

**CITY COUNCIL PROCEEDINGS**  
**BEMIDJI, MINNESOTA**  
**Special Meeting/Work Session – October 11, 2011**

Pursuant to due call and notice, a special meeting/work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Tuesday, October 11, 2011, at 5:30 p.m. in the Council Chambers of City Hall, Mayor Pro-tem Hellquist presiding.

Upon roll call, the following Councilmembers were declared present: Waldhausen, Johnson, Hellquist, Albrecht, Thompson, Negard. Mayor Larson joined the meeting at 5:50 p.m.

Staff Present: City Manager John Chattin, City Clerk Kay Murphy

Others Present: Venuworks – Steve Peters, President/Owner; Andy Long, Regional Vice President; Roger Swanson, Interim Executive Director

Mayor Pro-tem Hellquist stated that the purpose of the special work session was to review the budget and operations of the Sanford Center with Venuworks.

Steve Peters, Venuworks President/Owner, apologized for their lack of communication and stated that offering a letter of explanation was a poor substitute to a face-to-face meeting regarding the budget of the Sanford Center. He stated that there has been a change in leadership at the event center and introduced Roger Swanson, Interim Executive Director. Peters stated that over the last several weeks, Swanson has made headway on sponsorship development. He stated that Venuworks is covering Mr. Swanson's salary and foregoing fees for sponsorship commissions. Peters presented a revised 2011 year-end forecast for the Sanford Center stating that Venuworks will deliver the \$417,000 deficit or less as budgeted. However, he stated there are unknowns that could affect the budget, i.e., a large snow event or lower attendance at BSU games that could affect the projection.

Peters stated that events were light over the summer which was probably not unexpected. There were still building issues and staff have been involved with the punch list and commissioning. Venuworks will work toward creating more events for the summer better utilizing the event center site. He stated that staff have other ideas for cost savings which included removal of a wall in the lakeside rooms, additional of doors to the patio and installation of a remote monitoring system. He commented that using a remote monitoring system could cut down on the cost for security. He proposed that the Council have a work session at the event center and walk through it with staff. The budget for 2012 will be ready within a week.

Hellquist asked about the cash advance of \$194,000. Peters responded that will be returned.

Negard stated that City residents have been divided about the event center and it is difficult to explain the budget shortfall to constituents especially those not in favor of it. He commented that the City cannot go to the taxpayers requesting additional funding.

Discussion continued regarding additional sponsors and the contract with BSU. Long stated that he has met with Bill Maki, BSU, and the athletic department and the intent is to discontinue the current agreement, re-evaluate and move forward with a new marketing agreement the first of the year. He stated that he is confident about the arrangement with BSU.

Johnson inquired as to when the new sponsors would be announced. Swanson stated that announcement should be soon once the details have been worked out and review completed by the City Attorney and bond counsel.

Mayor Larson joined the meeting at 5:50 p.m.

Waldhausen suggested marketing and promoting efforts be extended to areas outside the immediate Bemidji area, pointing out there were Fosston residents who did not know about this summer's Styx concert.

Negard commented that the Council does not need to micromanage the facility. It is important to keep it maintained and looking good.

Johnson noted that Swanson has made good changes and that crossover training of employees should help reduce expenses.

Long stated that the event center is now one year old and Venuworks has begun weaning staff. He commented that staff have a vested interest that the event center succeed as they live in the community. Peters stated that the staff at the Sanford Center have done a remarkable job in the past year and deserve all kinds of credit.

Albrecht stated that the Venuworks partnership with VisitBemidji could be improved to book more events. She stated the City also needs to do its part in securing a hotel partner. She inquired as to when the positions of Executive Director and Marketing Director would be filled. Peters responded that they have begun advertising and plan to fill those positions the first of the year. Long commented that they have had 4-5 good candidates show interest.

Hellquist commented that the agreement with Venuworks states that “Venuworks is to provide true and correct financial statements monthly and annually”. He would like to see the financials. Chattin responded that the Advisory Board does get the financial statements. Negard commented that the financials appeared to be up to date but unbeknownst to the Advisory Board all the bills were not included. Chattin commented that Jenni Hillman, Finance Director for the Event Center, was not allowed at the table for Advisory Board meetings and the Board would like her available to answer questions they may have.

Chattin asked Peters if Venuworks was willing to guarantee the \$417,000 budget for 2011. Peters responded that they will come in under \$417,000 and he will guarantee that Venuworks will provide good service to the City; however, he cannot control the unknowns.

Chattin stated that there are options available to the City if they are not satisfied with Venuworks’ performance but he, personally, was not looking for a change.

**ADJOURN**

There being no further business, motion by Albrecht, seconded by Hellquist, to adjourn the meeting. Motion carried. Meeting adjourned at 6:37 p.m.

Respectfully submitted,

  
Kay M. Murphy  
City Clerk