

**LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY  
BOARD OF COMMISSIONERS MEETING  
JANUARY 23, 2018  
MINUTES**

At 8:00 a.m. Chairman James W. Butler III called the meeting to order at The View of Cooley Law School Stadium, 505 E. Michigan Avenue; Lansing, Michigan 48912.

**COMMISSIONERS PRESENT:** Cindy Bowen, Eric Brewer (Ex-Officio), James W. Butler III, Price Dobernack, Charles Janssen, Larry Leatherwood, Brian McGrain (Ex-Officio), Charles Mickens, and James Stajos.

**COMMISSIONERS EXCUSED:** Tim Barron and Angela Bennett (Ex-Officio)

**OTHERS PRESENT:** Scott Keith, Jennifer McFtridge, Scott Horgan, Paul Ntoko, Tristan Wright, Heidi Brown, Shelly Busse - Lansing Entertainment & Public Facilities Authority; Jody Washington – Lansing City Council, Heather Sumner – Lansing City Attorney's Office, and Jack Alexander.

**III. ESTABLISHMENT OF THE AGENDA:** No changes to the agenda.

**IV. PUBLIC COMMENT:** Jack Alexander asked Scott if he has reviewed the second set of numbers for the digital board. Jack also asked if the scoreboard is available to be used as advertising space. Scott stated he is reviewing the numbers for the marquee. Scott stated the scoreboard is owned by the team and any revenue generated from that is in the Lugnut's budget. Jack asked Scott if he plans to spend any additional money on the digital boards out front. Scott stated that is yet to be determined.

**V. APPROVAL OF THE MINUTES OF NOVEMBER 28, 2017:** Approval of the minutes as published.

MOTION: Commissioner Janssen      SECOND: Commissioner Dobernack

**VI. REPORTS:**

**A. CHAIRMAN'S REPORT:** Chairman Butler reported the activity for the Martin Luther King Jr. Luncheon was outstanding and complimented Scott and the LEPFA Staff on an outstanding job.

**B. FINANCE COMMITTEE REPORT:** Secretary/Treasurer Cindy Bowen reported the Finance Committee met yesterday and discussed Agenda item 1 (December year-to-date financials), but not item 2 (FY 2018 – 2019 Budget). Scott noted there are still many moving pieces in the budget process and he will cover briefly. Secretary/Treasurer Bowen stated the first six months of this fiscal year is performing well; however, the second half of this fiscal year will not be the same pace, but we will still make budget. Scott noted we will end strong, but flat to last year; noting ancillary income will be up 2% - 5%.

Scott reported we are not able to review the budget due to continued work on Groesbeck Golf Course budget. Lansing Center rental revenue will drop due to the 3 year cycle trend. Expenses will need to be held; which will be difficult due to rising healthcare costs. Scott reported the City Market has a DRAFT budget set; but operational changes are expected, and this DRAFT budget is considered a "placeholder budget". Scott stated the biggest impact for Cooley Law School Stadium is utilities increase.

Scott stated he doesn't anticipate asking the City for any subsidy increases for any of the properties (although the Stadium may need a 2% increase to cover the utilities). Scott stated we are working hard to hold the budgets to no significant increases and he will meet with City Administration next week to complete Groesbeck budget. Scott stated he is still working on capital requests for the properties. Scott reported it has been 12 years since any significant investments have been made to Lansing Center; noting the outdoor marquee and sound system are both failing. Additionally, the fire safety and security systems are in need of immediate upgrades. There are many other items that will need addressing as well, so as not to affect our customers.

Secretary/Treasurer Bowen reviewed the three year cycle of Lansing Center business (for new Board members) and explained the cycle trend. The good news is that both the Lansing Center Team and the CVB Team are working on creative solutions to utilize Lansing Center space for other types of events.

Jennifer McFatrige, Vice-President of Finance reported the following financial information for all three properties:

### **City Market**

#### **Chart 1: City Market Revenue Review**

This a 3 year comparison of actual revenue compared to budget for December, as well as a 3 year view of YTD actuals compared to YTD budget. YTD Operating Revenue has decreased by \$5,782 or 11% when compared to last year. December revenue is up over last year, and this is attributed to sponsorship monies received for the Winter Solstice event held at the market.

#### **Chart 2: City Market Expense Review**

This is a 3 year comparison of actual expense compared to budget for December, as well as a 3 year view of YTD actuals compared to YTD budget. Overall, our monthly expenses came in under budget and to last year. We are recognizing a savings in Salaries and Wages due to the current vacancy in the market manager role.

#### **Chart 3: YTD Revenue and Expense compared to Annual Budget**

This is a view of where the City Market is through December when compared to the fiscal year budget. The market has contained its expenses to 39% of the expense budget while capturing 43% of the revenue budget. At the end of the December, excess revenue over expense is ahead of budget.

**Chart 4: City Market Unreserved Equity**

This is a 3 year comparison of Unreserved Equity. Through six months of the fiscal year, unreserved equity continues climbing, and has now established the high point when comparing the three fiscal years presented in the chart.

**Cooley Law School Stadium**

**Chart 1: Cooley Law School Stadium Expense Review**

This is a 3 year comparison of actual expense compared to budget for December, as well as a 3 year view of YTD actuals compared to YTD budget. Overall, our monthly expenses came in over budget by \$1,700 with utilities and maintenance of facilities providing the most 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 December when compared to the fiscal year budget. The stadium has contained its expenses to 49% of the expense budget. At the end of the December, excess revenue over expense is ahead of budget.

**Chart 3: Cooley Law School Stadium Unreserved Equity**

This is a 3 year comparison of Unreserved Equity. Through six months of the fiscal year, unreserved equity has begun climbing, but has work to do to reach the numbers reflected at the high point of FY16.

**Lansing Center**

**Chart 1: Lansing Center Revenue Review**

This is a 3 year comparison of actual revenue compared to budget for December, as well as a 3 year view of YTD actuals compared to YTD budget. YTD Operating Revenue has increased by 7% or \$214,764 when compared to last year. Revenue for December 2017 is down to last year with the largest impact being the loss of the Auto Club event, Crest Pontoon was a November event this year and finally there were 2 large weddings held in December of 2016.

**Chart 2: Lansing Center Expense Review**

This is a 3 year comparison of actual expense compared to budget for December, as well as a 3 year view of YTD actuals compared to YTD budget. YTD Operating Expense has increased when compared to last year by 3% or \$95k with Salaries and Wages, Event Expenses and Food & Beverage 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 the budget for revenue. YTD Revenue exceeds budget by more than \$513K.

**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 the budget for expense. YTD Expenses exceeds budget by more than \$217k.

**Chart 5: Lansing Center Unreserved Equity**

This represents a 3 year comparison of Unreserved Equity. Through six months, unreserved equity reflected upward movement with November results and has held flat for December, but remains strong compared to the prior two fiscal years.

**Chart 6: Lansing Center Unearned Revenue-Advance Rent**

This is a 3 year comparison of Unearned Revenue-Advance Rent which is an indicator of future business. Unearned Revenue-Advance Rent has begun to climb, is slightly over last year and is following the trend of the prior two fiscal years indicating signs of growth.

**Chart 7: YTD Revenue and Expense to Annual Budget**

This is a view of where the Lansing Center is through December when compared to the fiscal year budget. The Lansing Center expenses are 50% of the expense budget. At the end of six months, expenses are up to budget with Event Expense providing the greatest impact. Switching to revenue, the Lansing Center has captured 52% of the revenue budget. At the end of the six month of the fiscal year, excess revenue over expense is ahead of budget.

Secretary/Treasurer, Cindy Bowen, made a motion to accept the December 2017 financial statements for 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 Bowen      ACCEPT: Commissioner Janssen  
Motion unanimously carried.

- C. PRESIDENT & CEO REPORT:** Scott Keith reported the following:
1. Notice: A letter from City Council stating Councilwoman Jody Washington will remain as LEPFA's Council Representative for 2018 and a letter from City Administration regarding the review of LEPFA Board Member appointments.
  2. Mayor Transition Report: Included in this report was a recommendation for a Performing Arts center. Scott clarified that we are looking for a live entertainment piece. Scott stated we have been focusing on a permanent outdoor space for summer events.

Scott reported an Executive Order announcing the Planning & Neighborhood Development is now the Planning & Economic Development Department and is headed by Brian McGrain. Brian will serve as Ex-Officio for LEPFA Board. Scott introduced Brian to all present.

3. Chamber Dinner: If anyone is interested in attending the Chamber Dinner, please let Scott or Shelly know. Attendance will determine if LEPFA purchases a table or tickets to the event.
4. MLK Luncheon: This year's luncheon was once again held at Lansing Center and was a sold out event! Scott extended his compliments to the Commission and reviewed the program. LEPFA purchased an ad recognizing Commissioner Leatherwood as the recipient of the King Legacy Award for his service to Lansing.
5. Groesbeck: The Golf Pro/General Manager position has been filled. Greg Webber was hired recently and is already working to secure business. Lansing Catholic Central's Boys' gold team used to be with Groesbeck and Greg was able to get them back. We are still looking for a Course Superintendent as well as some part-time positions. A new POS system (VEND) was installed, we have contracted with Crono Golf for a tee system that allows online registration. Golf carts have been contracted and a website has been secured. Many other pieces are being handled as well.
6. Payables: Jennifer is working with Angela Bennett, City Finance Director, to get open items resolved. There are outstanding payments for the stadium, golf course, and Common Ground.
7. LEPFA Staff: Scott complimented LEPFA team on the great job they all do. Scott stated he could not do his job effectively without their hard work and offered his thanks to LEPFA Staff.
8. Margaritafest: Scott stated we are in the early planning stages of this event; but so far, everything seems to be moving forward. The date has been determined, along with MLCC cooperation.
9. Adado Park: LEPFA and LEAP are working together to secure funding to make improvements to this area. In addition, we are looking into obtaining a liquor license for the area.
10. Healthcare Committee: LEPFA's Healthcare Committee will begin to meet soon to start this year's renewal process.
11. Pension: We received five proposals in response to the RFP that was sent out. We have narrowed the field to two companies and will meet with each separately later this week to ask some follow-up questions and make a decision.
12. Common Ground: An announcement is forthcoming, and Scott met with LCC to work on a potential sponsorship inside Lansing Center.
13. Customer Evaluations: This will be the last time we will see this type of evaluation. We are moving to a new format that provides more concrete feedback using a system of Exceeds, Meets, or Does Not Meet expectations.

**D. PERSONNEL COMMITTEE:** Commissioner Dobernack reported the Committee met a few weeks ago and Scott has already covered the information.

**E. STRATEGIC PLANNING COMMITTEE:** No report.

**F. VICE-PRESIDENT/STAFF REPORTS:**

1. **Scott Horgan:** Scott reported on the changes to the Customer Evaluation system and why the changes are necessary. It was determined at the last Customer Advisory Board meeting that customer service rankings are not where they should be, and we need to focus more on enhancing the customer experience. We are meeting monthly to do team building exercises to improve the customer's experience.  
Chairman Butler asked what the specific concerns related to customer service are. Scott Horgan stated adequate parking, Fire Marshall expectations, and IATSE service were the main concerns. Scott Horgan stated a training session for IATSE was held in December to address the challenges. Scott Horgan stated he has received several phone calls from some of the CAB members noting the changes already evident.  
Chairman Butler asked if staff are being recognized for going above and beyond and asked Commissioner Bowen to share what she and her staff do to recognize outstanding performance. Commissioner Bowen provided a review on what processes she uses for staff recognition.
2. **Paul Ntoko:** Paul reported a strong first quarter for Food & Beverage Dept. There are currently two full time positions open in Food & Beverage.
3. **Heidi Brown:** Heidi reviewed vacant positions. LEPFA has had 199 accident free days. Negotiations with AMTA continue. Heidi will review the OSHA report at February's meeting. Working on healthcare renewal information, the new pension plan, and LEPFA U.

\*Commissioner Leatherwood entered the meeting at 8:49 a.m.

**VII. COMMISSIONER AND STAFF COMMENTS:**

- A. **Commissioner Janssen:** Congratulated LEPFA Staff on a great job.
- B. **Commissioner Bowen:** Stated LEPFA has a positive influence on the community thanks to Sales and Operations.
- C. **Councilwoman Washington:** Happy to be back this year and hope to attend more meetings than last year. Complimented MLK Luncheon and noted Lansing Center does need some capital improvements.  
Chairman Butler asked what types of improvements you feel are needed. Councilwoman Washington stated perhaps some color or artwork.
- D. **Brian McGrain:** Excited to be here and a part of LEPFA. Have used Lansing Center for events for 20 years and looking forward to supporting this process.
- E. **Commissioner Stajos:** Echoed staff compliments and stated excited to hear about improvements and the VEND system.
- F. **Commissioner Leatherwood:** Apologized for late arrival and appreciates LEPFA Board and staff for the MLK ad in the program.
- G. **Commissioner Mickens:** Commended Staff for hard work and planning; noting it takes a lot of work to make every event seem seamless.

H. Scott Keith: Reminded all to enjoy some breakfast before departing.

**VIII. OLD BUSINESS**: No report.

**IX. NEW BUSINESS**: No report.

**X. ADJOURNMENT**: At 9:10 a.m. the meeting was adjourned.

**THE NEXT MONTHLY MEETING IS SCHEDULED FOR:**

**MARCH 27, 2018  
LANSING CENTER – GOVERNOR'S ROOM**

Respectfully submitted,  
Shelly Busse, Recording Secretary