Board of Directors Meeting
Friday, August 5, 2022 – 8:30 AM
Lansing EDC Office
230 N. Washington Square, 2nd Floor Boardroom, Ste. 209
Lansing, MI 48933

AGENDA

1) Call to Order/Roll Call
2) Approval of LEDC Board Meeting Minutes – Friday, July 8, 2022
3) Update on Financials
4) Transition Update
5) Approval of Cafeteria Plan - Employee Medical Benefits (ACTION)
6) Approval of FY2023 City of Lansing Façade Program Contract (ACTION)
7) LEED Program Update
8) Site Committee Update – Logan Square Redevelopment Plan
9) Open Forum for LEDC Board Members
10) Other Business
11) Public Comment
12) Adjournment

The Lansing Economic Development Corporation's mission is to create quality jobs, diversify the local economy and improve overall quality of life by attracting, expanding and retaining business and industry in the City of Lansing.

Board of Directors Meeting
Friday, July 8, 2022 – 8:30 AM
Please Note Meeting Location
Michigan Realtors
720 N. Washington Ave., Lansing, MI 48906

MINUTES

Members Present:	Brian McGrain, Calvin Jones, Andrea Binoniemi, Michael McKissic, Catherine Rathbun, Shelley Davis-Boyd, Dr. Alane Laws-Barker
Members Absent:	Blake Johnson, Jordan Sutton
Staff Present:	Karl Dorshimer, Kris Klein, Aurelius Christian, Mitch Timmerman
Guests:	Beth Chapman (CSH), Brian Westrin (Michigan Realtors)

Call to Order/Roll Call
Chair Binoniemi called the Lansing Economic Development Corporation meeting to order at 8:34 AM. Klein took rollcall attendance.

Welcome by Michigan Realtors
Chair Binoniemi recognized our hosts and Brian Westrin from Michigan Realtors welcomed LEDC to the Michigan Realtors building.

Approval of LEDC Board Meeting Minutes – Friday, June 10, 2022
MOTION: Davis-Boyd moved to approve the LEDC meeting minutes from the Friday, June 10, 2022 Board of Directors meeting, as presented. Motion seconded by McGrain.
YEAS: Unanimous, motion carried.

Approval of LEDC Board Meeting Minutes – Tuesday, June 28, 2022
MOTION: Jones moved to approve the LEDC meeting minutes from the Friday, June 28, 2022 Board of Directors meeting, as presented. Motion seconded by Rathbun.
YEAS: Unanimous, motion carried.

Update on Financials
Chapman from CSH provided an update on financials of EDC May financial statements of general business funds. CDBG loans forgiven and moved into grant expense for June. She stated these will be change in statement of activities, will be section for payroll, rent and office expenses.

McGrain noted that as we get closer to audit time to walk new board members through financial statements and give board training on what to look for when looking at these statements.

Transition Update
Dorshimer provided an update on transition to the new EDC location.
Jones inquired about the Office Manager position. Dorshimer indicates that the team has interviews set next week to bring on an office and finance manager position.
Binoniemi inquired about what how many days a week staff will be in the office. Dorshimer indicates that the EDC plans on having people in the office at least 3 to 4 days a week.

LEED Program Update
Dorshimer provided an update on the LEED program.
Binoniemi inquired about the programming elements related to the LEED program.
Dorshimer clarified that the program is a LEDC program that will be a collaborative effort between LEAP and other organizations.
Dorshimer provided an overview of the components of the LEED program. Dorshimer indicates that this program has made its way to the Mayor and that this program will have to approved by Council.

Irie Smoke Shack LEDC Micro-Loan Request (ACTION)
Timmerman gives overview of the loans and Jones provides information on the Loan Committee approving and recommending approval of these loans.
Rathbun asks if the owners of the Lansing Shuffle know about the Allen Neighborhood Center and the accelerator kitchen that they have, and the graduates that come out of there to come to this project.

McGrain mentions that there have been conversations with the owners and Allen Neighborhood Center.

Continued discussion regarding the loans as well as the other resources available for continued rotation into and out of Lansing Shuffle.

MOTION: Jones moved to approve the LEDC Micro-Loan request for Irie Smoke Shack. Motion seconded by Davis-Boyd
YEAS: Unanimous, motion carried.

Osteria Vegana LEDC Micro-Loan Request (ACTION)
MOTION: Jones moved to approve the LEDC Micro-Loan request for Osteria Vegana. Motion seconded by Rathbun.
YEAS: Unanimous, motion carried.

Open Forum for LEDC Board Members
Jones asks for update on James Butler recognition plaque. Klein gives update that there will be a plaque to place on the site of Reutter Park installation that was recently put in. Unveiling for this is next Tuesday at 4 PM—Reutter park. Binoniemi asks for a calendar invite for this event.

Jones would like an update on the Red Cedar Project and water project related to that project. Inquiring about the where they are in the process of the project. McGrain jumped in and seconded the idea.

Other Business
Klein gave update on grant request to EGLE to stadium North project. EGLE grant has been awarded to the sum of $800,000. McGrain adds that this project is one thing that supports the City's strategy of bringing in more housing, and to support an increase of housing stock. Clarification by Jones that this is the project at the Former Chief Golf Cart location.

Public Comment
None.

Adjournment
Chair Binoniemi called the Lansing Economic Development Corporation meeting to adjournment at 9:36 AM.

Karl R. Dorshimer
Karl Dorshimer, President and CEO
Lansing Economic Development Corporation (LEDC)

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

LANSING ECONOMIC DEVELOPMENT CORPORATION

Financial Statements

For the One Month and Twelve Months Ended June 30, 2022 and 2021

Lansing Economic Development Corporation
Statements of Financial Position

	Jun 30, 22	Jun 30, 21
ASSETS		
Current Assets		
Checking/Savings		
10000 · PNC - General Fund - 2612	0.00	67,264.15
10001 · PNC - COVID19 Rescue Fund -2583	104.30	14.85
10002 · PNC - Business Fund - 2575	75,000.00	75,000.00
10004 · PNC - Business Fund Sweep -2647	1,307,397.00	1,313,057.33
10005 · PNC - General Fund Sweep - 2639	565,226.87	159,584.98
10007 · PNC - Energy Eff Rev Sav - 0696	213,408.84	213,280.83
Total Checking/Savings	2,161,137.01	1,828,202.14
Accounts Receivable		
11000 · Accounts Receivable	12,037.50	447,552.72
Total Accounts Receivable	12,037.50	447,552.72
Other Current Assets		
11119 · Prepaid Insurance	6,137.00	5,377.78
11120 · Prepaid Rent	3,200.00	0.00
11121 · Prepaid Health Insurance	3,642.94	0.00
11135 · Receivable BW&L-Current Portion	0.00	4,500.00
11137 · Sleepwalker-Current Portion	0.00	7,018.75
11139 · The 517 Coffee Co-Current Port	5,528.06	3,988.39
11140 · Prepaid Expenses	1,635.00	0.00
11141 · Sweet Encounter Bakery -Current	4,295.54	0.00
11205 · Petra Flowers - CDBG-CV Rec	0.00	13,000.00
11206 · Ahptic Productions-CDBG-CV Rec	0.00	47,000.00
11207 · Busy Betty-CDBG-CV Rec	0.00	11,427.26
11208 · Meika's Boutique-CDBG-CV Rec	0.00	5,807.94
11209 · Lynn Osborne PC-CDBG-CV Rec	0.00	9,400.00
11210 · MJ Journeys - CDBG-CV Rec	0.00	5,893.66
11211 · Bella Viita-CDBG-CV Rec	0.00	3,333.17
11212 · Polka Dots Boutique-CDBG-CV Rec	0.00	13,650.00
11215 · FLEXcity Fitness - CDBG-CV Rec	0.00	17,000.00
11220 · Premier Oil Shop - CDBG-CV Rec	0.00	16,581.34
11225 · Peoples Yoga - CDBG-CV Rec	0.00	18,200.00
11230 · Sleepwalker Spirit-CDBG-CV Rec	0.00	6,000.00
11235 · The 517 Coffee Co - CDBG-CV Rec	0.00	4,840.00
11240 · The Power of Water -CDBG-CV Rec	0.00	5,166.66
11245 · Value Engineering - CDBG-CV Rec	0.00	16,666.66
11250 · Odd Nodd Inc. - CDBG-CV Rec	0.00	9,500.00
12001 · Undeposited Funds	2,615.00	0.00
Total Other Current Assets	27,053.54	224,351.61
Total Current Assets	2,200,228.05	2,500,106.47
Other Assets		
12000 · Loans Receivable		
11130 · Receivable BW&L	0.00	4,500.00
11131 · Receivable BW&L.Current Portion	0.00	-4,500.00
12080 · Sleepwalker Spirits & Ale-Loan	0.00	9,204.25
12085 · Sleepwalker - Current Portion	0.00	-7,018.75
12094 · The 517 Coffee Co. - Loan Rec.	21,011.61	25,000.00
12095 · The 517 Coffee Co-Current Port	-5,528.06	-3,988.39
12096 · Sweet Encounter Bakery-Loan Rec	18,769.67	0.00
12097 · Sweet Encounter Bakery -Cur Por	-4,295.54	0.00
Total 12000 · Loans Receivable	29,957.68	23,197.11
18700 · Security Deposit	3,200.00	0.00
18800 · Deposit-Equipment	13,381.74	0.00
Total Other Assets	46,539.42	23,197.11
TOTAL ASSETS	**2,246,767.47**	**2,523,303.58**

DRAFT

No assurance is provided on these financial statements or supplementary information. The financial statements omit substantially all disclosures and the statement of cash flows, revenue and expenses related to certain contracts are recognized when received and paid, all of which are not in accordance with accounting principles generally accepted in the United States of America.

Lansing Economic Development Corporation
Statements of Financial Position

	Jun 30, 22	Jun 30, 21
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable	0.00	49,362.89
Total Accounts Payable	0.00	49,362.89
Credit Cards		
20050 · CC Payable-PNC-8031	8,519.31	0.00
Total Credit Cards	8,519.31	0.00
Other Current Liabilities		
20300 · Payable LBRA-Current Portion	0.00	4,500.00
Total Other Current Liabilities	0.00	4,500.00
Total Current Liabilities	8,519.31	53,862.89
Long Term Liabilities		
20200 · Payable to LBRA	0.00	4,500.00
20400 · Payable to LBRA-Current Portion	0.00	-4,500.00
Total Long Term Liabilities	0.00	0.00
Total Liabilities	8,519.31	53,862.89
Equity		
32000 · Without donor restrictions	2,389,769.69	2,485,217.02
32100 · With donor restrictions	79,671.00	79,671.00
Net Income	-231,192.53	-95,447.33
Total Equity	2,238,248.16	2,469,440.69
TOTAL LIABILITIES & EQUITY	**2,246,767.47**	**2,523,303.58**

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Lansing Economic Development Corporation
Statements of Activities

	Jun 22	Jun 21
Ordinary Income/Expense		
Income		
40000 · Contract Income		
40010 · Brownfield Admin	-20,618.74	0.00
40050 · TIFA Admin	0.00	192,800.20
40090 · EGLE Allen Place Grant Contract	146,056.28	0.00
40091 · EGLE Allen Place Grant Admin.	2,340.00	0.00
40094 · CDBG CV Grant Contract	0.00	203,466.69
40095 · CDBG CV Contract Admin	0.00	30,152.13
40096 · CDBG Contract Prog Reimb	0.00	34,942.08
Total 40000 · Contract Income	127,777.54	461,361.10
41000 · Loan Interest		
41080 · Sleepwalker Spirits Interest	0.00	26.87
41091 · The 517 Coffee Company Interest	82.02	93.75
41093 · Sweet Encounter Bakery Cafe Int	48.72	0.00
Total 41000 · Loan Interest	130.74	120.62
42000 · Investments		
42010 · Interest-Savings, Short-term CD	427.57	94.65
Total 42000 · Investments	427.57	94.65
Total Income	128,335.85	461,576.37
Expense		
61000 · Contract Services		
61010 · Accounting Fees	5,013.29	0.00
61020 · Legal Fees	1,433.50	0.00
Total 61000 · Contract Services	6,446.79	0.00
63000 · Development		
63025 · Facade Grants	0.00	18,488.48
63030 · Contractual Services	0.00	28,226.41
63035 · EGLE Allen Place Grant Contract	148,396.28	0.00
63050 · Insurance & Bonds	1,217.18	1,448.81
63055 · Marketing & Promotions	438.67	0.00
63060 · Miscellaneous Operating	2,672.54	242.16
63066 · CDBG-CV Grant Expense	346,004.20	0.00
63072 · CDBG-CV Program Expenses	0.00	10,298.00
63080 · Bank Fees	100.81	3.00
Total 63000 · Development	498,829.68	58,706.86
64000 · EDC Business Incubator		
64005 · Bank Fees	3.00	3.00
64040 · Miscellaneous Operating	796.00	0.00
64055 · Telephone/Communications	2,115.76	0.00
64090 · Software Subscriptions	2,673.97	0.00
64110 · Events Expense	331.88	0.00
Total 64000 · EDC Business Incubator	5,920.61	3.00
Total Expense	511,197.08	58,709.86
Net Ordinary Income	-382,861.23	402,866.51
Net Income	**-382,861.23**	**402,866.51**

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Lansing Economic Development Corporation
Statements of Activities

	Jul '21 - Jun 22	Jul '20 - Jun 21
Ordinary Income/Expense		
Income		
40000 · Contract Income		
40010 · Brownfield Admin	177,774.54	180,384.63
40020 · City of Lansing Contract	300,000.00	0.00
40040 · Annual Issuer's Fees	12,037.50	14,362.50
40050 · TIFA Admin	228,422.94	192,800.20
40090 · EGLE Allen Place Grant Contract	553,719.49	9,459.73
40091 · EGLE Allen Place Grant Admin.	2,934.92	0.00
40094 · CDBG CV Grant Contract	139,537.51	203,466.69
40095 · CDBG CV Contract Admin	7,589.90	35,514.15
40096 · CDBG Contract Prog Reimb	6,109.00	34,942.08
Total 40000 · Contract Income	1,428,125.80	670,929.98
41000 · Loan Interest		
41080 · Sleepwalker Spirits Interest	184.22	383.95
41091 · The 517 Coffee Company Interest	1,063.40	1,294.55
41093 · Sweet Encounter Bakery Cafe Int	443.67	0.00
Total 41000 · Loan Interest	1,691.29	1,678.50
42000 · Investments		
42010 · Interest-Savings, Short-term CD	1,686.05	2,097.71
Total 42000 · Investments	1,686.05	2,097.71
43000 · Other Types of Income		
43037 · Application Fees	250.00	0.00
Total 43000 · Other Types of Income	250.00	0.00
Total Income	1,431,753.14	674,706.19
Expense		
61000 · Contract Services		
61010 · Accounting Fees	27,056.83	0.00
61020 · Legal Fees	6,837.00	0.00
Total 61000 · Contract Services	33,893.83	0.00
63000 · Development		
63025 · Facade Grants	56,583.96	78,894.73
63030 · Contractual Services	697,985.12	629,584.04
63035 · EGLE Allen Place Grant Contract	494,062.75	9,459.73
63050 · Insurance & Bonds	13,908.78	15,875.17
63055 · Marketing & Promotions	783.67	0.00
63060 · Miscellaneous Operating	4,554.74	1,287.82
63066 · CDBG-CV Grant Expense	346,004.20	0.00
63072 · CDBG-CV Program Expenses	9,034.00	34,942.08
63080 · Bank Fees	181.01	73.95
Total 63000 · Development	1,623,098.23	770,117.52
64000 · EDC Business Incubator		
64005 · Bank Fees	36.00	36.00
64040 · Miscellaneous Operating	796.00	0.00
64055 · Telephone/Communications	2,115.76	0.00
64090 · Software Subscriptions	2,673.97	0.00
64110 · Events Expense	331.88	0.00
Total 64000 · EDC Business Incubator	5,953.61	36.00
Total Expense	1,662,945.67	770,153.52
Net Ordinary Income	-231,192.53	-95,447.33
Net Income	**-231,192.53**	**-95,447.33**

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SUPPLEMENTARY INFORMATION

Lansing Economic Development Corporation
Statement of Activities - Actual vs. Budget

	Jul '21 - Jun 22	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
40000 · Contract Income				
40010 · Brownfield Admin	177,774.54	210,070.00	-32,295.46	84.6%
40020 · City of Lansing Contract	300,000.00	300,000.00	0.00	100.0%
40040 · Annual Issuer's Fees	12,037.50	49,850.00	-37,812.50	24.1%
40050 · TIFA Admin	228,422.94	228,423.00	-0.06	100.0%
40070 · Fund Balance	0.00	150,000.00	-150,000.00	0.0%
40080 · Facade Grant Contract	0.00	175,000.00	-175,000.00	0.0%
40090 · EGLE Allen Place Grant Contract	553,719.49	0.00	553,719.49	100.0%
40091 · EGLE Allen Place Grant Admin.	2,934.92			
40094 · CDBG CV Grant Contract	139,537.51			
40095 · CDBG CV Contract Admin	7,589.90	0.00	7,589.90	100.0%
40096 · CDBG Contract Prog Reimb	6,109.00	0.00	6,109.00	100.0%
Total 40000 · Contract Income	1,428,125.80	1,113,343.00	314,782.80	128.3%
41000 · Loan Interest				
41080 · Sleepwalker Spirits Interest	184.22	0.00	184.22	100.0%
41091 · The 517 Coffee Company Interest	1,063.40	0.00	1,063.40	100.0%
41093 · Sweet Encounter Bakery Cafe Int	443.67			
41000 · Loan Interest - Other	0.00	1,172.00	-1,172.00	0.0%
Total 41000 · Loan Interest	1,691.29	1,172.00	519.29	144.3%
42000 · Investments				
42010 · Interest-Savings, Short-term CD	1,686.05	3,000.00	-1,313.95	56.2%
Total 42000 · Investments	1,686.05	3,000.00	-1,313.95	56.2%
43000 · Other Types of Income				
43010 · Miscellaneous Revenue	0.00	50.00	-50.00	0.0%
43037 · Application Fees	250.00	0.00	250.00	100.0%
Total 43000 · Other Types of Income	250.00	50.00	200.00	500.0%
Total Income	1,431,753.14	1,117,565.00	314,188.14	128.1%
Expense				
61000 · Contract Services				
61010 · Accounting Fees	27,056.83	42,944.00	-15,887.17	63.0%
61020 · Legal Fees	6,837.00	30,000.00	-23,163.00	22.8%
Total 61000 · Contract Services	33,893.83	72,944.00	-39,050.17	46.5%
63000 · Development				
63025 · Facade Grants	56,583.96	175,000.00	-118,416.04	32.3%
63030 · Contractual Services	697,985.12	559,985.00	138,000.12	124.6%
63035 · EGLE Allen Place Grant Contract	494,062.75	150,000.00	344,062.75	329.4%
63050 · Insurance & Bonds	13,908.78	21,960.00	-8,051.22	63.3%
63055 · Marketing & Promotions	783.67	5,000.00	-4,216.33	15.7%
63056 · Travel & Conferences & Training	0.00	6,000.00	-6,000.00	0.0%
63060 · Miscellaneous Operating	4,554.74	1,876.00	2,678.74	242.8%
63066 · CDBG-CV Grant Expense	346,004.20			
63072 · CDBG-CV Program Expenses	9,034.00	0.00	9,034.00	100.0%
63080 · Bank Fees	181.01	0.00	181.01	100.0%
Total 63000 · Development	1,623,098.23	919,821.00	703,277.23	176.5%
64000 · EDC Business Incubator				
64005 · Bank Fees	36.00	612.00	-576.00	5.9%
64030 · Equipment	0.00	60,000.00	-60,000.00	0.0%
64040 · Miscellaneous Operating	796.00			
64055 · Telephone/Communications	2,115.76	0.00	2,115.76	100.0%
64090 · Software Subscriptions	2,673.97			
64110 · Events Expense	331.88			
Total 64000 · EDC Business Incubator	5,953.61	60,612.00	-54,658.39	9.8%
Total Expense	1,662,945.67	1,053,377.00	609,568.67	157.9%
Net Ordinary Income	-231,192.53	64,188.00	-295,380.53	-360.2%
Net Income	**-231,192.53**	**64,188.00**	**-295,380.53**	**-360.2%**

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ECONOMIC DEVELOPMENT CORPORATION
OF THE CITY OF LANSING
Certificate of Resolution by Board of Directors

At a regularly scheduled meeting of the Board of Directors of the Economic Development Corporation of the City of Lansing held on Friday, August 5, 2022 at 8:30 a.m., pursuant to notice duly given:

PRESENT: Members:

ABSENT: Members:

The following preamble and resolution was offered by;

Member: , and seconded by:

Member:

WHEREAS, the Lansing Economic Development Corporation ("LEDC") has consulted with the LEDC's attorney to draft an employee Cafeteria Plan (Plan) to meet the requirements of Section 125 of the Internal Revenue Code of 1986, as amended; and

WHEREAS, by having the Plan LEDC Employees will be able to elect to make pretax contributions to a Health Savings Account (HSA); and

WHEREAS, the Plan specifies the terms and condition under which such contributions can be made.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANSING ECONOMIC DEVELOPMENT CORPORATION AS FOLLOWS:

1. Lansing Economic Development Corporation ("LEDC") ratifies, approves and adopts the LEDC Cafeteria Plan (the "Plan"), effective as of July 1, 2022.

2. The LEDC Board authorizes the President and CEO if the LEDC to execute the Plan and any other documents that are necessary to implement foregoing resolution on behalf of the Corporation.

3. Additionally, the LEDC declares that any and all actions already taken by the President and CEO in furtherance of the foregoing resolution are hereby ratified, confirmed and approved.

The foregoing preamble and resolutions are hereby approved by the Board of Directors for the Economic Development Corporation of the City of Lansing.

YEAS:

NAYS:

ABSTENTIONS:

ABSENT:

PREAMBLE AND RESOLUTIONS DECLARED ADOPTED.

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

I hereby certify that the foregoing is a true and a complete copy of a preamble and resolutions adopted at a regularly scheduled meeting of the Economic Development Corporation of the City of Lansing held on the 5th day of August 2022, and said preamble and resolutions are on file in the office of the Economic Development Corporation of the City of Lansing and are available to the public. Public notice of the meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan 1976, including in the case of a special or re-scheduled meeting, notice by publication or posting of at least eighteen (18) hours prior to the time set for the meeting. In addition, the meeting was held in full compliance with the Board's By-Laws.

IN WITNESS WHEREOF, I have hereunto affixed my official signature.

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Andrea Binoniemi, Chair
LEDC Board of Directors

LANSING ECONOMIC DEVELOPMENT CORPORATION

CAFETERIA PLAN

SUMMARY PLAN DESCRIPTION

July 1, 2022

TABLE OF CONTENTS

LANSING ECONOMIC DEVELOPMENT CORPORATION
CAFETERIA PLAN
SUMMARY PLAN DESCRIPTION

INTRODUCTION

This Summary Plan Description has been prepared for you to clarify the complex provisions of the Lansing Economic Development Corporation Cafeteria Plan ("the Plan"). If the provisions of the summary conflict with the more specific provisions of the Plan, the provisions of the Plan will control, unless otherwise required by law.

Nothing in this Summary Plan Description or in the Plan provides you any rights of continued employment with the Lansing Economic Development Corporation (the "Employer"). Moreover, your participation in the Plan does not prohibit changes in the terms of, or the termination of, your employment with the Employer.

The Employer expressly reserves the right, subject to the terms of any contractual agreement made by the Employer, to amend or revise any term or provision of the Plan or to terminate the Plan at any time in its sole discretion by action of the Employer's governing Board.

1. WHAT IS THE EFFECTIVE DATE?

The effective date of the Plan is July 1, 2022.

2. WHEN WILL I BE ELIGIBLE TO PARTICIPATE IN THE PLAN?

If you are an employee of the Employer you are eligible to participate in the Plan.

You will become a participant on your date of hire, provided you file an enrollment election with the Plan Administrator. The initial Election Period when you become eligible to participate is for thirty (30) days after your date of hire. Benefit elections made during the initial Election Period will be effective retroactively to the date of hire. The Election Period under the Plan is the month of December immediately preceding the Plan year beginning on January 1. If you do not file an enrollment election during the initial Election Period, you may do so during the next Election Period.

3. WHAT IS THE PLAN YEAR?

The Plan Year is the consecutive 12-month period beginning on January 1 and ending on December 31; provided, however, that the first Plan Year will be a short Plan Year that extends from July 1 through December 31, 2022.

4. WHAT BENEFITS ARE PROVIDED BY THE PLAN?

This Plan offers taxable and non-taxable benefits to eligible employees through a health savings account ("HSA") Benefit. An HSA Benefit permits eligible employees to make pretax salary reduction contributions to an HSA. Although the HSA is established and maintained outside of the Plan (with your HSA Trustee/Custodian), it is linked to the Plan. That link ensures that your salary reduction contributions to the HSA will be pretax contributions. If you elect HSA Benefits, you will enter into a salary reduction agreement and your contributions will be paid with pretax dollars.

The HSA is not an employer-sponsored employee benefit plan. It is an individual trust or custodial account that you have opened with an HSA Trustee/Custodian to be used primarily for payment or reimbursement of “eligible medical expenses” as defined in Code Section 223. Consequently, the HSA Trustee/Custodian, not the Employer, will establish and maintain your HSA. The HSA Trustee/Custodian will be chosen by the Employer; however, you may be able to move your HSA funds to another HSA provider if you so choose. Your HSA is administered by your HSA Trustee/Custodian. The Employer has no authority or control over the funds deposited in your HSA. Therefore, the HSA is not subject to the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan Administrator will maintain records to keep track of HSA contributions that you make through pretax salary reduction contributions, but it will not create a separate fund or otherwise segregate assets for this purpose. The Employer has no authority or control over the More information regarding the HSA Benefit is provided below.

a. Eligibility. You may participate in the HSA Benefit if you are an “HSA-Eligible Individual.” This means that you are eligible to contribute to an HSA under the requirements of Internal Revenue Code Section 223 because you have elected coverage under a qualifying High Deductible Health Plan (“HDHP”) offered by your Employer and are not covered by any disqualifying non-HDHP coverage. A “High Deductible Health Plan” is the high deductible health plan offered by your Employer that is intended to qualify as a high deductible health plan under Code Section 223(c)(2), as described in materials that will be provided separately to you by the Employer. If you elect HSA Benefits, you will be required to certify that you meet all of the requirements under Code Section 223 to be eligible to contribute to an HSA. These requirements include, among other things, not having any disqualifying coverage. You should be aware that your spouse’s non-HDHP coverage could make you ineligible to contribute to an HSA. To find out more about HSA eligibility requirements and the consequences of making contributions to an HSA when you are not eligible (including possible excise taxes and other penalties), see IRS Publication 969 (“Health Savings Accounts and Other Tax-Favored Health Plans”). In order to elect HSA Benefits under the Cafeteria Plan, you must establish or maintain an HSA outside the Plan with the HSA Trustee/Custodian selected by the Employer.

b. Contributions. Employees who are HSA-Eligible Individuals can participate in the HSA Benefit. Your contributions to the HSA are completely voluntary. If you are an HSA-Eligible Individual and you elect to participate in the HDHP, then the Employer may make a discretionary contribution to your HSA. The amount of the discretionary contribution (if any) will be determined by the Employer on or before the first day of each Plan Year. You will be informed of the amount of any Employer contributions to the HSA Benefit during the annual open enrollment period.

c. Maximum Annual Contributions. Your total contributions for annual HSA Benefits is equal to the sum of the annual benefit amount that you elect to contribute, plus any discretionary contributions made by your Employer (if any). The total contribution amount must not exceed the statutory maximum amount for HSA contributions applicable to your High Deductible Health Plan coverage option for the calendar year in which the contribution is made. This limit for 2022 is $3,650 for individual coverage or $7,300 for family coverage.

An additional catch-up contribution ($1,000, adjusted for any COLA increases) may be made if you are age 55 or older. You must certify your age to your Employer.

The maximum total annual contribution amount described above will not be prorated for the number of months in which you are an HSA-Eligible Individual if you are HSA-eligible on December 1 of that Plan Year. However, if you become an HSA-Eligible Individual after January 1 of any Plan Year, and you do not remain an HSA-Eligible Individual (except because of disability) for the requisite 13-month testing period that begins on December 1 of the tax year during which you become HSA eligible, certain taxes and penalties may apply to amounts contributed based on the number of months preceding the month you became an HSA-Eligible Employee.

d. Funding. When you complete the Enrollment Form/Salary Reduction Agreement, you will specify the annual amount of HSA Benefits that you want to pay for with your salary reduction dollars. From then on, you make a contribution for such coverage by having a pro rata portion deducted from each paycheck on a pretax basis (generally an equal portion from each paycheck or an amount otherwise agreed to or as deemed appropriate by the Plan Administrator). Such contributions will be forwarded to the HSA Trustee/Custodian (or its designee) within a reasonable time after being withheld.

e. Taxation. You may generally save both income and employment taxes by participating in the Plan. For more information regarding the tax ramifications of participating in an HSA as well as the terms and conditions of your HSA, see the communications materials provided by your HSA Trustee/Custodian. Your Employer cannot guarantee that specific tax consequences will flow from your participation in the Plan. Ultimately, it is your responsibility to determine the tax treatment of HSA Benefits. Remember that the Plan Administrator is not providing legal advice. If you need an answer upon which you can rely, you may want to consult a tax advisor.

5. HOW DO I ELECT BENEFITS UNDER THE PLAN?

You will elect each year's benefits under the Plan during the election period immediately preceding each Plan Year. During each enrollment period you will be given an opportunity to elect the benefits you want to receive during the next Plan Year and the specific amount you want to allocate to each benefit selected. Your contributions will be withheld from your periodic paychecks on a pretax basis and will not be subject to federal income, state income or social security taxes.

6. HOW DO I AMEND MY ENROLLMENT ELECTION?

Notwithstanding any Plan provision to the contrary, your election to make a contribution to an HSA may be increased, decreased or revoked at any time on a prospective basis. The election will be effective on the first payroll period immediately following the date on which the election change was filed with the Plan Administrator.

7. HOW CAN I LOSE MY BENEFITS?

Benefits will be provided each year in accordance with your enrollment election. If you do not complete a written salary agreement with the Employer during the Election Period, you will be deemed to have no elected benefits for that Plan Year.

You will cease to be a participant in the HSA Benefit option on the date you cease to be eligible for coverage as an active employee of the Employer under the HDHP. Distributions from your HSA (whether before or after termination of employment) and all other matters relating to your HSA are outside this Plan and are to be handled by you and your trustee/custodian in accordance with your agreement.

Benefits will cease upon Plan termination and may cease upon Plan amendment. You will be given advance notice of any such change.

8. WHAT IS THE BENEFIT CLAIMS PROCEDURE?

Claims must be made on forms supplied on-line by the Claims Administrator, a third-party administrator that processes claims for benefits under the Plan on behalf of the Plan Administrator. The Claims Administrator will make all initial determinations as to the right of any employee to benefits. The Claims Administrator shall have sole and exclusive discretionary authority to construe and interpret the terms of the Plan, make factual determinations and decide all questions of eligibility and the amount, manner and time of any benefit payment pursuant to the Plan's procedures. Any denial of your claim for benefits will be stated in writing and will set forth the specific reasons for the denial, written in a manner calculated to be understood by you without legal or actuarial counsel. Approval or denial of an initial claim will be sent to you within 30 days after the time the claim is made.

9. WHAT IF THE CLAIM IS DENIED?

If your claim is denied in whole or in part, you will be afforded a reasonable opportunity for a review of the initial decision denying your claim. Unless otherwise provided in the Plan's procedures, review of the initial denial must be applied for by written or electronic request to the Claims Administrator within 180 days after denial of the claim. The Claims Administrator will advise you of the decision within 60 days after receiving your request.

You may choose to appeal the decision by written request to the Human Resources Executive within 60 days after the final review by the Claims Administrator. Benefits under the Plan will be paid only if the Human Resources Executive decides in his/her sole discretion that the claimant is entitled to them. You will be advised of the Executive's decision within 60 days after your request is made.

10. WHEN WILL BENEFITS BE PAID?

Benefits under the Plan will be paid within a reasonable time after the Claims Administrator approves your claim.

11. WHAT OTHER INFORMATION DO I NEED?

The name of the Plan is:

Lansing Economic Development Corporation Cafeteria Plan

The name, address and telephone number of the Plan Sponsor/Plan Administrator are:

Lansing Economic Development Corporation
1000 S. Washington Avenue, Suite 201
Lansing, Michigan 48910
Attention: Karl Dorshimer
(517) 702-3387

12. CAN THE PLAN BE AMENDED OR TERMINATED?

Yes. Subject to any contractual agreement, the Employer may, at any time and in its sole discretion, amend or terminate the Plan by action of its governing Board.

13. WHERE CAN I GET FURTHER INFORMATION ABOUT THE PLAN?

Copies of the Plan are available at the office of the Plan Administrator. For details regarding your rights and responsibilities with respect to your HSA (including information regarding the terms of eligibility, what constitutes a qualifying High Deductible Health Plan, contributions to the HSA, and distributions from the HSA), please contact your HSA Trustee/Custodian.

MEMO

FOSTER SWIFT
FOSTER SWIFT COLLINS & SMITH PC || ATTORNEYS

ATTORNEY-CLIENT PRIVILEGE/CONFIDENTIAL

TO: **Lansing Economic Development Corporation**

FROM: **Foster, Swift, Collins & Smith, PC**

DATE: **July 25, 2022**

RE: **Publicly Funded Health Insurance Contribution Act (Public Act 152)**

This memo provides a brief summary of the Publicly Funded Health Insurance Contribution Act, MCL 15.561 et seq. (the "Act"). The Act was enacted in 2011 to assist public employers with reducing health care costs by limiting the amount that public employers can pay toward employee medical benefit plans. We think it is likely that LEDC is a “public employer” that is subject to the Act, because it was established by the City of Lansing pursuant to the Economic Development Corporation Act.

I. Summary of Requirements

The Act limits the amount that public employers can pay toward employee medical benefit plans. A "medical benefit plan" is defined under the Act as "…a plan … that provides for the payment of medical benefits, including, but not limited to, hospital and physician services, prescription drugs, and related benefits …." MCL 15.562(e). This definition has been interpreted by the State of Michigan to exclude separate plans for dental insurance, vision insurance, and short and long term disability insurance. (See Department of Treasury, 2011 Public Act 152: FAQs).

A public employer has two options from which to select in determining how it will comply with the Act – the "Hard Cap Method" or the "80/20 Method." The Hard Cap Method is the default option that applies unless the public employer decides, by a majority vote of its governing body each year, to comply with the 80/20 Method. Each of those methods is described in more detail below.

a. Hard Cap Method

The Hard Cap Method sets a dollar limit on the total annual amount that the employer may contribute to pay for the annual costs for medical benefit plan coverage, and any payments for reimbursement of co-pays, deductibles, or payments into health savings accounts, flexible spending accounts, or similar accounts used for health care costs. The dollar limit is based on the number of employees with single, spousal, and family health insurance coverage. MCL 15.563. The dollar limits are adjusted annually.

For medical benefit plan coverage years beginning on or after January 1, 2022, the limit on the amount that a public employer may contribute to a medical benefit plan equals the sum of the following:

- **$7,304.51** times the number of employees and elected public officials with single-person coverage; plus

- **$15,276.01** times the number of employees and elected public officials with individual and spouse coverage or individual plus-one non-spouse dependent coverage; plus

- **$19,921.45** times the number of employees and elected public officials with family coverage.

b. 80/20 Method

Alternatively, an employer may decide by a majority vote of its governing body to comply with the 80/20 Method. The 80/20 Method requires the employer to pay no more than 80% of the "total annual costs of all of the medical benefit plans it offers or contributes to for its employees and elected public officials." MCL 15.564.

For purposes of the Act, "total annual costs" include the premium or illustrative rate of the medical benefit plan and all employer payments for reimbursement of co-pays, deductibles, and payments into health savings accounts, flexible spending accounts, or similar accounts used for health care. *Id.* "Total annual costs" do not include beneficiary-paid copayments, coinsurance, deductibles, other out-of-pocket expenses, other service-related fees that are assessed to the coverage beneficiary, or beneficiary payments into health savings accounts, flexible spending accounts, or similar accounts used for health care. *Id.*

The Act provides that a public employer "may allocate the employees' share of total annual costs of the medical benefit plans among the employees of the public employer as it sees fit." MCL 15.564(2). Therefore, an employer that has chosen to comply with the 80/20 Method could decide to contribute more than the 80% contribution threshold for a particular group of employees, provided that it does not exceed the 80% threshold for all employees in the aggregate.

As noted above, the 80/20 Method takes into account the total annual costs of "all of the medical benefit plans it offers or contributes to for its employees." MCL 15.564. Therefore, the 80/20 Method takes into account all levels of coverage offered by the employer (single, spousal, and family coverage).

II. Penalties for Noncompliance

The Act provides that if a public employer fails to comply with the Act, the state treasurer is permitted to reduce by 10% each economic vitality incentive program payment received under 2011 PA 63 during the period of noncompliance. MCL 15.569. The FAQ guidance from the state notes the following regarding the penalty:

> "This section references 2011 Public Act 63, which was the FY 2012 appropriation bill. 2011 Public Act 63 is for the fiscal year ending September 30, 2012. Therefore, the penalty of a reduction in Economic Vitality Incentive Program payments would not apply beyond September 30, 2012. However, if the public employer is found not to be in compliance

with 2011 Public Act 152, the public employer would face all sanctions generally available to enforce a law.

Additionally, a public employer's noncompliance with 2011 Public Act 152 may subject the public employer to the reduction or loss of funding other than from the Economic Vitality Incentive Program. As an example, pursuant to 2012 PA 506 (MCL 247.668j), beginning September 30, 2014, the Michigan Department of Transportation may withhold all or part of the distributions to a local road agency from the Michigan Transportation Fund for the period the local road agency is not in compliance with 2011 Public Act 152."

Thus, the state's enforcement authority of the Act is somewhat limited. However, any funding that is contingent on compliance with Act could be subject to reduction if the employer does not comply.

Please let us know if you have any questions.

:JLH

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7/22/2022

LANSING ECONOMIC DEVELOPMENT CORPORATION

CAFETERIA PLAN

July 1, 2022

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LANSING ECONOMIC DEVELOPMENT CORPORATION

CAFETERIA PLAN

ARTICLE I - PURPOSE

Lansing Economic Development Corporation (the "Employer") established the Lansing Economic Development Corporation Cafeteria Plan (the "Plan") effective as of July 1, 2022 (the "Effective Date"). The Plan is intended to meet the requirements of Section 125 of the Internal Revenue Code of 1986, as amended.

Except as may be permitted by applicable law or otherwise provided herein, the Plan is maintained for the exclusive benefit of Employees of the Employer. The Plan has been established with the intention of being maintained for an indefinite period of time. Notwithstanding such intention, the Employer reserves the right to amend and/or terminate the Plan as provided in Article VIII.

ARTICLE II - DEFINITIONS

2.1 Benefit Schedule means the benefits offered under the Plan as described below. The Participant may pay for all or any of these benefits with pretax dollars by making elective salary reduction contributions to the Plan in accordance with Section 4.2.

(a) HSA Benefit. The qualified benefit described in Article VI below.

(b) Cash. In lieu of electing nontaxable benefits under the Plan with pretax salary reduction dollars, the Participant may elect to receive his or her unreduced compensation in cash.

2.2 Election Period means the period of time prior to each Plan Year during which the Participant shall select the types of benefits for the next succeeding Plan Year and amount to allocate to each benefit selected. The Election Period under the Plan shall be the month of December immediately preceding each plan Year. The initial Election Period under the Plan for any individual who becomes eligible to participate in the Plan after the first day of the Plan Year shall be the thirty (30) day period immediately following the Employee's date of hire. Any benefit elections made by the Employee during that initial Election Period shall be retroactively effective to the Employee's hire date.

2.3 Employee means any person who, on or after the Effective Date, is receiving remuneration for personal services rendered by the Employee (or who would be receiving such remuneration except for an authorized leave of absence). Employee shall exclude any person who owns more than two percent (2%) of the Employer if the Employer is or becomes a subchapter S corporation, any person classified as a self-employed individual under Code Section 401(c) and further excluding any person classified as an independent contractor or a leased employee.

2.4 Employer means Lansing Economic Development Corporation.

2.5 ERISA means Public Law No. 93-406, the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.6 Internal Revenue Code or Code means the Internal Revenue Code of 1986, as amended.

2.7 Participant means any Employee participating in this Plan in accordance with Sections 3.1 and 3.2.

2.8 Period of Coverage means the Plan Year; provided that, for any Employee who becomes eligible to participate after the first day of a Plan Year, the Period of Coverage shall mean the period commencing on the date such Employee becomes a Participant and extending through the remainder of the Plan Year.

2.9 Plan means the Lansing Economic Development Corporation Cafeteria Plan, as set forth herein, and as amended from time to time by the Employer.

2.10 Plan Administrator or Administrator means Lansing Economic Development Corporation. The Plan Administrator may, in its sole discretion, delegate any of its duties hereunder to another entity or to an individual with regard to any benefit that is described in Section 2.1.

2.11 Plan Year means the consecutive 12-month period beginning on January 1 and ending on December 31 each year, provided however, that the first Plan Year will be a short Plan Year that extends from July 1 through December 31, 2022.

ARTICLE III - ELIGIBILITY

3.1 Participation. Any Employee shall become a Participant on the Employee's date of hire, provided the Employee files an enrollment form with the Plan Administrator in accordance with Section 5.2.

3.2 Termination of Participation. Except as required by applicable law, a Participant who ceases to be an Employee shall no longer be eligible to receive benefits under the Plan for expenses incurred after the Participant's employment termination date.

ARTICLE IV - CONTRIBUTIONS

4.1 Employer Contributions. Employer contributions for a given Plan Year shall be established during the Election Period pursuant to the annual enrollment forms and the related salary reduction agreements on file for the Plan Year. These Employer contributions will be in the form of Participant salary reduction contributions pursuant to Section 4.2.

4.2 Employee Salary Reduction Contributions. During the annual Election Period each Participant may enter into a written salary reduction agreement with the Employer on such form or forms as the Plan Administrator may require. By completing such agreement, the Participant agrees to a reduction in salary for a specific Plan Year in the amount elected under such agreement. The salary reduction agreement shall be applicable to payroll periods within the applicable Plan Year and shall be made on a pro rata basis from the Participant's periodic payroll checks. The payroll periods during the Plan Year to which the salary reduction agreement shall be applicable will be determined pursuant to uniform administrative guidelines established by the Employer.

ARTICLE V - BENEFITS

5.1 Available Benefits. Benefits payable under this Plan shall be those statutory taxable and non-taxable benefits set forth in Section 2.1.

5.2 Election of Benefits. During the Election Period applicable to each Plan Year, each Participant shall provide the Plan Administrator with a completed election of benefits on such form or forms (paper or electronic) as the Plan Administrator shall provide. The election shall specify the types of benefits the Participant wants to receive during each Plan Year and the portion of the Participant's salary he or she wants to allocate to each benefit selected. Any continuing Participant who fails to timely file a completed enrollment form with the Plan Administrator for a given Plan Year shall be deemed to have elected no benefits under the Plan for the Plan Year.

In addition to those conditions set forth above, the following restrictions shall apply:

(a) Any enrollment form may be amended or revoked prior to the first day of the applicable Plan Year.

(b) Any enrollment form may be created, amended or revoked at any time during the Plan Year, so long as the change is effective before the salary to which the change applied becomes currently available to the Participant.

5.3 Benefit Payments. Benefit payments under this Plan may be made directly to the claimant or to the person or entity providing benefits subject to any restrictions contained in this Plan.

5.4 Limitations on Contributions and Benefits. No more than twenty-five percent (25%) of the total benefits provided under this Plan during any Plan Year may be paid to or for Participants who are key employees within the meaning of Code Section 416(i)(1) on any day during the Plan Year or to Participants who are Spouses or Dependents of any such individual (the "Prohibited Group"). If the Employer believes that this twenty-five percent (25%) limit may be exceeded under the Plan in operation, it may, in its absolute discretion, limit the amount of a Participant's salary reduction contributions that may be used to increase his or her benefits provided under this Plan so that the limit will not be exceeded provided that any such limitation imposed by the Employer shall apply on a uniform basis pursuant to rules applied equally to all Participants who are members of the Prohibited Group.

ARTICLE VI - HSA BENEFIT OPTION

6.1 Purpose. This Article is designed to permit an Eligible Employee to contribute on a pretax salary reduction basis to the Employee's Health Savings Account (HSA).

6.2 Special Definitions for Article VI.

(a) Account means the record of Employee HSA Contributions described in Section 6.6(b).

(b) Benefits means the HSA Benefits offered under the Plan.

(c) Dependent means an individual who is a dependent as defined in Code Section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof, and any child to whom Code Section 152(e) applies (regarding, for example, a child of divorced parents, where one or both parents have custody of the child for more than half of the calendar year and where the parents together provide more than half of the child's support for the calendar year) is treated as a dependent of both parents.

Notwithstanding the foregoing, benefits will be provided in accordance with the applicable requirements of any qualified medical child support order, even if the child does not meet the definition of "dependent."

(d) Enrollment Form/Salary Reduction Agreement means the form provided by the Plan Administrator for the purpose of allowing an Eligible Employee to participate in this HSA Benefit option by electing to make salary reduction contributions to pay for HSA Benefits. It includes a Salary Reduction Agreement where an Eligible Employee authorizes the Employer to make pretax salary reduction contributions under the Plan.

(e) Eligible Employee means an Employee eligible to participate in the Cafeteria Plan as provided in the Plan.

(f) Employee HSA Contribution means any contribution under the Plan made by the Employee for each payroll period and allocated to an Eligible Employee's HSA Account pursuant to the Employee's Salary Reduction Agreement.

(g) Health Savings Account or HSA means a health savings account established under Code Section 223. Such arrangements are individual or custodial accounts, each separately established and maintained by an Eligible Employee with a qualified trustee/custodian.

(h) High Deductible Health Plan or HDHP means the high deductible health plan offered by the Employer, provided the health plan is intended to qualify as an HDHP under Code Section 223(c)(2), as described in materials provided separately by the Employer.

(i) HSA Benefit means the benefit described in Section 6.6.

(j) HSA-Eligible Individual means an individual who (1) is eligible to contribute to an HSA under Code Section 223, (2) has elected qualifying High Deductible Health Plan coverage offered by the Employer, and (3) is not covered by any disqualifying non-High Deductible Health Plan coverage.

(k) Salary Reduction means the amount by which the Employee's compensation is reduced and applied by the Employer under the Plan to be contributed to the Employee's HSA before any applicable state and/or federal taxes have been deducted from the Employee's compensation.

(l) Spouse means an individual who is defined as a spouse in the HSA trust or custodial agreement provided by the applicable trustee or custodian to each electing Employee.

6.3 Eligibility and Participation.

(a) Eligibility to Participate. The individual must be eligible to participate in the Cafeteria Plan and must also be an HSA-Eligible Individual to participate in the HSA Benefit. Eligibility for HSA Benefits shall be subject to the additional requirements, if any, specified in the HDHP. Effective as of the date the Employee meets the Plan's eligibility requirements for coverage under the HDHP, the HSA-Eligible Individual may elect coverage under the HSA Benefit option.

(b) Termination of Participation. An Eligible Individual shall cease to be a participant in the HSA Benefit option on the date the Employee ceases to be eligible for coverage as an active employee of the Employer under the HDHP as set forth in the Cafeteria Plan. Distributions from the Employee's HSA (whether before or after termination of employment) and all other matters relating to the Employee's HSA are outside this Plan and are to be handled by the Employee and his or her trustee/custodian in accordance with the agreement between them.

(c) Reparticipation Following Termination of Employment or Loss of Eligibility. Reparticipation in the Plan following the Employee's termination of employment or other loss of eligibility shall be determined as set forth in the Plan. Notwithstanding the foregoing, an election to participate in the HSA Benefit will be reinstated only if an individual is an HSA-Eligible Individual on the reparticipation date.

6.4 Elections.

(a) Election to Participate. Elections to participate in the HSA Benefit shall be made in accordance with the terms of the Cafeteria Plan.

(b) Amending Elections. Notwithstanding any Plan provision to the contrary, an election to make a contribution to an HSA may be increased, decreased or revoked at any time on a prospective basis. Such election shall be effective as of the first payroll period immediately following the date on which the election change was filed with the Plan Administrator in accordance with the procedures established under the Cafeteria Plan (or as soon as administratively practicable thereafter).

(c) Election Modifications Required By the Plan Administrator. The Plan Administrator may, at any time, require that any Eligible Employee or a class of Eligible Employees amend the amount of their respective salary reduction contributions for HSA Benefits for a period of coverage if the Plan Administrator determines that such act is necessary or advisable in order to (a) satisfy any of the Code's nondiscrimination requirements applicable to the Plan; (b) prevent any Employee or class of Employees from having to recognize more income for state or federal tax from the receipt of benefits under the Plan than would otherwise be recognized; (c) maintain the qualified status of benefits received under the Plan; or (d) satisfy Code nondiscrimination requirements or limitations applicable to the Employer's qualified plans. In the event that contributions are reduced for a class of Employees, the Plan Administrator shall reduce the salary reduction amounts for each affected Employee, beginning with the Employee in the class who had elected the highest salary reduction amount and continuing with the Employee in the class who had elected the next highest salary reduction contribution, and so forth, until the defect is corrected.

6.5 Benefits Offered.

(a) Benefits Offered. When first eligible under each Election Period, Eligible Employees shall be given the opportunity to elect HSA Benefits as described in Section 6.6.

(b) Funding this Plan. All amounts payable under this Cafeteria Plan shall be paid from the general assets of the Employer as described in the Plan (including through Participant salary reductions).

6.6 HSA Benefit.

(a) HSA Participation. An Eligible Employee may elect to participate in the HSA Benefit by electing to make Employee HSA Contributions on a pretax salary reduction basis to the Employee's HSA established and maintained outside the Plan by a trustee/custodian to which the Employer can forward contributions to be deposited. This funding feature constitutes the HSA Benefit offered under the Plan.

(b) Employee HSA Contributions.

(1) Employee HSA Contributions. Eligible Employees who elect HSA Benefits may pay for the cost of that coverage on a pretax salary reduction basis by completing an Enrollment Form/Salary Reduction Agreement as described in the Plan. All such Employee HSA Contributions shall be transferred to the Employee's HSA as soon as administratively possible following each covered payroll period.

(c) Maximum Contributions for HSA Coverage. The maximum total annual Employee and any employer discretionary contribution to an Employee's HSA Benefit shall not exceed the statutory maximum amount for HSA contributions applicable to the Employee's High Deductible Health Plan coverage option for the calendar year in which the contribution is made.

An additional catch-up contribution ($1,000 for 2022, as modified by future IRS guidance) may be made by any Eligible Employee who is age 55 or older.

The maximum annual contribution for an Employee who is an HSA-Eligible Individual on December 1 of a given Plan Year shall not be prorated for the number of months during the year in which the Employee is an HSA-Eligible Individual; however, if the Employee does not remain an HSA-Eligible Individual (except because of disability) during the testing period that begins on the first day of the last month of the tax year in which the Employee becomes an HSA-Eligible Individual and ends on the last day of the 12th month following that month, applicable taxes and penalties shall apply to the amount of the contributions attributable to the months preceding the month in which the Employee became an HSA-Eligible Individual.

(d) Recording Contributions for HSAs. As described in Section 6.6(f), the HSA is not an employer-sponsored employee benefit plan – it is an individual trust or custodial account separately established and maintained outside the Plan by a trustee/custodian selected by the Employer. Consequently, the HSA trustee/custodian, not the Employer, shall establish and maintain the HSA and shall be subject to the following conditions:

- The HSA is not intended to be an ERISA Plan; therefore, the Employer shall not establish, sponsor or maintain the HSA.
- Employee contributions to the HSA shall be completely voluntary as set forth in FAB 2004-1.
- The HSA shall not limit the ability of the Employee to move HSA funds to another HSA provider, beyond that permitted by the Code.
- The Employer shall not impose any conditions on the utilization of HSA funds, beyond those permitted by the Code.
- Employees shall be permitted to receive distributions from the HSA at any time, and such HSA distributions shall not be restricted to pay or reimburse only medical expenses.
- The Employer shall not make or influence investment decisions with respect to the funds contributed to the HSA.
- The Employer shall not receive any payment or compensation in connection with the HSA.

The Plan Administrator shall maintain records to keep track of Employee HSA Contributions made with pretax Salary Reduction contributions, but it will not create a separate fund or otherwise segregate assets for this purpose. The Employer shall have no authority or control over the funds deposited in an HSA.

(e) Tax Treatment of HSA Contributions and Distributions. The tax treatment of the HSA (including contributions and distributions) shall be governed by Code Section 223.

(f) Trust/Custodial Agreement; HSA Not Intended to Be an ERISA Plan. HSA Benefits under this Plan consist solely of Employee HSA Contributions made on a pretax salary reduction basis and any Employer Discretionary HSA Contributions to the HSA. Terms and conditions of coverage and benefits (e.g., eligible medical expenses, claims procedures, etc.) will be provided by and are set forth in the HSA, not this Plan. The terms and conditions of each Employee's HSA trust or custodial account are described in the HSA trust or custodial agreement provided by the applicable trustee/custodian to each electing Employee and are not a part of this Plan.

The HSA is not an employer-sponsored employee benefit plan. It is a savings account that is established and maintained by an HSA trustee/custodian outside this Plan to be used primarily for payment or reimbursement of "qualified eligible medical expenses" as set forth in Code Section 223(d)(2). The Employer has no authority or control over the funds deposited in the HSA.

(g) Expenses. A separate HSA trustee/custodial fee may be assessed by the Employee's HSA trustee/custodian.

ARTICLE VII - ADMINISTRATION

7.1 Allocation of Responsibility for Administration. The Plan Administrator shall be responsible for the administration of this Plan but may delegate any of its duties to an appropriate party. Notwithstanding the foregoing, Lansing Economic Development Corporation shall retain the sole authority to amend or terminate this Plan, in whole or in part, in accordance with Article VIII.

7.2 Appointment of Plan Administrator. The Plan shall be administered by Lansing Economic Development Corporation or its delegate. All usual and reasonable expenses of the Plan Administrator shall be paid by the Employer. The Plan Administrator or any other designated representative who is an Employee of the Employer shall not receive any compensation with respect to services hereunder except as such person may be entitled to benefits under the Plan.

7.3 Records and Reports. The Plan Administrator shall exercise such authority and responsibility as it deems appropriate in order to comply with the terms of the Plan relating to the records of the Participants. The Plan Administrator shall be responsible for complying with all reporting, filing and disclosure requirements established by the Internal Revenue Service for Code Section 125 plans. After the close of each Plan Year, the Plan Administrator shall provide to each Participant any statement required by law.

7.4 Other Powers and Duties of the Administrator. The primary responsibility of the Plan Administrator is to administer the Plan for the exclusive benefit of the Participants, their Spouses and Dependents, subject to the specific terms of the Plan. The Plan Administrator shall administer the Plan in accordance with its terms and shall have the sole and exclusive power and discretion to construe the terms of the Plan and to determine all questions arising in connection with the administration, interpretation and application of the Plan.

The Plan Administrator shall have such duties and powers as may be necessary to discharge its duties under the Plan, including, but not by way of limitation, the following:

(a) to exercise discretion to construe and interpret the Plan, make factual determinations, decide all questions of eligibility and determine the amount, manner and time of payment of any benefits hereunder; provided however, such authority may, by contract, be delegated to a claims administrator;

(b) to prescribe procedures to be followed by Participants filing applications for benefits;

(c) to prepare and distribute, in such manner as the Plan Administrator determines to be appropriate, information explaining the Plan;

(d) to receive from the Employer and from Participants such information as shall be necessary for the proper administration of the Plan;

(e) to furnish to the Employer, upon request, such annual reports with respect to the administration of the Plan as are reasonable and appropriate;

(f) to receive, review and keep on file (as it deems convenient and proper) reports of benefit payments by the Employer and reports of disbursements for expenses directed by the Plan Administrator; and

(g) to appoint individuals to assist in the administration of the Plan and any other agents it deems advisable, including legal and actuarial counsel.

The Plan Administrator shall have no power to add to, subtract from or modify any of the terms of the Plan, or to change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under the Plan.

7.5 Rules and Decisions. The Plan Administrator may adopt such rules as it deems necessary, desirable or appropriate. All rules and decisions of the Plan Administrator shall be uniformly and consistently applied to all Participants in similar circumstances. When making a determination or calculation, the Plan Administrator shall be entitled to rely upon information furnished by a Participant, an Employer or the legal counsel of an Employer.

7.6 Eligibility Determination and Claims Procedure. Benefits under the Plan will be paid only if the Plan Administrator (or a delegate claims administrator) decides in its sole discretion that the claimant is entitled to them. The Plan Administrator shall make all determinations as to eligibility and/or the right of any person to a benefit; provided, however, that authority to make such determinations may be delegated by contract to the claims administrator. Claims for benefits from this Plan must be made in writing to the Plan Administrator (or the claims administrator, as the case may be) on those forms which it requires. The Plan Administrator and/or claims administrator may rely upon all such information so furnished to it, including the claimant's mailing address.

Any denial by the Plan Administrator (or the claims administrator) of a claim to be eligible to participate in the Plan, or a claim for benefits under the Plan by a Participant, Spouse or Dependent shall be stated in writing by the Plan Administrator (or the claims administrator) and delivered or mailed to the Participant. Such notice shall set forth the specific reasons for the denial, written in a manner that may be understood without legal counsel. Except as otherwise provided in the Summary Plan Description or benefit booklet, written approval or denial of a claim is to be delivered or mailed to the claimant within thirty (30) days of the time such claim is made. In addition, the Plan Administrator (or the claims administrator) shall afford a reasonable opportunity to any Participant, Spouse or Dependent whose claim has been denied in whole or in part for a review of the decision denying the claim. Review must be applied for by written request to the Plan Administrator (or the claims administrator) within one hundred eighty (180) days after denial of the claim. The Plan Administrator (or the claims administrator) will advise the claimant of its decision within sixty (60) days after such request is made.

To the extent of a payment made according to the provisions of this Plan, that amount is in full satisfaction of the claim and all related claims under this Plan against the Plan Administrator, the claims administrator and the relevant Employer any of whom, as a condition to paying the claim, may require the Participant, Spouse, Dependent, or legal representative to execute a receipt and release of the claim in a form determined by the Plan Administrator, the claims administrator or the relevant Employer, as the case may be.

Notwithstanding any provision of the Plan to the contrary, claims for health benefits provided under the Plan shall be determined in accordance with the internal and external claims procedures set forth in applicable regulations.

7.7 Nondiscrimination Rules. This Plan shall be administered in accordance with Code Sections 125 and any related regulations.

ARTICLE VIII - AMENDMENT AND TERMINATION

8.1 Amendment. Lansing Economic Development Corporation, as the Plan Sponsor, shall have the authority to amend this Plan from time to time. Any amendment to this Plan shall become effective according to its terms upon its authorization by the Board of Directors of Lansing Economic Development Corporation, or the Board's delegate, and its execution by the individual so authorized by the Board, or the Board's delegate. No other action by any person or entity is needed before such amendment is effective.

8.2 Termination; Discontinuance of Benefits. Lansing Economic Development Corporation reserves the right to terminate this Plan at any time by action of its Board. In addition, Lansing Economic Development Corporation may discontinue specific benefits at any time. Notice of a discontinuance or termination is not required except by the terms of any component benefit program, policy or law.

ARTICLE IX - MISCELLANEOUS

9.1 Plan is Discrete. Neither a payment nor the creation, continuation, or change of the Plan or Plan Policies (or any fund or account) gives any person a nonstatutory legal or equitable right against any Employer; against any Employer officer, agent, or other person employed by the Employer; or against the Plan Administrator.

9.2 Non-guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between any individual Employer and an Employee, or as a right of any Employee to be continued in employment of an Employer, or as a limitation of the right of an Employer to discharge any of its Employees, with or without cause.

9.3 Delegation of Authority by Employer. Any action required by an Employer shall be by resolution of its Board or by any person or persons duly authorized by resolution of said Board to take such action.

9.4 Limitation of Liability. Each Plan fiduciary warrants that any directions given, information furnished or actions taken by it shall be in accordance with the provisions of the Plan which authorize or provide for such direction, information or action. Furthermore, each Plan fiduciary may rely upon any such direction, information or action of another Plan fiduciary as being proper under this Plan and is not required under this Plan to inquire into the propriety of any such direction, information or action. It is intended that each Plan fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations and shall not be responsible for any act or failure to act of another Plan fiduciary.

9.5 Construction. The Employer's intent and purpose in adopting this Plan is to establish a plan of welfare benefits consistent with relevant sections of the Internal Revenue Code. The Employer intends to comply fully with statutes and regulations governing wages, compensation, and fringe employment benefits. All questions arising in the construction and administration of this Plan must be resolved accordingly. For construction, one gender includes all others and the singular and plural include each other where the meaning would be appropriate. This Plan is construed in accordance with the laws of the State of Michigan, except to the extent that the laws of the United States of America have superseded those state laws. The headings and subheadings in this Plan have been inserted for convenience of reference only and are not to be construed as a part of this Plan. If a provision of this Plan is invalid, that invalidity does not affect other Plan provisions.

9.6 Nonalienation of Benefits. Benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, including any such liability which is for alimony or other payments for the support of a Spouse or former Spouse, or for any other relative of the Employee, prior to actually being received by the person entitled to the benefit under the terms of the Plan; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable hereunder shall be void. No Employer shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any person entitled to benefits hereunder.

9.7 Plan Provisions Controlling/Severability. The provisions of the Plan shall control in the event that the terms or provisions of any summary or description of this Plan are interpreted as being in conflict with the provisions of this Plan.

LANSING ECONOMIC DEVELOPMENT CORPORATION

Dated: July 15, 2022 By:______________________________

Its: President and CEO

FAÇADE IMPROVEMENT GRANT PROGRAM
CONTRACT BETWEEN
THE LANSING ECONOMIC DEVELOPMENT CORPORATION
AND
THE CITY OF LANSING

THIS CONTRACT, entered into this _ day of ___ 2022 effective from January 1st, 2023, through December 31, 2023 by and between the City of Lansing, a Michigan municipal corporation (the "City") and the Lansing Economic Development Corporation, a non-profit corporation organized and existing under the laws of the State of Michigan (the "LEDC").

WITNESSETH THAT:

WHEREAS, the City and the LEDC are committed to help strengthen the economic viability of businesses in the City of Lansing by providing incentives for improving the appearance and structural conditions of the exterior of commercial buildings; and

WHEREAS, to best utilize limited funds for the purposes of creating and executing a business façade grant program that is available to be used on commercial properties throughout the city of Lansing, a relationship has been created between the City and the LEDC~~.~~; and

WHEREAS, on behalf of the City of Lansing, the LEDC will administer a façade improvement grant program (the "Façade Improvement Grant Program") from funds secured through the City's general fund; and

NOW, THEREFORE, the City and the LEDC do mutually agree that the LEDC shall meet and perform the program goals and objectives within the stated time of performance and comply with the terms and conditions as outlined in this contract:

1. Program Goal

   To implement a Façade Improvement Grant Program that allows property owners, tenants and others to apply for matching grant funds to make permanent improvements to commercial building exteriors located in the city of Lansing.

2. Program Objectives

   a) Strengthen the economic viability of Lansing by providing incentives for improving the appearance and structural conditions of its commercial buildings.

   b) Improve business success by enhancing the curb appeal of commercial properties to customers and visitors in Lansing.

   c) Help restore historic features of buildings and encourage façade design treatments that complement and enhance adjacent properties.

d) Ensure that façade improvements meet design guidelines, building codes and zoning requirements.

3. Scope of Services

In order to accomplish the program goals and objectives, the LEDC shall perform in a lawful, satisfactory and proper manner, all in accordance with the policies, procedures and requirements which have been or, from time-to-time, may be prescribed by the City, administration of the Façade Improvement Grant Program.

Subject to the availability of funding from the City, the LEDC will manage $175,000 for the purposes of creating, executing a Façade Improvement Grant Program available to commercial property owners, tenants and others for properties located primarily outside downtown Lansing.

4. Time of Performance

The time of the performance under this contract shall be from January 1st, 2023, to December 31, 2023. In no event shall this contract extend beyond December 31, 2023, unless so provided by a written amendment hereto that has been executed by both parties. Unless otherwise terminated pursuant to the terms of this contract, the LEDC shall continue to perform services and activities until the contract expires.

5. Grant Funds

It is expressly understood by and between the City and the LEDC that in no event shall the total grant funds exceed ONE HUNDRED SEVENTY-FIVE THOUSAND NO/100 ($175,000.00) DOLLARS.

To be paid in the amount of $175,000.00 on January 1st, 2023. The grant funds will be used as follows.

a) Not less than 97% or $169,750 for eligible Façade Improvements or Design Assistance.
b) Up to 3% or $5,250 for Marketing and Promotion of the program

6. Continued Funding

The City makes no implied or explicit guarantee, offer or representation of future funding from the City of Lansing beyond the termination of this contract.

7. Contract Modifications

The City, from time to time, may expand, diminish or otherwise modify the program goals, objectives, scope of services, or any other contract provision related thereto, which the LEDC is required to perform. However, only after modifications that are mutually agreed upon by the City and the LEDC and incorporated into written amendments to this contract after approval by the City.

8. Equal Employment Opportunity Provisions:

Pursuant to Chapter 1-302.1 of the Lansing City Charter, the LEDC agrees that it will ensure that no person or group engaged in the conduct of official business or seeking to do business arising from this contract is discriminated against because of race, creed, political orientation, color, national origin, marital status, sex, age, handicap, or for any cause not reasonably related to the accomplishment of a legitimate governmental purpose.

The LEDC further agrees that all grant recipients adhere to the same equal opportunity provisions noted above, which provisions shall be included in all other agreements entered into pursuant to this contract.

The LEDC and any grant recipients agree to provide equal employment opportunity pursuant to all state and federal laws including the Americans with Disability Act and to provide proof to the City as requested by the Human Relations & Community Services Department pursuant to Section 206.20 and 206.21 of the Codified Ordinances of the City of Lansing.

9. Records and Documentation

The LEDC shall establish and maintain all necessary records concerning any matter covered by this contract including financial records and accounts which, from time to time, may be requested by the City.

Attest:

____

____

City of Lansing

BY: ________________________________
Andy Schor, Mayor

Witness:

____

____

Lansing Economic Development Corp.

BY: ________________________________
Andrea Binoniemi, LEDC Chair

Approved as to form only:

____
City Attorney

Certification as to availability of funds & account number:

Account #101.834101.960095.000000

Facade Improvement Grant Funds: $175,000

____
Desiree Kirkland, Finance Director