the attendance for the CWS was 341,667 which averaged to 20,098 fans for 17 games; and this year the attendance was up to 357,646 which averaged to 22,353 fans for 16 games. The weather was more favorable this year, with the only major problem affecting the opening night ceremonies. Mr. Dixon felt it was an excellent field of teams this year and the Louisiana State University (LSU) fans in particular, helped to create a different, more exciting environment for all. The National Collegiate Athletic Association (NCAA) was very pleased and complimentary of the Series. There were a few comments from fans regarding the new security measures, but for the most part fans understood the need to do it, and the only issue that arose was from days that the completion of the first game ran late.

Mr. Dixon added that MECA is excited to continue on to a very strong concert season.

Other Business:

Convention Center Sales & Marketing Update

Ms. Denise Niebrugge stated that there are currently 110 events on the books utilizing 208 event days for the fiscal year 2017-2018. Since the June 13, 2017, board meeting, 11 events and over 2,000 hotel room nights have been added. In addition, 5 new license agreements have been signed.

Ms. Niebrugge's team, which will now include the Marriott hotel, as well as the Hilton Omaha and the Omaha Convention and Visitors Bureau (OCVB), will be attending the American Society of Association Executives (ASAE) event next month in Toronto Canada. This year the team will be taking Omaha's Old Market District on the road with an interactive experience where attendees are distributed "Omaha Bucks." ASAE will send an e-blast to approximately 4,800 attendees and also include the Omaha Bucks in each of the attendee's bags, and the OCVB is sending wallets that are loaded with Omaha Bucks to 200 targeted meeting planners. Attendees visiting the booth can spend their Omaha Bucks on Omaha Steaks beef jerky, craft brew in an Omaha mug to keep, and they can also be used to purchase Benson Soap.

Corporate Sales & Marketing Update

Mr. Tom O'Gorman reported that focus has now shifted towards a very busy upcoming concert series with three in July and five scheduled for August. Work continues to replace the Mutual of Omaha animal exhibit that was previously located on the concourse.

Mr. O'Gorman also noted that the on-sale for WWE Raw will be today at 10:00 a.m. and the event will take place at CenturyLink Center Omaha (CLCO) in September.

Operations and Technology Update

Mr. Kevin Raymond also took the opportunity to recognize the staff's hard work and efforts for the highly-attended CWS in June. Part-time staff did a great job of volunteering to work extra shifts to accommodate the additional security that was added just weeks before the Series. The general admission lines were at lengths that have never been seen before and adjustments had to be made on the fly. The many hours of hard work, changes and warm weather had no effect on their positive attitudes, professionalism and willingness to help. The additional attendance and decent weather also led to increased interest in the Ferris wheel and other activities on the north lawn area of CLCO. The bubble soccer in particular was a big hit with the kids.

July is typically project time for operations, and this year is no exception. Concrete work began this week on the west side of the Plaza, with the project basically being split in half so guests can continue to be welcomed in for upcoming concerts. Work will take 6-8 weeks and then the east side will be completed. Prep work for the arena roof repair has begun. Materials will be taken up and in the next month or so cranes will be onsite.

Chairwoman Duren inquired about the attendance for the community day where free Ferris wheel rides were provided to the public. Mr. Raymond responded that attendance was good, as there was not a lot going on around the campus elsewhere. The heaviest traffic (about 100 guests per hour) was seen from about 1:00 p.m. to 3:00 p.m.

Levy Food & Beverage 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. The 2017 total sales were up just over 6.2% from last year, that included the opening ceremonies being rained out and only two games in the championship series as compared to three games last year plus the additional day. Food sales increased slightly this year which is being attributed to the moderate temperatures for several of this year's games. The split this year had food sales at 46% and beverages at 54% of the total sales - representing a 1% change from last year. That 1% increase in food represents roughly 25,000 additional food items that were sold. Concessions revenue was up 6% over last year, group sales catering up 11.4%, suites up

3.4%, club lounge up 2.9% and in-seat service was up 25%. As Mr. Dixon previously mentioned, there was increased attendance over last year and Levy experienced roughly a 50% increase in their per caps.

Ms. VanDorn reviewed a few of the top selling items which included: jumbo hotdogs at 30,473; peanuts at 23,506; waffle cones at 23,022; nachos at 17,563; chicken tenders 15,821; pretzels at 15,092; and cheese burgers at 14,333. All seven items were the same top seven as last year. Peanut sales increased by 22.5% over last year's sales – the number of locations did not change. The sales of those seven items represented an 11,000 item increase over last year. Specialty items continue to do well. The sausage cart remains extremely popular with 2,922 foot-longs, bratwursts and Italian sausages sold. Specialty burgers were a big hit; the Home-Run burger, Double-Play and Big-Pig sold just under 3,000. This year the Street Dawg edged out the Cuban Dawg at 2,304 and 2,271. The Grounds Crew Tachos continue to be popular with fans selling 1,478. The two larger items added this year, the "Strike Zone" calzone and the 10th Street Tostada Grande, were more expensive but well received by fans selling 489 and 279 respectively and only available at one location each.

The breakdown of beer and wine sales for this year was very similar to last year. The number of allowable locations remained the same with six portable locations on the concourse. Draft beer was at 64%, canned beer at 34% and wine remained the same at 2%. Levy reported last year that the projection for the amount of beer sales actualized the beer and wine sales at 430 units per 1,000 people. It actualized a little higher than that number this year at just over 475 units per 1,000 people. The ability to review how all these items perform will provide the chefs a very good starting point to determine next year's menu. If alcohol sales are approved again on the concourse for next year, Levy will look at trying to add some additional locations for those canned beer outlets.

Levy had the local health department in for an inspection on CWS opening weekend and received an excellent rating. A week later, Levy's independent health inspection company, Everclean, did an inspection and Levy received a 99.1% out of 100% for the 15 locations that were scored. Also, for the first time at TDAPO, Levy received a QRE Audit (quality and risk evaluation) and although they are waiting for their final score, Levy tentatively received the highest score possible based on their on-site assessment.

Looking ahead, Levy is recruiting a new chef at TDAPO. Chef Al Martinez has accepted a promotion with a new Levy account and will be leaving next week. Levy is very grateful for the seven years he spent in Omaha and wishes him well.

Finally, Ms. VanDorn noted that the kick-off call for Point of Sale (POS) is being scheduled. This is for replacement and upgrades to all the revenue centers in both buildings. This is a significant project for Levy and will be concluded by the first week of October.

Mr. Noddle inquired about how program sales did this year. Ms. VanDorn stated that sales were up by approximately 1,000 programs due to sales only being allowed inside the Stadium.

Committee Updates:

Internal Governance Committee

Ms. Dana Washington reported that the Internal Governance Committee met on Thursday, July 6, 2017, at MECA's offices. In attendance were Ms. Washington, Mr. Bob Freeman, Mr. Steve Curtiss, Ms. DeAnn Olsen, and Chairwoman Duren.

The Committee reviewed the May 2017 Financial Statements. After overviews from and discussions with Ms. Olsen, the Committee found the report to be reasonable compared to plan and prior periods and consistent with standard MECA accounting practices. It was discussed that May came in ahead of budget as a result of the Berkshire Hathaway Annual Meeting, concerts and various other events.

The Committee reviewed the MECA Investment Summary as of May 31, 2017, and found the summary to be reasonable and consistent with policy. The Committee decided to invite MECA's investment auditors from First National Bank of Omaha to attend the next meeting to discuss the investments in more detail.

The Committee continues its review of the Fiscal 2017-2018 Budget. It was found to be reasonable and consistent with prior years and the budget will be submitted to the Board for review.

Finally, the Committee noted that the year-end financials, audit results and Capital Plan will be discussed in the October meeting.

Real Estate Committee

Mr. Jay Noddle stated that although there has been no formal meeting, he, along with Mr. Bob Freeman, are currently working on developing covenants. A meeting with Union Pacific regarding environmental matters will take place later this month.

Next Board Meeting

The next MECA Board of Directors Meeting is scheduled for Tuesday, October 10, 2017, at 8:30 a.m. in the MECA Board Room.

Adjournment

At 8:50 a.m. a motion was made to adjourn, made by Ms. Washington, seconded by Ms. Buffett.

Motion carried: 4-0

Adjournment (8:51 a.m.)