

**LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
AUGUST 22, 2017
MINUTES**

At 8:02 a.m. Chairman James W. Butler III called the meeting to order in the Governor's Room of the Lansing Center; 333 E. Michigan Avenue; Lansing, Michigan 48933.

COMMISSIONERS PRESENT: Tim Barron, Angela Bennett (Ex-Officio), Eric Brewer (Ex-Officio), Cindy Bowen, James W. Butler III, Price Dobernack, Charles Janssen, Robert Johnson (Ex-Officio), Larry Leatherwood, Charles Mickens and James Stajos.

COMMISSIONERS EXCUSED: All present.

OTHERS PRESENT: Scott Keith, Jennifer McFatrige, Scott Horgan, Paul Ntoko, Tristan Wright, Heidi Brown, Shelly Busse - Lansing Entertainment & Public Facilities Authority; Jim Smiertka – Lansing City Attorney, Eric Lacy – Lansing State Journal, Audrey Tipper, and Jack Alexander.

III. ESTABLISHMENT OF THE AGENDA: No changes to the Agenda.

IV. PUBLIC COMMENT: Jack Alexander asked Scott what equipment has been ordered for the ball park and when is the arrival date. Jack also asked what the revenue for the stadium is and how is it tabulated. Scott stated the revenue is based on quarterly reports received from the team. Actual day-to-day revenue is a question for the Lugnuts; it is updated quarterly. Tristan stated the most recent equipment ordered is a walking aerator, utility tractor, electric hydraulic unit for the John Deer and a sprayer. We rent the top dresser from MSU. Tristan stated all the equipment has arrived and the budgeted amount for this equipment is \$45,000.

V. APPROVAL OF THE MINUTES OF JUNE 27, 2017: Approval of the minutes as published.

MOTION: Commissioner Barron SECOND: Commissioner Bowen

VI. REPORTS:

A. CHAIRMAN'S REPORT: None.

B. FINANCE COMMITTEE REPORT: Commissioner Bowen stated she was unable to attend yesterday's Finance Committee meeting; however, Jennifer McFatrige, Vice-President of Finance will report financial information. Jennifer stated she will report both June and July financial information; noting the June financials are in DRAFT form and will remain so until the audit is completed.

*Bob Johnson (Ex-Officio) entered the meeting at 8:07 a.m.

JUNE (DRAFT):

City Market

Chart 1: City Market Revenue Review

This chart represents a 3 year comparison of actual revenue compared to budget for June, as well as a 3 year view of YTD actuals compared to YTD budget. YTD Operating Revenue has increased by \$3,600 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 June, as well as a 3 year view of YTD actuals compared to YTD budget. Overall, our monthly expenses came in over budget by \$500, while our YTD actual Operating expense came in \$27,000 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 June when compared to the fiscal year budget. At the end of the fiscal year, the market has contained its expenses to 86% of the expense budget while capturing 92% of the revenue budget. At the end of 12 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 FY 15.

Cooley Law School Stadium

Chart 1: Cooley Law School Stadium Expense Review

This chart represents a 3 year comparison of actual expense compared to budget for June, as well as a 3 year view of YTD actuals compared to YTD budget. Overall, our monthly expenses came in over budget by \$1,600. The largest impact to the budget this month was with Utilities. YTD Operating Expense has increased by 9% or \$32,074 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 June when compared to the fiscal year budget. As we close out the fiscal year, the stadium actual operating expenses reflect 105% of the annual budget.

Chart 3: Cooley Law School Stadium Unreserved Equity

This chart shows a 3 year comparison of Unreserved Equity. Through 12 months, unreserved equity dipped below pace with FY 15 and FY 16, but indicates upward movement when compared to the prior two fiscal years.

Lansing Center

Chart 1: Lansing Center Revenue Review

This represents a 3 year comparison of actual revenue compared to budget for June, as well as a 3 year view of YTD actuals compared to YTD budget. YTD Operating Revenue has increased by 17% or nearly \$1M when compared to last year. Some events that contributed to a successful month included:

Chart 2: Lansing Center Expense Review

This reflects a 3 year comparison of actual expense compared to budget for June, as well as a 3 year view of YTD actuals compared to YTD budget. YTD Operating Expense has increased by 10% or \$722,296 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 \$1.6M.

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 \$1.2M.

Chart 5: Lansing Center Unreserved Equity

This represents a 3 year comparison of Unreserved Equity. Through 12 months, unreserved equity continues an upward climb exceeding our high point from FY 15.

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, but slightly exceeds last June's amount.

Chart 7: YTD Revenue and Expense to Annual Budget

This is a view of where the Lansing Center is through June when compared to the fiscal year budget. The Lansing Center expenses are 120% of the expense budget as the fiscal year ends. At the end of 12 months, expenses are up to budget with Event Expense providing the greatest impact. Switching to revenue, the Lansing Center has captured 132% of the revenue budget as the fiscal year ends. At the end of 12 months, excess revenue over expense is ahead of budget.

JULY:

City Market

Chart 1: City Market Revenue Review

This represents a 3 year comparison of actual revenue compared to budget for July, as well as a 3 year view of YTD actuals compared to YTD budget. This month both sets of data will match as we are starting the fiscal year. YTD Operating Revenue has decreased

by \$1,700 or 19% when compared to last year. This is attributed to Red's Smokehouse and a short-term vendor (Katie Clark) exiting the market.

Chart 2: City Market Expense Review

This represents a 3 year comparison of actual expense compared to budget for July, as well as a 3 year view of YTD actuals compared to YTD budget. This month both sets of data will match as we are starting the fiscal year. Overall, our monthly expenses came in under budget, but up over last year. The increase over last year is in the maintenance of facilities category with replacement of new hand dryers in the restrooms and professional services category with lease updates and renewals.

Chart 3: YTD Revenue and Expense compared to Annual Budget

This is a view of where the City Market is through July when compared to the fiscal year budget. At the beginning of the fiscal year, the market has contained its expenses to 8% of the expense budget while capturing 7% of the revenue budget. At the end of the first month of the fiscal year, excess revenue over expense is behind budget.

Chart 4: City Market Unreserved Equity

This shows a 3 year comparison of Unreserved Equity. At the end of the first month of the fiscal year, unreserved equity had its strongest start when compared to the last two fiscal years.

Cooley Law School Stadium

Chart 1: Cooley Law School Stadium Expense Review

This represents a 3 year comparison of actual expense compared to budget for July, as well as a 3 year view of YTD actuals compared to YTD budget. This month both sets of data will match as we are starting the fiscal year. Overall, our monthly expenses came in under budget by \$1,800 with utilities providing the great impact. YTD Operating Expense has increased by \$23,000 compared to last year with the supplies/materials categories providing the biggest impact. This increase is attributed to the replacement of the nets.

Chart 2: YTD Actual Expense compared to Annual Budget

This is a view of where the stadium is through July when compared to the fiscal year budget. At the beginning of the fiscal year, the stadium has contained its expenses to 14% of the expense budget.

Chart 3: Cooley Law School Stadium Unreserved Equity

This shows a 3 year comparison of Unreserved Equity. At the end of the first month of the fiscal year, unreserved equity dipped below pace with July FY 15 and July FY 16.

Lansing Center

Chart 1: Lansing Center Revenue Review

This represents a 3 year comparison of actual revenue compared to budget for July, as well as a 3 year view of YTD actuals compared to YTD budget. This month both sets of data will match as we are starting the fiscal year. YTD Operating Revenue has increased by 41% or \$70k when compared to last year. Some events that contributed to a

successful month included: MYWAY Wrestling and Crest Pontoon

Chart 2: Lansing Center Expense Review

This reflects a 3 year comparison of actual expense compared to budget for July, as well as a 3 year view of YTD actuals compared to YTD budget. This month both sets of data will match as we are starting the fiscal year. YTD Operating Expense has increased by 14% or \$59k when compared to last year with On Call Facilities wages providing the largest impact.

Chart 3: Lansing Center Revenue Budget to Actual

The blue part of the bar represents our FY18 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 exceeds budget by more than \$44K.

Chart 4: Lansing Center Expense Budget to Actual

The blue part of the bar represents our FY18 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 exceeds budget by more than \$24k.

Chart 5: Lansing Center Unreserved Equity

This represents a 3 year comparison of Unreserved Equity. The beginning of this fiscal year plots the value at a stronger point when compared to the prior two Julys. However, we still have work to do to reach our high point of FY17.

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 slightly when compared to our prior two fiscal year starts.

Chart 7: YTD Revenue and Expense to Annual Budget

This is a view of where the Lansing Center is through July when compared to the fiscal year budget. The Lansing Center expenses are 7% of the expense budget as the fiscal year begins. At the end of the first month, expenses are up to budget with On Call Facility worker wages and Event Expense providing some of the greatest impact. Switching to revenue, the Lansing Center has captured 4% of the revenue budget as the fiscal year begins. At the end of the first month, excess revenue over expense is ahead of budget.

Commissioner Bowen asked for motions to accept the June (DRAFT) 2017 and July 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 Janssen
Motion unanimously carried.

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

1. Special Guest: Audrey Tipper (former Lansing City Market Manager), stopped in this morning to say "thank you" to the Board for their support of her during her time as the Market Manager (and to show-off her baby girl).
2. City Council Presentation: Scott was invited to attend the Committee of the Whole meeting on Monday, August 28th to provide an update and review on selected items chosen by Council. City Attorney, Jim Smiertka will also attend and provide Council with a history of LEPFA and its development.
3. Customer Advisory Board (CAB) Report: Scott reviewed why the CAB was formed and what this particular Board does for LEPFA and the CVB. Scott reviewed the most recent Customer Advisory Board report; noting the Board feels that the customer service category needs to be addressed. It was noted that during the transition of Vice-Presidents (from Gus Pine to Scott Horgan) and the reorganization of the Sales department, communicating with our guests was challenging. Scott Horgan stated "Thank You" letters (for participating) will be sent to all the members who sit on this Board. In addition, a breakfast with those guests who contributed to this report will be held; along with training sessions for staff.
4. City Hall Ceremony: Tristan attended the renaming of City Hall to honor former Mayor David Hollister and stated it was a very nice event, done well.
5. PACE Report: The current fiscal year notes we are 80% over the allocated budget for Lansing Center; pacing ahead of last year by 7%. The fiscal year 2018 – 2019 if already pacing ahead of this year; about 30% of the budget is already in the books. Unearned Revenue/Advance Rent amounts is based on timing issues.
6. LEPFA Website: The LEPFA website was updated to include a "LEPFA Board" tab. Clicking this tab will allow members of the public to view upcoming meeting agendas, a list of meeting dates for the remainder of 2017, and a picture of the current Board of Commissioner.
7. Groesbeck: Scott reported he met with the City Attorney and proposed a DRAFT agreement and is currently working on a business plan. City Attorney, Jim Smiertka provided legal updates regarding Groesbeck's entrance. The Judge is writing his opinion now and we are waiting on that. If the action is not approved, then the City will offer their case to the Judge. Scott reported that Friday, August 18th was "Movie Night" at the golf course and there were many complaints from the neighborhood regarding "too much traffic" driving through to get to Groesbeck. Commissioner Barron asked if the land was purchased previously to add an entrance at a later date. Jim Smiertka stated that in 1989 the parcel was purchased for the purpose of an entrance; the parking lot that is there currently, is in Ormond Park.
8. Miscellaneous: The LEPFA Suite is available for the Crosstown Showdown, scheduled for September 5th. If any Board member is interested in attending the Crosstown event, please let Shelly or Scott know. There are

Chicken Wing Festival tickets available as well, for the Friday and Saturday dates only. Again, if interested, let Shelly or Scott know. Congratulations to Commissioner Cindy Bowen! Cindy will celebrate 35 years with the Crowne Plaza West on Thursday, this week.

D. PERSONNEL COMMITTEE: Commissioner Dobernick (Chair) stated he was unable to attend the meeting and asked Heidi to provide a report on the policy changes that will go into effect on 9/11/17.

Heidi reviewed the Anti-Harassment and Work Place Intimidation policies and the changes that were proposed from our legal counsel.

Chair Dobernick asked for a motion to accept the proposed changes to both the Anti-Harassment and Work Place Intimidation policies.

MOTION: Commissioner Barron SUPPORT: Commissioner Janssen

E. STRATEGIC PLANNING COMMITTEE: The Committee did not meet this month; however, will host a retreat on September 6th and 7th.

F. VICE-PRESIDENT/STAFF REPORTS:

1. Heidi Brown: Heidi reported the next session of LEPFA U will be held on Monday, September 9, 2017. Topics on the Agenda include policy review, active shooter training/refresher, lunch time recognition for staff who attend LEPFA U, individual department training in the afternoon, and team building to follow. Heidi reported the Summary of Plan Benefits was sent yesterday. Heidi noted we are currently hiring for full-time and part-time staff members.

2. Paul Ntoko: Paul reported Food & Beverage has had a strong start to fiscal year 2017 – 2018. The Groesbeck promotion for the holiday weekend is \$24 to play (possibly) 18 holes, food and beverage.

3. Scott Horgan: Scott reported on the Customer Advisory Board meeting that was held recently and reviewed the results of the evaluation that was completed by the members. Scott noted the feedback addressed was related to low scores pertaining to overall customer service.

Commissioner Bowen asked Scott to explain what the plan is to address the specific service points that need help. Scott stated there will be customer service training during LEPFA U and the training will be conducted by Kristy Doak and perhaps, Julie Pingston. Scott stated we do outsource some labor for larger events; and that could pose a challenge. Scott stated the Staff needs to understand that they are a huge part of the sales process and continued training, communication, and information distribution is important.

VII. COMMISSIONER AND STAFF COMMENTS:

A. Commissioner Bowen: Commissioner Bowen stated she sits on both the LEPFA Board and the CVB Board and there is a CVB Board meeting tomorrow and the meeting will include strategic planning. The 2017 hotel industry occupancy rate is better than 2016; largely due to the economy being so strong.

- B. Commissioner Stajos:** Commissioner Stajos noted the customer service rating seems to be the biggest issue on the CAB report.
- C. Jim Smiertka:** City Attorney, Jim Smiertka thanked Scott Keith for the reminder of his presentation on Monday. Jim reported his office provides orientation to new Council members on City related matters and stated he would be happy to provide this information to LEPFA Board members as well.

VIII. OLD BUSINESS: No report.

IX. NEW BUSINESS: No report.

X. ADJOURNMENT: At 8:55 a.m. the meeting was adjourned.

THE NEXT MONTHLY MEETING IS SCHEDULED FOR:

**OCTOBER 24, 2017
LANSING CENTER – GOVERNOR'S ROOM**

Respectfully submitted,
Shelly Busse, Recording Secretary