

**LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY  
BOARD OF COMMISSIONERS MEETING  
NOVEMBER 28, 2017  
MINUTES**

At 8:01 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, Cindy Bowen, Eric Brewer (Ex-Officio), James W. Butler III, Price Dobernack, and Charles Janssen.

**COMMISSIONERS EXCUSED:** Angela Bennett (Ex-Officio), Robert Johnson (Ex-Officio), Larry Leatherwood, Charles Mickens, and James Stajos.

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

**III. ESTABLISHMENT OF THE AGENDA:** Jennifer McFatridge, Vice-President of Finance, stated she will be discussing the current audit findings and would like that topic added to the Agenda under the Secretary/Treasurer's Report.

**IV. PUBLIC COMMENT:** Jack Alexander stated he disagrees with the cost of the digital boards that is projected (\$109,000); noting he has spoken to many different people on the subject and stated that is not enough money and most likely, the boards will fail and will need to be replaced in 3 years. Jack encouraged Scott to increase the amount of money to spend on the boards, so this doesn't happen.

Jack reported that last week he noticed the digital board outside the ball park was advertising the tribute concert that was held earlier in the year.

Scott asked Jack what day of the week he noticed the incorrect information running on the board. Jack stated it was either Wednesday or Thursday of last week.

**V. APPROVAL OF THE MINUTES OF OCTOBER 24, 2017:** Approval of the minutes as published.

MOTION: Commissioner Janssen      SECOND: Commissioner Barron

**VI. REPORTS:**

**A. CHAIRMAN'S REPORT:** None.

**B. FINANCE COMMITTEE REPORT:** Secretary/Treasurer Cindy Bowen reported the Finance Committee met yesterday and discussed both October financial information and the 2017 audit.

Jennifer McFatridge, Vice-President of Finance, stated she will review the audit findings first; followed by October financial reports.

## **1. 2017 Audit Review:**

A brief overview of our annual audit for Fiscal Year 2017 (ended June 30, 2017). Our annual audit was conducted the week of October 23-27, 2017.

Yesterday, the audit was presented to the Finance Committee by Mark Kettner, Principal with Rehmann Robson.

In the Financial Statements packet, the opinion indicates that the information we provided was in accordance with generally accepted accounting principles. The audit is unmodified (or clean) ---meaning we did our work as expected, the audit provides highest level of assurance. There are no significant other matters.

Page 9 of this packet is a snapshot of revenues and expenses of all three properties. Our operating results indicate a positive year end net position. In the second packet, there is a letter indicating the auditor's responsibilities and new standards that may impact our future audits. The letter also includes a Schedule of Adjustments Passed (SOAP). This adjustment is not material, but needs to be noted. The adjustment is within our Prepaid insurance (asset) and is overstated. Prepaid balance at the end of the fiscal year is higher than in prior years. This adjustment will be completed before the end of this fiscal year.

This schedule (SOAP) has provided an opportunity to review of our internal process for prepaid insurance, modify our tracking resource and has created an additional task to our year end audit preparation.

Secretary/Treasurer Cindy Bowen stated Mark Kettner was very complimentary of Jennifer and the Finance Team.

Secretary/Treasurer Cindy Bowen asked for a motion to accept the audit report as reviewed.

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

## **2. October 2017 Financial Review:**

### **a. Lansing City Market:**

Chart 1: City Market Revenue Review

This a 3 year comparison of actual revenue compared to budget for October, as well as a 3 year view of YTD actuals compared to YTD budget. YTD Operating Revenue has decreased by \$3,914 or 11% when compared to last year. This is attributed to Red's Smokehouse and some daily booth rentals.

**Chart 2: City Market Expense Review**

This is a 3 year comparison of actual expense compared to budget for October, as well as a 3 year view of YTD actuals compared to YTD budget. Overall, our monthly expenses came in under budget, relatively flat to last year. We are recognizing a savings in Salaries and Wages due to the current vacancy in the market manager role, however this savings was offset by 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 October when compared to the fiscal year budget. The market has contained its expenses to 27% of the expense budget while capturing 28% of the revenue budget. At the end of the October, excess revenue over expense is ahead of budget.

**Chart 4: City Market Unreserved Equity**

This is a 3 year comparison of Unreserved Equity. Through four months of the fiscal year, unreserved equity continues climbing, but has work to do to reach the numbers reflected at the high point of FY17.

**b. 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 October, as well as a 3 year view of YTD actuals compared to YTD budget. Overall, our monthly expenses came in under budget by \$9,000 with utilities and maintenance of facilities providing the most impact. YTD Operating Expense has increased by \$17,000 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 October when compared to the fiscal year budget. The stadium has contained its expenses to 35% of the expense budget. At the end of October, 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 four 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.

**c. Lansing Center:**

**Chart 1: Lansing Center Revenue Review**

This is a 3 year comparison of actual revenue compared to budget for October, as well as a 3 year view of YTD actuals compared to YTD budget. YTD Operating Revenue has increased by 24% or \$370k when compared to last year. Some new events that contributed to a successful month included: MI CPA's, Johnson & Johnson, Mercantile Bank, and Society of Health and Physical Educators Michigan.

**Chart 2: Lansing Center Expense Review**

This is a 3 year comparison of actual expense compared to budget for October, 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 7% or \$160k 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 \$300K.

**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 \$125k.

**Chart 5: Lansing Center Unreserved Equity**

This represents a 3 year comparison of Unreserved Equity. Through four months, unreserved equity has dropped from the prior month, but remains strong compared to the prior two fiscal years. The decrease is attributed to adjusting entries as a result of the FY17 audit that was completed in October 2017.

**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 dropped slightly but 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 October when compared to the fiscal year budget. The Lansing Center expenses are 23% of the expense budget. At the end of the fourth month, expenses are up slightly to budget with Event Expense providing the greatest impact. Switching to revenue, the Lansing Center has captured 32% of

the revenue budget. At the end of the fourth month of the fiscal year, excess revenue over expense is ahead of budget.

Secretary/Treasurer, Cindy Bowen, asked for a motion to accept the October 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 Janssen      ACCEPT: Commissioner Barron  
Motion unanimously carried.

Scott Keith noted the Advance Rent line item has fallen below last year for the third consecutive month. This is a timing issue with the contract return rate. Scott and Scott Horgan have had conversations with both the Sales Department as the CVB to address this situation.

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

1. Board Holiday Party: The LEPFA Board Holiday Party is scheduled for December 12<sup>th</sup>. It will be held in Banquet Rooms 1 – 4. A "Save the Date" card was mailed/emailed and an invitation has been sent out as well. The theme of the party is "Ugly Sweater"; however, an ugly sweater is not required in order to attend. Many customers and business partners have been invited as well.
2. Silver Bells Float: LEPFA's float this year was a replica of the "Polar Express" train. Pictures of the float were distributed for all to view.
3. Economic Luncheon: Scott attended the last luncheon, which celebrated small businesses. A discussion regarding labor shortage as a reason why there may be an economic downturn next year.
4. Melissa Jackson: Received notice of retirement from our labor attorney, Melissa Jackson; she will retire at the end of this year. Our new labor attorney is Cliff Hammond.
5. Arts Council: A thank you note (thanking LEPFA for help with the Placemaking Summit) from the Arts Council was distributed for all to view.
6. Empty Plate Dinner: LEPFA will once again, participate in this event.
7. Advertisement: LEPFA took out a full page ad in the *Lansing State Journal*, basically, advertising who LEPFA is and what we do. This was part of a PR plan in consultation with Liz Boyd re: LEPFA's transparency.
8. Baird & Associates: After re-reading this report; a discovery that we are missing 2% in financial support from the County in lieu of a bed tax in comparison to Kent County/Grand Rapids. A meeting with the Executive Team, CVB, and the Mayor Elect in January to discuss this issue will be scheduled in January.

9. MI Liquor Control Commission (MLCC): We recently had a meeting with representatives from MLCC to get a clear understanding of what is needed/necessary when licensing. We learned that the Gazebo is not licensed; so, we are looking into license the entire area after making some small improvements. We also would like to increase the number of licensed bars allowed from 4 to 8.  
We also discussed a new event the City Pulse has asked for our help with: MargaritaFest. Scott explained the concept; noting nothing like this has been in Lansing and will model it after a similar event held in Nashville. The hope is to have the event in early summer. Kick-off meetings will begin soon to start working on the event.
10. Chili Cook-Off: While nothing official has been announced; it appears as though BWL will no longer contract our services for Chili Cook-Off. Notice was given to Cooley Law School Stadium that BWL would like to host the event there instead. Scott reviewed how revenue and expenses impact the City for this event.  
Commissioner Barron reviewed the history of the Chili Cook-Off; noting in the beginning, this was a CVB event and slowly, over the years, BWL moved in and asked CVB to step aside so they could promote the event. Scott has attempted to get a meeting with BWL officials, but to no avail.
11. RFP for Pension Management: As discussed during last month's Board meeting; we are in the process of looking for a new manager for our pension. The hope is to send RFPs out this week.
12. Lugnuts Info: Currently discussing the viability of sharing the Lugnut's ground person with Groesbeck. Scott explained what that would look like. An agreement has been created and is being reviewed by our Attorney.  
Discussion regarding a potential concert around the day before or after Taste of Country.  
We have received notice that MLB is considering extending the nets to the dugout area. We knew this was going to happen; however, not until 2021. The time frame has been moved up to 2019.
13. Customer Advisory Board: A letter (addressing concerns/issues from the last meeting) was sent to the CAB members. A luncheon will be scheduled in January to introduce new staff members; would like Chairman Butler to attend as well.
14. Riverfront Improvements: LEPFA is working with LEAP on this project.
15. Groesbeck: Paving for the new entrance is complete and transition work has begun.

16. **Common Ground:** Festival passes went on sale yesterday; dates for 2018 are July 5<sup>th</sup> – July 8<sup>th</sup>. These dates could change, based upon artist availability.

Commissioner Janssen asked if funding could be cut due to a new Mayor and City Administration coming in January. Scott stated he believes the new Administration will take a look at these events. If park improvements can be made; then the goal would be to add a surcharge to tickets – with some of the surcharge going towards park improvements.

- D. PERSONNEL COMMITTEE:** Commissioner Dobernack stated Scott covered most of the agenda items during his report. Heidi reported the CAUW Campaign has concluded and LEPFA had a participation rate of 43%. Natalie Glisson, HR/Payroll Specialist, headed the campaign this year and hopes that next year a competition of some sort can be worked in.

- E. STRATEGIC PLANNING COMMITTEE:** Scott reported on behalf of Commissioner Mickens; stating the committee met last week and a phone call with Chair Mickens was had later. Discussions included City Market plans, the Capital Plan – with safety and security being a top priority. It was noted improvements must be made; as the fire alarm panel is 30 years old and no longer communicates well with the fire department.

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

1. **Scott Horgan:** Work is being done on the new Customer Experience Survey; testing has taken place over the last few months and the survey is now live. Scott explained what the new survey will review.

2. **Tristan Wright:** Tristan thanked the LEPFA Staff who was instrumental in creating the LEPFA Silver Bells Float for this year's parade and to the LEPFA Staff who installed the holiday décor.

Tristan reported on a new Entertainment Security Advisory Board she has created for entities in the Downtown area. This Board was created to share resources in the event of an area wide emergency. The goal is to have a seminar in February.

3. **Paul Ntoko:** Paul reported the vacant Concessions and Bar Services Coordinator position has been filled with an internal staff member – John Stapleton. Paul stated the month of November will end much better than originally anticipated.

4. **Heidi Brown:** Work is underway on a LEPFA Job Fair that will be held on December 11<sup>th</sup>. The goal is to attract part-time and on-call candidates; as there is a shortage in these two departments. Work is also underway on different recruiting methods to attract outside candidates.

Currently reviewing our Bereavement policy and PTO banks (if feasible).

Healthcare Committee meetings will begin soon for upcoming renewal.

AMTA negotiations have now gone to electronic sessions instead of face-to-face meetings.

LEPFA is 143 days accident free.

Gold Course staff positions have been posted and we are hiring for a Graphics

Design intern.

Scott Horgan stated we are working closely with a PGA consultant and the Director of PGM program at Ferris in filling these positions.

**VII. COMMISSIONER AND STAFF COMMENTS:**

- A. Scott Keith: The December LEPFA Board meeting is generally cancelled due to timing of (lack of) financial information. If no one is opposed, suggest cancelling this meeting. It was noted no opposition to this; meeting was cancelled.
- B. Shelly Busse: Shelly reported the 2018 LEPFA Board dates are available in hard copy form (distributed today), as well as in the LEPFA Board Portal on Lansing Center's website, and the LEPFA website.
- C. Jim Smiertka: Jim provided an overview of the future of City Hall and a hotel coming to Downtown. The timeline for completion is three years.
- D. Jack Alexander: Jack stated the information about Santa on the digital board at the ball park is incorrect.
- E. Heather Sumner: Heather provided an update on the litigation surrounding Groesbeck. Currently waiting for Judge's decision; will appeal if denied.
- F. Heidi Brown: Happy Holidays to everyone.

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

**IX. NEW BUSINESS:**

- A. Groesbeck Agreement: Scott stated a review of the current agreement made it necessary to create an Amendment to the Agreement to include full operations under LEPFA.

Commission Janssen asked about the sharing of F&B profits. Scott explained how much of those profits the City will now receive.

Jim Smiertka stated this is the original Agreement from 2012. We amended the 2012 Agreement to include Groesbeck.

Chairman Butler asked for a motion to approve the Amendment to the 2012 Agreement.

\*Commissioner Barron noted that Commissioner Mickens gave him proxy to vote on his behalf.

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

- B. CEO Contract: Chairman Butler stated the meeting will now go into a CLOSED SESSION to discuss the President & CEO's contract. Chairman Butler asked for Jim Smiertka and Heather Sumner to stay for this CLOSED SESSION.



At 9:12 a.m. the meeting went into a CLOSED SESSION.

At 9:17 a.m. the meeting became public.

Chairman Butler asked for a motion to extend the President & CEO's current contract for one year under the current terms.

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

**X. ADJOURNMENT:** At 9:19 a.m. the meeting was adjourned.

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

**JANUARY 23, 2018**

**Cooley Law School Stadium – "The View"**

Respectfully submitted,  
Shelly Busse, Recording Secretary