

**MINUTES OF THE METROPOLITAN ENTERTAINMENT & CONVENTION  
AUTHORITY BOARD OF DIRECTORS MEETING – JANUARY 17, 2018**

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 January 17, 2018, 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. Tom Kelley, and Ms. Dana Washington. Mr. Jay Noddle participated via telephone.

**Proof of Publication:**

Notice of the meeting was published in *The Daily Record* on January 10, 2018, and in the *Omaha World-Herald* on January 10, 2018.

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 November 16, 2017, MECA Board Meeting, seconded by Mr. Kelley.

Motion carried: 5-0.

**President/CEO Report:**

Mr. Roger Dixon reported that although November – December tends to be a slower time of year at MECA, this year did not follow suit.

Mr. Dixon traveled to Los Angeles, CA with the Omaha delegation to attend the Golden Goggle Awards in support of USA Swimming. Later in the month, MECA welcomed Mr. Tim Hinchey (the new Chief Executive Officer who replaced the late Mr. Chuck Wielgus at USA Swimming) along with Assistant Executive Director, Mr. Mike Unger, to Omaha and provided an extensive tour of the CenturyLink Center Omaha (CLCO) campus. Mr. Dixon noted that Mr. Hinchey's track record of business achievement and leadership abilities are well-suited for USA Swimming's continued success.

Ms. DeAnn Olsen, Chief Financial Officer, and Mr. Dixon worked with the National Collegiate Athletic Association (NCAA) on the finalization of the 2018 budget for the College World Series.

**Other Business:**

**Convention Center Sales & Marketing Update**

Ms. Denise Niebrugge stated that there are currently 130 events on the books, utilizing 249 event days for the fiscal year 2017-2018. Since the November 16, 2017, board meeting, 24 events and over 11,000 hotel room nights have been added. In addition, 31 new license agreements have been signed.

Ms. Niebrugge, along with the Omaha Convention and Visitor's Bureau (OCVB) and Hilton Omaha have just returned from attending the Professional Convention Management Association (PCMA) at the Nashville Convention Center. It was an excellent networking opportunity with approximately 4,500 attendees that included meeting planners and suppliers.

Ms. Niebrugge was excited to announce that USAE, a publication for the hospitality industry, recently recognized a convention center consortium that began with Ms. Niebrugge and Ms. Linda Erickson, VP of Sales with the Walter E. Washington Convention Center, sitting down for a luncheon in 2007 in Toronto, Canada and discussing the challenges of their industry. This consortium began with a few convention centers participating in a monthly call and has now progressed to over 40 convention centers engaging monthly. The first face-to-face meeting occurred at the PMCA in Nashville with two speakers and over 30 attendees. A website has also been developed where questions can be submitted and users are able to post articles that pertain to the industry and convention centers. This is a great resource for convention centers and an incredible relationship building tool that assists all involved.

### **Corporate Sales & Marketing Update**

Mr. Tom O’Gorman reported that work continues on booking the concert series for 2018. MECA seems to be picking up a majority of the concerts in the months of September, October and November.

This December provided some challenges with the new tax laws pertaining to donations going into effect for 2018. Mr. O’Gorman stated a few contracts had to be renegotiated, and Ms. Olsen, MECA’s Chief Financial Officer, was very instrumental in making sure everything was completed before year-end.

The industry leading publication, *Pollstar Magazine*, released in January its Year-End Ticket Sales report of the Top 200 arena rankings this week and Mr. O’Gorman was happy to announce that Century Link Center Omaha is ranked 42<sup>nd</sup> in the nation and 75<sup>th</sup> in the world for ticket sales by venue.

### **Operations and Technology Update**

Mr. Kevin Raymond stated that December was busier than normal but as MECA hit the holiday stretch it provided a good opportunity for staff to get away from the facility, enjoy the holidays, spend time with their loved ones, and get rejuvenated for what will be another busy year.

Beginning on December 31, MECA implemented the Clear Bag Policy which commenced with Creighton University’s Men’s Basketball team starting their Big East Conference play in a game against the Providence Friars. Overall, execution of the Policy went very well. Ms. Kristyna Engdahl, MECA’s Director of Communications, worked closely with Creighton University and did a very good job in getting the information distributed timely to the fans. Mr. Raymond continues to monitor each game and make adjustments. Last year, MECA added the express lane for fans that are not carrying bags; and since then has expanded to three express lanes in the grand hall area, with two being added to the plaza entrance and one has just recently been added to the garage entrance. The fans have positively grasped this concept which has expedited the process of getting into the building. Even though the majority of fans typically show up 15 minutes or so before tip-off, the December 31 game took about 11 minutes to get through security. The January 9 game against the Butler Bulldogs had entry times clocked just under six minutes for fans to get through security. MECA believes the adjustments are working to make the increased security levels more time-saving as well.

Chairwoman Duren inquired if there were many fans turned away because of the clear bag policy. Mr. Raymond responded that there were a fraction, maybe 1% or so, but the word is getting out and it continues to go down. Mr. Kelley asked if the walk-thru metal detectors, which are slated for Board approval today, will have an impact to the six minute entry times. Mr. Raymond expects the time will increase for a bit when they are first implemented, but industry statistics shows the entry time will speed up significantly, and he expects CLCO entry times will decrease as well. Chairwoman Duren asked if

the walk-thru machines allow calibrations to different strengths. Mr. Raymond stated that these machines are state-of-the-art and have over 30 different sensors that can be calibrated accordingly.

A few projects are nearing completion. Last week carpet replacement at TD Ameritrade Park Omaha (TDAPO) began. It looks very nice and is on schedule to be completed by the end of next week. All the equipment has been received for the new signage at the CLCO Box Office. It will be a favorable, new look and in addition to having the typical box office status, it will have room for additional messaging for upcoming events, etc.

### **Levy Food & Beverage Update**

Ms. Chris VanDorn stated as a follow up to the last meeting there was a question raised about the liability for credit card processing on the new Point of Sale (POS) system. The Payment Card Industry (PCI) compliance is all very complex, but there are scenarios where the liability would fall back to the card brands. However, there are also some areas where it may fall back to MECA as the holder of the merchant ID. The point-to-point encryptions that are used on the new system are designed to maximize the security of all those transactions. Levy was told that the level of security makes the credit card system virtually unhackable. While Ms. VanDorn hopes that it never becomes an issue, Levy does have a team in Chicago that works specifically on this issue and would be able to advise us if needed with information or actions to be taken.

At this point, Levy is nearly complete with the installation of the POS system at CLCO, outside of a few minor tweaks of staff learning a brand new system and its capabilities. Installation of the terminals at TDAPO started yesterday, moving forward to have it ready for the upcoming baseball season. Levy had requested a few changes and those are still being worked out, but otherwise Ms. VanDorn noted the system is doing everything they hoped it would. It is providing quick transactions and processing times at the counter for guests, it allows for ease of flexibility in programming for Levy in the back of house, and there are significant improvements in tracking and inventory management functionality on the back end as well. The upgrade has allowed Levy to add credit card functionality to about 50 points of sale where the ability did not exist prior, which will improve the fan experience for the typical sold-out events at CLCO and TDAPO. A comparison was done for a period of October through December in 2016, in which 22% of total sales were paid with credit cards. In 2017, the same months on the new POS system shows it has increased to 32%. Levy feels this is a positive impact for guests that prefer to pay with credit cards.

Since the last Board meeting, Levy Cares have been able to get into the community with some worthwhile projects. On November 7, Levy partnered with a team from MECA and volunteered at the Omaha Food Bank. This year, work was done sorting and packing produce instead of filling backpacks. The produce was distributed to various food pantries. It was a great opportunity to be able to give back to the community. Levy Cares also participated in the annual project for the Open Door Mission's Project Santa. This year, as a building, Levy delivered 141 gifts on December 7 for distribution to the families in need during the holiday. The Open Door Mission was very grateful for participation in their program.

Looking forward, Levy has an open position of GM of Banquets that has been posted.

Finally, Ms. VanDorn noted that Levy is working through planning and logistics for the NCAA Basketball Tournament in March and has started menu planning and preseason for baseball.

### **Public Relations Update**

Ms. Kristyna Engdahl stated that last month, MECA teamed up with Creighton Men's Basketball players to shoot a social media video which was released prior to the Clear Bag Policy taking effect. In the video, the young men were asked to show the public what is and what is not allowed inside each clear bag, to share information on when the policy would take effect, and where the Creighton logoed clear bags could be purchased. The video received substantial traction across multiple social media channels belonging to both MECA and Creighton who have been incredibly proactive in helping us get the word out. On Facebook it had been viewed just under 16, 000 times, and on Twitter about 11, 000 views. Also, many other people either shared or re-tweeted the video.

Also last month, MECA started the slow but steady stream of releasing information regarding clear bags at TDAPO and the Men's College World Series. MECA has collaborated with the NCAA and CWS, Inc. on a press release that was distributed in mid-December. The information has also been shared through various means, including social media and mailers.

## **Committee Updates:**

### **Internal Governance Committee**

Ms. Dana Washington reported that the Internal Governance Committee met on Monday, January 8, 2018, at MECA's offices. In attendance were Ms. Washington, Mr. Dixon, Mr. Bob Freeman, Ms. DeAnn Olsen, and Chairwoman Duren. The Committee was joined by the auditing firm Frankel Zacharia's Ms. Gail Endorf, Manager, and Mr. Kurt Meisinger, Partner, to review the draft financial statements and independent auditor's report for the year ended June 30, 2017. It was a clean audit; there were no issues, concerns or material weaknesses noted. The Committee also discussed NCAA's audit, the timing, and the fact that theirs needs to be completed before MECA's can be completed. Ms. Washington anticipates that the Committee will be able to give a presentation to the Board and share the year-end results in February.

The Committee reviewed the October and November 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.

The Committee reviewed the investments and discussed how the new tax laws have affected the timing of donations as MECA ended up with more cash than a normal year. There was also discussion about MECA's D&O insurance. With all the events that have taken place recently around the world, the Committee wants to make sure that MECA is covered in the event of an unknown tragedy. Work place violence coverage was also added to the plan.

Finally, the Committee reviewed the gift log, there were no unusual items.

### **Real Estate Committee**

Mr. Jay Noddle reported that since the last Board Meeting, comments have been exchanged with the City Law Department, specifically Mr. Paul Kratz, on two primary documents in regards to Lot B. A few important issues are slated for discussion. Mr. Noddle, along with Mr. Bob Freeman will meet with Mr. Kratz next week and hopefully bring the negotiations to an end. Once those issues are resolved, recommendation will be made to the Board and to the City to approve the documents.

Mr. Noddle noted that the riverfront revitalization initiative is progressing. There is another round of public meetings scheduled for later in January.

## **Contract Approvals:**

Chairwoman Duren indicated there are four contracts requiring approval.

### **MECA**

#### **Professional Sports Partners**

**RESOLVED**, that the Agreement between MECA and Professional Sports Partners for naming rights consulting 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.

Mr. Kelley inquired if precautions have been taken to ensure that MECA will not have the same issues that the City of Lincoln incurred on the Pinnacle Bank naming rights issue. Mr. Dixon noted that he and Mr. O’Gorman are comfortable with this Agreement as MECA needs to see what options are available. Mr. Noddle asked if the Agreement should be renewed with CenturyLink, would MECA owe the full fee. Mr. Dixon responded that no, the full fee would not be owed. Mr. Noddle also inquired if MECA is paying on the fee for rebranding. Mr. Dixon responded that the fee is based on the gross, not on MECA’s net which is standard in this industry. Some Naming Rights payments would be front-loaded to cover the costs so it would not impact the capital. Mr. O’Gorman noted that there are about a half dozen local companies under MECA’s umbrella so that if signed, only the monthly stipend would be paid to the consultant.

Moved by Mr. Kelley seconded by Ms. Buffett.

Motion carried: 5-0

### **CLCO**

#### **Vandenack Weaver, LLC.**

**RESOLVED**, that the Advertising/Sponsorship Agreement between MECA and Vandenack Weaver, LLC, for advertising 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 Advertising/Sponsorship Agreement following its finalization in a form reasonably approved by counsel.

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

Mr. Noddle inquired as to what type of company this was, and Mr. O’Gorman responded that Vandenack Weaver, LLC. is a law firm.

Moved by Ms. Buffett seconded by Ms. Washington.

Motion carried: 5-0

### **Security Detection**

**RESOLVED**, that the Agreement between MECA and Security Detection to purchase and install walk through metal detectors 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.

Mr. Kelley asked if these machines have the capability to detect explosives. Mr. Dixon noted that no, these detect metals only, and that MECA uses other methods to detect explosives. Chairwomen Duren inquired how many of the walk thru detectors would be purchased under this Agreement. Mr. Raymond stated that there are 50 units total, with 40 of them permanently placed and 10 can be moved to different locations as needed.

A question was raised from the public asking if guests that walk through the detectors will have to remove wallets, keys, belts, etc.? Mr. Raymond noted that it will be very similar to going through the airport metal detectors where those items will be placed in a tray and then returned to you after you walk through. The question was asked when the machines would be up and running. Mr. Raymond responded that they will be installed and functioning by the Basketball Regionals in March.

Moved by Ms. Washington seconded by Ms. Buffett.

Motion carried: 5-0

### **TDAP0**

#### **Echo Group, Voss Lighting and Super Brights LEDs**

**RESOLVED**, that the Agreement between MECA and Echo Group, Voss Lighting, and Super Bright LEDs to purchase guide lights for steps and other ancillary areas at 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. Buffett seconded by Mr. Kelley.

Motion carried: 5-0

### **Next Board Meeting**

The next MECA Board of Directors Meeting is scheduled for Wednesday, February 13, 2018, at 8:30 a.m. in the MECA Board Room.

### **Executive Session**

Chairwoman Duren stated the time is 9:06 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 Mr. Kelley seconded by Ms. Washington.

Motion carried: 5-0.

**Adjournment**

At 9:22 a.m. a motion was made to adjourn, made by Mr. Kelley, seconded by Ms. Washington.

Motion carried: 5-0

Adjournment (9:23 a.m.)