

**LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
JUNE 27, 2017
MINUTES**

At 8:00 a.m. Chairman Tim Kaltenbach called the meeting to order in Hall C of the Lansing Center; 333 E. Michigan Avenue; Lansing, Michigan 48933.

COMMISSIONERS PRESENT: Tim Barron, Angela Bennett (Ex-Officio), Eric Brewer (Ex-Officio), James W. Butler III, Price Dobernick, Charles Janssen, Robert Johnson (Ex-Officio), Tim Kaltenbach, Charles Mickens and Linda Sims-Wright.

COMMISSIONERS EXCUSED: Cindy Bowen

OTHERS PRESENT: Scott Keith, Jennifer McFatrige, Scott Horgan, Paul Ntoko, Tristan Wright, Shelly Busse - Lansing Entertainment & Public Facilities Authority; Kristy Doak – Greater Lansing Convention & Visitors Bureau, Jody Washington – Lansing City Council, Eric Lacy – Lansing State Journal, Harrold Leemun, Elo Wittig, and Jack Alexander.

III. ESTABLISHMENT OF THE AGENDA: Chairman Kaltenbach stated the Personnel Committee report will be moved to the end of the agenda because the Board will go into a Closed Session to discuss the President/CEO annual evaluation.

IV. PUBLIC COMMENT: Jack Alexander asked Scott what equipment was last purchased for the ball park and noted since the digital boards will be delayed until next year; the price of the boards is likely to increase. Scott stated a sprayer and mower were the last pieces of equipment purchased. Scott did acknowledge the purchase of digital boards has been allocated to next fiscal year and stated bids for this project will go out in January 2018.

V. APPROVAL OF THE MINUTES OF MAY 23, 2017: Approval of the minutes as published.

MOTION: Commissioner Barron SECOND: Commissioner Dobernick

VI. REPORTS:

A. CHAIRMAN'S REPORT: None.

*Angela Bennett (Ex-Officio) entered the meeting at 8:03 a.m.

B. FINANCE COMMITTEE REPORT: Jennifer McFatrige reviewed May 2017 financial information as follows:

*Commissioner Sims-Wright entered the meeting at 8:04 a.m.

City Market

May Results:

Chart 1: City Market Revenue Review

This chart represents a 3 year comparison of actual revenue compared to budget for May, as well as a 3 year view of YTD actuals compared to YTD budget. YTD Operating Revenue has increased by \$3,100 or 4% when compared to last year.

Chart 2: City Market Expense Review

This chart represents a 3 year comparison of actual expense compared to budget for May, as well as a 3 year view of YTD actuals compared to YTD budget. Overall, our monthly expenses came in under budget by \$2,700 while our YTD actual Operating expense came in \$28,000 under YTD budget. Greatest impact was to the Utilities category. We recognized a savings of \$300 compared to last year.

Chart 3: YTD Revenue and Expense compared to Annual Budget

This chart is a view of where the City Market is through May when compared to the fiscal year budget. With one month remaining in the fiscal year, the market has contained its expenses to 76% of the expense budget while capturing 80% of the revenue budget. At the end of 11 months, excess revenue over expense is ahead of budget.

Chart 4: City Market Unreserved Equity

This chart shows a 3 year comparison of Unreserved Equity. Through 11 months, unreserved equity has remained consistent over last three months, but still has work to do to reach the numbers reflected in FY15.

Cooley Law School Stadium

May Results:

Chart 1: Cooley Law School Stadium Expense Review

This chart represents a 3 year comparison of actual expense compared to budget for May, as well as a 3 year view of YTD actuals compared to YTD budget. Overall, our monthly expenses came in over budget by \$6,000. The largest impact to the budget this month was the replacement of the Heat Exchanger in the visiting locker room (\$7,400). YTD Operating Expense has increased by 13% or \$40,573 compared to last year with Utilities, Maintenance of Facilities and Concessions/Catering categories providing the biggest impact.

Chart 2: YTD Actual Expense compared to Annual Budget

This chart is a view of where the stadium is through May when compared to the fiscal year budget. The stadium actual operating expenses to date reflect 97% of the annual budget with 1 month remaining in the year.

Chart 3: Cooley Law School Stadium Unreserved Equity

This chart shows a 3 year comparison of Unreserved Equity. Through 11 months,

unreserved equity dipped below pace with FY 15 and FY 16, but continues to reflect the same trend as is typical in the month of May.

Lansing Center

May Results:

Chart 1: Lansing Center Revenue Review

This represents a 3 year comparison of actual revenue compared to budget for May, as well as a 3 year view of YTD actuals compared to YTD budget. YTD Operating Revenue has increased by 20% or slightly north of \$1M when compared to last year. Some events that contributed to a successful month included MALA, Michigan Celebrates Small Business, LOVE Lansing, and INCH.

Chart 2: Lansing Center Expense Review

This reflects a 3 year comparison of actual expense compared to budget for May, as well as a 3 year view of YTD actuals compared to YTD budget. YTD Operating Expense has increased by 11% or \$676,314 when compared to last year with the largest contributing factor being Event Expenses.

Chart 3: Lansing Center Revenue Budget to Actual

The blue part of the bar represents our FY17 YTD Budget, while the orange part of the bar represents the amount that we exceeded or fell short of meeting the budget for revenue. YTD Revenue has exceeded budget by more than \$1.5M.

Chart 4: Lansing Center Expense Budget to Actual

The blue part of the bar represents our FY17 YTD Budget, while the orange part of the bar represents the amount that we exceeded or fell short of meeting the budget for expense. YTD Expenses has exceeded budget by more than \$1.1M.

Chart 5: Lansing Center Unreserved Equity

This represents a 3 year comparison of Unreserved Equity. Through 11 months, unreserved equity continues an upward climb exceeding our high point from FY15.

Chart 6: Lansing Center Unearned Revenue-Advance Rent

This represents a 3 year comparison of Unearned Revenue-Advance Rent which is an indicator of future business. Unearned Revenue-Advance Rent has dropped to its lowest point this fiscal year. The hiring of a Director of Sales in late May should allow for this measurement to show improvement as we end our fiscal year.

Chart 7: YTD Revenue and Expense to Annual Budget

This is a view of where the Lansing Center is through May when compared to the fiscal year budget. The Lansing Center expenses are 109% of the expense budget with 1 month remaining in the year. At the end of 11 months, expenses are up to budget. Switching to revenue, the Lansing Center has captured 123% of the revenue budget with 1 month remaining in the year. At the end of 11 months, excess revenue over expense is ahead of budget.

Chairman Kaltenbach asked for a motion to accept the May 2017 financials for the Lansing City Market, Cooley Law School Stadium and the Lansing Center be received as published and further that the monthly expenses for each entity be accepted.

MOTION: Commissioner Barron ACCEPT: Commissioner Mickens
Motion unanimously carried

*Robert Johnson (Ex-Officio) entered the meeting at 9:10 a.m.

C. PRESIDENT & CEO REPORT: Scott Keith reported the following:

*Councilwoman Jodi Washington entered the meeting at 8:11 a.m.

1. **2017 – 2018 PACE Report:** Scott reported Lansing Center is pacing well ahead of the current year. Next year's rental has been increased by 5%. At this time, we are also ahead of next year by 5% - 10%.
2. **Lugnuts:** The first half of 2017 season shows a 15% increase in revenues and this amount will reflect on the City. Scott noted the second half of the season schedule has no home games scheduled on holiday weekends.
3. **Administrative Board Report:** There is an interim City Market Manager on board while Audrey is out; he is doing well in the position. Concerts on the Grand are scheduled and the first two had weather issues that brought both inside the market. July 12th is the next concert date.
4. **Director of Sales:** Scott asked Scott Horgan, Vice-President of Sales & Services to introduce the new Director of Sales – Kristy Doak. Scott Horgan introduced Kristy, noting this position is now an employee of the CVB. Kristy provided previous employment history and stated she is looking forward to working with everyone.
5. **Groesbeck:** Scott met with the City Attorney last week to work on updates to the current agreement.
6. **Thank You's:** We received thank you notes from Audrey Tipper and a staff member with regard to personal happenings in their lives. LEPFA also received a thank you from the CVB for being a sponsor to this year's Be a Tourist in Your Own Town. Scott referenced an article in the *Lansing State Journal* regarding convention and sports business.
7. **Ad Hoc Committee:** This Committee meets this Thursday and Scott will provide a report on this meeting at the next LEPFA Board meeting.
8. **Recognition:** Scott recognized Linda Sims-Wright as an outgoing member of the LEPFA Board and thanked her for her services over the last several years. Likewise, Tim Kaltenbach is outgoing not only as Chair but as a Commissioner as well. Scott thanked him for his extended service to the LEPFA Board for many years as well.
Chairman Kaltenbach stated he has been happy to serve on this Board with all the Commissioners and is excited to see the financials for all the properties doing so well.

D. STRATEGIC PLANNING COMMITTEE: Commissioner Barron reported the Committee met briefly via conference call last week. The Committee discussed all three properties and alternatives for the City Market's vacant spaces.

E. NOMINATING COMMITTEE: Commissioner Bowen served as Chair for this Committee; in her absence, Commissioner Mickns reported the following officers for the 2017 – 2018 session:

Chairman: James W. Butler III
Vice-Chair: Cindy Bowen
Secretary/Treasurer: Price Dobernick

Commissioner Mickens asked for a motion to approve the 2017 – 2018 LEPFA Board of Commissioners Officers.

MOTION: Commissioner Barron SUPPORT: Commissioner Janssen

F. VICE PRESIDENT/STAFF REPORTS:

1. Paul Ntoko: Paul stated he is very pleased with the 2016 – 2017 results and is looking forward to 2018. New menus have been added to Common Ground this year and are being finalized. Scott noted he challenged Paul to gain an additional \$20,000 to hit \$4,000,000 in F&B revenues.
2. Heidi Brown: Heidi reported she is working to fill vacant positions, LEPFA U agenda items and policy reviews with our attorneys.

G. PERSONNEL COMMITTEE: Moved to New Business.

VII. COMMISSIONER AND STAFF COMMENTS:

- A. Commissioner Janssen: Commissioner Janssen referenced May meeting minutes noting the Customer Advisory Board meeting and asked Scott to elaborate on the meeting. Scott reviewed the purpose of this Board and reported on the meeting that was held last Thursday. Scott stated the results of this meeting will be shared at the next LEPFA Board meeting. Commissioner Janssen also complimented the staff for a successful year and noted the Active Shooter sessions during LEPFA U is a good idea.
- B. Commissioner Sims-Wright: Commissioner Sims-Wright thanked Tristan for stepping in at the City Market in the absence of Audrey. Tristan has been keeping the vendors informed of all things Market related. Daryl (temporary manager) has some really good ideas for the Market. Commissioner Sims-Wright thanked everyone for the recognition of her service to the LEPFA Board of Commissioners.
- C. Commissioner Barron: Commissioner Barron thanked LEPFA Staff for all the work put into make this a successful year.

VIII. OLD BUSINESS: No report.

IX. NEW BUSINESS: At this time, the Board entered a CLOSED SESSION to discuss the annual evaluation of the President/CEO, Scott Keith. Chairman Kaltenbach asked for a motion to go into a CLOSED SESSION.

MOTION: Commissioner Janssen SUPPORT: Commissioner Dobernick
Motion unanimously carried.

At 8:30 a.m. the meeting became a CLOSED SESSION

At 8:49 a.m. the meeting returned to a PUBLIC SESSION.

Commissioner Dobernick made a motion to approve the annual evaluation of the President/CEO.

MOTION: Commissioner Dobernick SUUPORT: Commissioner Janssen
Motion unanimously carried.

B. July Meeting: A reminder there will be no meeting in July.

C. Liquor License Resolution: A special meeting may need to be called should a resolution for a liquor license for Prime Fest be needed. It was noted that a special meeting may be tough to convene since so many may be on vacation. Chairman Kaltenbach asked for a motion to approve an application for a liquor license for Prime Fest in September.

MOTION: Commissioner Mickens SUPPORT: Commissioner Barron
Motion unanimously carried.

X. ADJOURNMENT: At 8:54 a.m. the meeting was adjourned.

THE NEXT MONTHLY MEETING IS SCHEDULED FOR:

**SEPTEMBER 26, 2017
LANSING CENTER – GOVERNOR'S ROOM**

Respectfully submitted,
Shelly Busse, Recording Secretary