LANSING ENTERTAINMENT &PUBLIC FACILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
OCTOBER 26, 2021
MINUTES

At 8:08 a.m. Chairman James Stajos called the monthly meeting of LEPFA Board of Commissioners to order in the Governor's Room located at the Lansing Center 333 East Michigan Avenue; Lansing, Michigan 48933.

COMMISSIONERS PRESENT: Cindy Bowen, Price Dobernick, Kenrick Hall, Charles Janssen, Maureen McNulty-Saxton, Charles Mickens (Lansing, Michigan) and James Stajos.

COMMISSIONERS ABSENT: Larry Leatherwood, Danielle Lenz, and Brian McGrain (Ex-Officio),

OTHERS PRESENT: Mindy Biladeau, Scott Keith, Paul Ntoko, Tristan Wright, Michelle Green-Lansing Entertainment & Public Facilities Authority; Lisa Hagen-Lansing City Attorney's Office and Jack Alexander.

III. ESTABLISHMENT OF THE AGENDA: There were no changes to the agenda.

IV. PUBLIC COMMENT: Jack Alexander questioned what was causing the delay in the lights, did the Strategic Committee meet on Monday and what were the results; wanted to discuss with Brian McGrain parking meter issues and he noted there is graffiti on the electrical box covers in the outfield "MS13".

Scott noted the lights are on schedule and there is no delay; the weather in October caused a short delay; but currently there is no delay. Scott reported he has notified Brian of the parking meter issues and Gillespie Group of the graffiti on the boxes as that is their property.

V. APPROVAL OF THE OCTOBER 5, 2021 MINUTES: Motion was made to accept the meeting minutes for the October 5, 2021 minutes as presented. MOTION: Commissioner Janssen SECOND: Commissioner Bowen.

Roll Call Vote: Yays: Commissioners Bowen, Dobernick, Hall, Janssen, Mickens, McNulty-Saxton and Stajos **Nays:** None Motion carried

VI. REPORTS:

A. CHAIRMAN'S REPORT:

1. Recognition of Immediate Past Chair Dobernick: Chairman James Stajos stated at this time his report includes recognizing Immediate Past Chairman of the Board, Price Dobernick; and thanks to the adoption of a policy to allow Board members to attend remotely, welcomed remote board members, and noted as developed with the City of Attorney the policy will remain in effect through December 31, 2021 unless changed by the legislature.

Chairperson Stajos recognized Commissioner Price Dobernick for his service as Chair of the Board for the past two years, which were very tough and difficult years filled with non-stop drudgery and was for the most part negative times and particularly challenging. Chair Stajos extended his appreciation for Commissioner Dobernick's time and service. Scott Keith noted Chairs typically are nominated for one year unless there are extenuating circumstances and COVID was an "extenuating circumstance" for two years.

Scott noted he used the word "steadfast" on the diamond because for the past two years he was steadfast in his leadership as the Chairperson. Commissioner Dobernick extended his thanks and noted that it was a pleasure to work with a well-rounded team across the board. He noted he had conversations he never thought he would have and overall, it was an experience he would not forget and would do it again.

Scott noted the thank you gift included golfing items and attire as well as dinner at Bodies. Commissioner Dobernick thanked everyone for their support and noted that he is proud to be a member of this Board, especially during this tough time and is hopeful we are coming out of it.

B. <u>FINANCE COMMITTEE</u>: Committee Chair Kenric Hall noted that September financials will include a new format which will be easier to understand and deferred to Vice President of Finance Michelle Green. Michelle noted the changes in financials are a work in progress and reported the following:

1. <u>Jackson Field:</u> We are over budget compared to the prior year on expenses compared to budget and are over budget. Payroll is the big driver on all three entities; and noted she will be looking at wages, retention and attracting new employees. Utilities exceed budget for the month and are within budget for year to date. Maintenance/Facilities is up in costs due to COVID and are up over last year.

2. <u>Groesbeck Golf Course:</u> Michelle noted she will be pulling total round information for the month and year to date, there were 4000 rounds in September compared to 4500 the prior year and the difference is attributed to the weather. Revenue for paid rounds is up compared to last year and due to an increase in rates for golf cart rentals and doesn't include Food and Beverage. Operating expenses are up compared to the prior year due to payroll and maintenance which was put off during COVID and $2000 was allocated to the Turf Consultant. Supplies for the month include fuel which were up due to increase in prices. The Balance Sheet is in a good position and cash is as well.

3. <u>Lansing Center:</u> Revenue is up ten percent over last year as well as expenses and we are beating budget in revenue due to the Strategic Fund which is in miscellaneous and is the largest part of revenue and will decrease in October. October is busier and we hope to have a better month without the $100,000 in Strategic funding. Under Expenses, Payroll is the biggest expense along with $19,000 for the elevator and balcony work which are the two biggest budget items. Michelle asked for questions.

Committee Chair Kenric Hall questioned if third quarter financials had been sent to the GLCVB? Scott indicated that thy were sent yesterday to Julie Pingston.

Motion was made to accept the financial statements for Groesbeck Golf Course, Jackson Field, and the Lansing Center as presented for September 30, 2021.

MOTION: Commissioner Hall SECOND: Commissioner Dobernick

Roll Call Vote: Yays: Commissioners Bowen, Dobernick, Hall, Janssen, Mickens, McNulty-Saxton and Stajos **Nays:** None Motion carried

Scott Keith report Michelle will make changes to the long-term debt which was moved to 2021 and will provide a clean report for 2022 and will break out in Accounts Receivable and a large part will be the Center Park Production move to long-term receivables for a more transparent view of the cash position. Scott indicated it was a good move in order to understand where LEPFA finances truly sit, especially the Lansing Center and the Auditors will make record of that as well.

C. <u>PERSONNEL COMMITTEE:</u> Committee Chair Cindy Bowen reported that she and Scott Keith met last week, and the highlights discussed were: 1. Staff challenges and recruitment 2. Look at wages and compensation 3. Evaluations are underway 4. New Chef 5. Job Description and reorganizing. Chair Bowen noted there was a great deal of discussion on staffing challenges.

D. <u>STRATEGIC PLANNING COMMITTEE</u>: Scott Keith reported the committee met and reviewed Mr. Alexander's proposal in its entirety. The committee asked Scott to meet with Laurie Baumer to get a better understanding on how to set up an endowment fund and is meeting with her later this week. Scott noted his understanding is that an account would need to be set up with an annul return of 4% to be used for investing before the money could be used at 4% the fund would need $500,000 to have a $20,000 annual return. The funds would need to be built up through fund raising and it would also need to be determined what the money could used for as most items at the stadium are not small. The money could also be put in reserve funds and those are basically the two options Laurie will explain. Discussion also took place regarding the priority list of infrastructure repairs needed and a list will be sent to the City. Scott reported the lighting at the stadium is moving along although the weather has been an issue. Scott reported an individual reached out on the status of the old light fixtures at the stadium and he is addressing this with the City as he is not sure of the value, and they would help a local high school. The locker room improvements are also on-going. They also discussed the brand change history and Scott Keith will report back next month on Mr. Alexander's proposal.

E. <u>AD HOC COMMITTEE ON FUNDING</u>: No report

F. <u>PRESIDENT & CEO's REPORT:</u>

1. November Board Meeting: The November meeting is scheduled for the week of Thanksgiving on November 23 and Scott asked that if you are unable to attend you let Scott know as soon as possible so we can reschedule if needed.

2. Board Holiday Party: Scott noted typically in lieu of a meeting in December we host a gathering in the ballrooms. Scott noted he would like to return to a scaled back version of the gathering in the Governor's room or Riverstreet Pub (Lansing Center) for a more intimate setting in order to gather safely and comfortably.

3. Staffing and Supply Challenges: We are at the point where we are reviewing business (and possibly turning away) to accommodate staffing and are looking at changes to minimums as well as what we can produce and do based on staffing, and he wanted to make the Board aware.

Scott noted the rising cost of goods is also crushing the bottom line as well; and costs on food and beverage are trending ten to twenty percent higher. In addition, we are having to increase salaries to retain and recruit staff. It is a challenge to keep fluctuating costs in line such as gas, and food which are all impacting our business model.

G. VICE PRESIDENT/STAFF REPORTS:

1. Tristan Wright: Tristan Wright noted Lansing Center and Jackson Field staffing levels are low, but the team is doing well. The Lansing Center balcony has been secured. Jackson Field renovations are progressing with the carpenters and contractors and the stadium is winterized.

2. Heidi Brown: Currently we have 17 vacant full-time positions and 26 full-time staff currently including the Executive Chef (date of hire November 1). Commissioner Bowen questioned how many part-time staff there are currently, and Heidi noted two. It is also time for our annual benefit renewal for health coverage and insurances and BASIC flex plans. Annual notice was sent out on Medicare Part D Credible Coverage and Employee Performance Reviews are underway.

3. Paul Ntoko: Paul noted October 31 will be the season finale at Groesbeck; leagues are finished. Aeration is under way on the front and back nines and the majority of the carts have been returned. Revenue is up 15% for October over 2020. Hours have changed to 10:00 a.m. to 4:00 p.m. Supply chain issues are every where and he noted he is doing the best to minimize costs. Up next is 1000 boxed lunches which equate to a start time 2:00 a.m. Daniel Ray will start on November 1 as the Executive Chef, and he will attend the next Board meeting. November is to be determined, with a reminder we had good weather last year.

4. Mindy Biladeau: Mindy reported traffic was up in September in the building with the return of multi-day conferences and October will be even busier and the team has been great in making sure we meet or exceed expectations. November and December will be busy, and January will be busier than October. The monthly sales report is well ahead of budget in rental, but still not at the pre-pandemic levels but is trending in the right direction. Mindy reported Silver Bells will take place in less than a month and will be in person. Posters are being distributed for the 5K and parade. The event will be outdoor only due to the pandemic and will be the parade, tree lighting only. The 5k is on Saturday.

The BWL will light the tree and there will be a community sing along with Zania Alake from the Voice – Team Legend. Mindy noted there will be no fire works this year due to construction at

the capitol and in its place will be a drone show produced by Firefly with one hundred drones all holiday themed, which will be fifteen minutes long choreographed to music. This will be the second drone show they have produced in Michigan. The ornament has been released and will be sold in the Vendor Village; and will be shipped beginning the first week of November. The news release for the event was included in the board materials. Friday, November 19 is the date for the parade, tree lighting and drone show. The 5k is Saturday, November 20 at 9:00 a.m. and will be the traditional route, starting at the tree. Participants are capped at 650 and they will receive a finishers medal, long sleeved t and bib. Mindy noted all is going well and now we need Mother Nature to cooperate. Chair Stajos questioned the cost of the drones, and Mindy reported it is two to three times the cost of the fireworks but is being covered by sponsors. There are no indoor events so that helps to cover the drone costs.

Commissioner Hall questioned if we will be introducing Chef via Marketing? Scott noted we will be likely using M3 Group to assist us with announcing Chef and Michelle.

Commissioner Bowen questioned the projected bottom line for the event, is it to break even? Mindy noted it is projected $134,000 for last year's at home event $80,000 is projected.

Discussion ensued regarding capping the number of staff for events per day which depends on the event. Paul noted a plated meal is 150-200 max to serve which is a long way from the norm of eight hundred pre-pandemic. Boxed lunches are at one thousand and again is based on events and how it is broken down and currently he is watching buffets. Commissioner Bowen noted she feels our pain as COGS are 20-30% and they are also working on menus and costs. Mindy noted she is discussing food and beverage multiple times with clients and Paul continues to update the web site on options for events based on supplies at the time. Commissioner Bowen noted that this creates a lot more work on the staff's part as there is much more back and forth and it takes working together to make it work for everyone.

Commissioner McNulty-Saxton asked if there would be any political events in the new year with the elections? Mindy noted not this year and Scott suggested next year there will be more with state-wide elections and we also will host the Republican Convention in 2022.

VII. <u>COMMISSIONERS AND STAFF COMMENTS:</u>

A. **<u>Chairperson Stajos:</u>** Thanked Scott Keith and Lisa Hagen for their work on the remote policy and thanked the young man covering the Zoom and audiovisual duties this morning.
B. **<u>Commissioner Janssen</u>:** Thanked staff for hanging in there during this time. Commissioner Janssen questioned if clients are in-tune to the supply issues or are they shocked. Paul noted some try to go back to previous models, but we can't honor past prices.

Cindy noted her Director of Food and Beverage is on calls with the Manager and they are doing more buffets and it takes a lot of time and energy and is more work for businesses.
Commissioner Hall noted that clients are also not making decisions in as timely manner as they have in the past and that also
causes issues for the team due to the availability of product and the food and beverage aspects have to be very fluid right now.
Commissioner Janssen thanked Commissioners Bowen and Hall for their perspectives and noted this is why it is important to have a diverse board with a tremendous presence in the community which is a positive and he thanked them for their service.

C. **Commissioner McNulty-Saxton:** Noted the supply chain issues are not expected to change anytime soon and suggested adding contingency language in the contracts or incentive language for committing. Scott noted staff call and it is particularly challenging.

D. **Commissioner Bowen:** Shared that she was a part of the DEI presentation to the GLCVB surveys working with a formal organization and she was very impressed with the organization of the day, their guiding and walking them through the process and she noted she was very proud we're all learning to be inclusive and a part of the process. She also noted that Mike Price is very excited about 2022-2023 and continuing to think outside of the box and he is very excited. There currently is 58% community occupancy since the ADR tanked with a $100 average rate in the community; all indicators are we are coming back.

E. **Commissioner Kenric Hall:** Thanked staff for their hard work and working as a team. He thanked Price for everything.

F. **Commissioner Price Dobernick:** Thanked everyone for their kind words and thanked staff for doing a lot more than just their jobs and sticking it out and is hopeful we are coming out of it.

G. **Commissioner Charles Mickens:** Thanked Price for his leadership for the past two years. He also commented that he sincerely appreciated staff all together and individually during this time as there are likely to be more challenges ahead. He also thanked the young man in the back of the room with the audio and video and noted it is the best he been in and it was well done and he could hear the dialog clearly and thanked Price again for his leadership.

VIII. OLD BUSINESS:

Chair Stajos noted it is recommended that a letter/resolution be sent to the City for review and presented in person a motion/discussion to rename a LEPFA Board room in honor of Commissioner James W. Butler III. Discussion ensued.
MOTION: Commissioner Dobernick SECOND: Commissioner Janssen
Roll Call Vote: Yays: Commissioners Bowen, Dobernick, Hall, Janssen, Mickens, McNulty-Saxton and Stajos **Nays:** None Motion carried

Scott Keith noted he is in contact with Rishan and once approved we will host a ceremony.

IX. NEW BUSINESS: Scott Keith noted Commissioner Janssen was listed as a 2022 Best Attorney, as was David Russell (LEPFA Attorney from Foster Swift).

X. AJOURNMENT: At 9:18 a.m. the regular monthly meeting was adjourned.

THE NEXT MONTHLY MEETING IS SCHEDULED FOR:
TUESDAY, NOVEMBER 23, 2021
8:00 a.m.
LOCATION: Lansing Center – Governor's Room and via Zoom

Respectfully submitted,

Heidi Brown, Recording Secretary