MEETING OF THE BISMARCK EVENT CENTER AUTHORITY BOARD

5/6/2026 - MINUTES

AGENDA

1. Call to Order

The Bismarck Event Center Authority Board met in the Tom Baker meeting room on May 6, 2026, at 11:00 AM. Members present included Sheri Grossman, Joel Kostelecky, Chad Wachter, Jason Tomanek, Jennifer Wilson and Mayor Mike Schmitz. Member Mike Gardner was absent.

2. Public Comment

No public comment was received.

3. Approval of Meeting Minutes

Member Grossman moved to approve the minutes, and Member Wachter seconded. Upon a roll call vote, all voted aye. M/C.

4. Receive Event Center Financial Report

Eric Lund, Acting Finance Director, presented an abbreviated financial report, explaining that while he has focused on income and expenses to date, he has not previously provided balance sheet information and will begin including receivables, payables, and cash snapshots going forward. Acting Director Lund noted that the financials were currently only through noon on April 29, 2026, and highlighted significant progress in catching up on event settlements. The reconciliation of February and March events resulted in a substantial increase in reported revenue. Mr. Lund estimated around $30–35 thousand in revenue yet to be recorded. Acting Director Lund reported that year-to-date operating income and Arena and Exhibit Hall operating income both show an increase from prior months but the Belle Mehus Auditorium continues to operate at a loss. He noted that occupancy tax transfers have begun moving to operations and that the lodging, liquor, and food sales tax cash balance will decrease significantly as the HVAC and wayfinding capital improvement projects proceed.

7. Regular Meeting Date Discussion

The Board discussed moving the standing meeting dates from the first Wednesday of the month to the third week. This change would allow City staff time to prepare financial reports and provide a more comprehensive picture. City Administration will poll Board members to see what day would work best to meet in that third week.

Member Wilson moved to move the Board meetings to the third Wednesday of each month, and to have a special meeting at the end of May, and Member Wachter seconded. Upon a roll call vote, all voted aye. M/C.

**Secretary's Note: City Administration reviewed the Tom Baker Meeting Room's availability and discovered that it is not available on the third week each month. After polling Board members for other available dates and times, it was determined that the standing meeting time will be the third Monday each month.*

5. Mission and Vision Statement Discussion

The Board discussed the various proposed mission and vision statements. Three core themes were identified: connecting people, elevating experiences, and strengthening the community. The Board agreed that economic development might be better addressed in the vision statement. The general consensus of the Board is to have staff redraft both the vision and mission statements to be discussed at the next meeting for approval.

6. OVG and The Domain, LLC Contract Discussion

Member Wachter started the discussion by disclosing that his business, The Domain, has entered into an agreement with OVG to supply alcoholic beverages at the Event Center until OVG's alcohol license is approved by the State. The board discussed the temporary arrangement allowing alcohol to be served at the Event Center while awaiting approval of its North Dakota state liquor license. The Domain has been applying for individual special event permits, a standard process used widely across the city. Member Wachter disclosed his involvement to ensure transparency. He explained that The Domain orders alcohol through distributors, passes costs through to OVG, and adds a 10 percent overhead to cover staff time and administrative work. Board members agreed the arrangement appears reasonable but emphasized the importance of transparency. The State license is pending due to delayed background checks from Wyoming and Montana for General Manager Brad Murphy. The board confirmed this is a short-term solution, as special event permits last only seven days each. A motion was introduced to ratify the agreement between OVG and The Domain. However, members agreed to postpone the vote until the agreement document can be distributed for review. The board will revisit ratification at an upcoming special meeting. No immediate operational impact is expected, and The Domain will delay invoicing until after ratification.

8. 2026 Stub-Year Budget

Brad Murphy, General Manager at the Bismarck Event Center, introduced members of the new finance and management team assigned to the Bismarck Event Center, and presented the combined operating budget for the Arena, Exhibit Hall, and Belle Mehus Auditorium. Mr. Murphy explained that revenue projections based on conservative event estimates and current bookings total approximately $1.35 million and indirect expenses reflect historical data but include significant increases due to added essential staff positions in finance, operations, events, and sales. The additional positions contribute roughly $600,000 in increased personnel costs with operational budgets remaining minimal to maintain basic facility needs. Mr. Murphy stated that the projected outcome for the current fiscal period is a net operating loss of about $1.119 million, which OVG described as expected during the first transitional year, and confirmed that the budget is an initial roadmap that will evolve as more operational data becomes available.

The Board asked Mr. Murphy about a break-even analysis and event booking strategies. Mr. Murphy explained that break-even work will be planned once reliable data is established and noted that several new shows have been secured, with additional bookings targeted for late 2026 and into 2027. The Board acknowledged that this framework provides a starting benchmark, with the understanding that further adjustments are anticipated as systems, staffing and event scheduled develop.

9. Other Business

11. **Key Performance Indicator Discussion**

Administrator Tomanek began discussion on the Key Performance Indicators (KPIs) that consultants from JLL proposed as part of the Event Center Management contract. The KPIs are intended to be used after the facility has gone through one year of operations with the understanding that priorities may evolve annually. Board members discussed whether each KPI should carry equal weight or whether certain areas such as event mix or economic impact should receive higher emphasis. There was some concern about including basic financial reporting as a weighted KPI, as those reports are contractually required. The group also discussed breaking down the financial performance category into more specific sub-KPIs, such as revenue targets, operating cost benchmarks, and labor cost thresholds. The general consensus of the group was to have City Administration provide the Board's feedback to JLL, who will continue refining the KPI framework for OVG.

10. Enter into Executive Session under North Dakota Century Code Section § 44-04-18.4(1) to discuss privileged information.

Member Grossman moved to enter into Executive Session to discuss privileged information at 11:52 AM and Member Kostelecky seconded. Upon a roll call vote, all voted aye. M/C.

The Board reconvened at 12:55 PM with all members present.

Administrator Tomanek moved forward with the strategy that was discussed during the executive session pertaining to the risk assessment, the individual loss, and the total aggregate reporting that will be done on a monthly cadence, and Member Kostelecky seconded. Upon a roll call vote, all voted aye. M/C.

ADJOURN

There being no further business to discuss, the meeting was adjourned at 12:56 PM.