LANSING ENTERTAINMENT &PUBLIC FACILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
NOVEMBER 23, 2021
MINUTES

At 8:00 a.m. Vice Chairman Larry Leatherwood 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 and via Zoom.

COMMISSIONERS PRESENT: Cindy Bowen, Kenrick Hall, Charles Janssen, (Grand Haven, Michigan); Larry Leatherwood, Danielle Lenz, Maureen McNulty-Saxton and Charles Mickens (Lansing, Michigan).

COMMISSIONERS ABSENT: Price Dobernick, Brian McGrain (Ex-Officio) and James Stajos.

OTHERS PRESENT: Mindy Biladeau, Scott Keith, Paul Ntoko, Tristan Wright, Michelle Green-Lansing Entertainment & Public Facilities Authority; Joseph Abood-Lansing City Attorney's Office; Eric Brewer – Lansing City Council; Tyler Baker – Maner Costerisan and Jack Alexander.

III. ESTABLISHMENT OF THE AGENDA: MOTION: Commissioner Lenz SECOND: Commissioner Bowen was made to approve the meeting agenda as submitted. **Roll Call Vote: Yays**: Commissioners Bowen, Janssen, Leatherwood, Lenz, Mickens, McNulty-Saxton. **Nays**: None Motion carried

Commissioner Kenric Hall entered the meeting at 8:04 a.m.

IV. PUBLIC COMMENT: Vice Chairman Leatherwood reminded those present of the 3-minute limit for public comment per speaker. There was no public comment.

V. APPROVAL OF THE OCTOBER 26, 2021 MINUTES: Motion was made to accept the meeting minutes for the October 26, 2021 minutes as presented. MOTION: Commissioner Bowen SECOND: Commissioner Lenz Motion carried

VI. REPORTS:

A. CHAIRMAN'S REPORT:

1. LEPFA COVID-19 REMOTE BOARD MEETING EXCEPTION POLICY: Vice Chairman Leatherwood requested Scott Keith review the policy as approved. Scott Keith reminded everyone the policy currently allows Board members to attend meetings remotely through December 31, 2021 via the Open Meetings Act based on military or medical exceptions. Request to attend remotely must be made 72 hours in advance of the meeting and must be indicated on the Public Notice and the Agenda along with contact information for remote individuals and applies only to Board members.

B. FINANCE COMMITTEE: Vice Chairman Leatherwood noted there are two areas to report for the Finance Committee report and they are the Financial Statements and the Audit. Chair Kenric Hall deferred to Vice President of Finance Michelle Green. Michelle reported the following for October, 2021:

1. <u>Jackson Field:</u> October shows an increase due to prior year's increase in expenses with the biggest variance in "Maintenance of Facilities" attributed to a $15,000 electric invoice in the spring. Michelle referenced comparing year to date budget variance for tracking. The Balance Sheet largest receivable/payable is attributed to the construction/lighting project at the stadium.

2. <u>Groesbeck Golf Course:</u> Michelle noted for the month of October rounds are down compared to the prior year, but revenue increased per round by 13% so revenue exceeded last year with 2,136 rounds played. Prior year comparison shows variables to salaries and rentals (carts). Utilities were higher due to higher fuel costs. Budget variables include compensation, food and beverage is up compared to budget and revenue is lower than expected at 68% compared to budget. Currently Groesbeck Golf Course shows a loss of $19,000 for the month but shows a $133,000 profit for year to date. The Balance Sheet shows a strong cash position currently.

3. <u>Lansing Center:</u> Revenue is up and exceeds budget for the month and year to date. October was the first month without supplemental funding and we exceeded budget by 37% or $115,000. Food and Beverage is down compared to budget due to client selection of Food and Beverage or forgoing it all together due to budget concerns. Expenses are up compared to budget but as a percentage of revenue we are actually beating budget. Compensation is up due to a larger work force being activated sooner than anticipated, salary/wage increases to retain current employees and attract new staff while remaining competitive. Professional Services and Events are the two largest outliers and include Security for the building and events and Chase Creative.

The Balance Sheet will show Accounts Receivable separated into two separate line items starting next month as we still have the PPP and it has been fully forgiven. Commissioner Bowen questioned the change in the loan forgiveness. Scott Keith responded that we have received notice that we received full forgiveness; and we are still very cautious as previously we were informed that we didn't meet the criteria for forgiveness. The loan forgiveness is positive news.

Motion was made to accept the financials for Groesbeck Golf Course, Jackson Field, and the Lansing Center as presented for the period ending October 31, 2021.

MOTION: Commissioner Lenz SECOND: Commissioner Bowen

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

4. <u>Audit Presentation:</u> Tyler Baker, from Maner Costerisan introduced himself and noted he would be reviewing the bound report with the attached letter and that the audit, reviewed in the following reports was conducted remotely and on site. He thanked Scott Keith and

Michelle Green for their collaborative efforts, and noted Michelle stepped right in and he thanked the rest of the team as well. Tyler noted he would review key highlights by page.

Page one and two is the "Independent Auditor's Report" produced by the auditors and states that the Authority is a part of the City's Financial process." Page two is their opinion on the financial statements and that the opinion is unmodified within GAP, which he indicated is good news from a Board standpoint.

Page three begins the "LEPFA Management's Discussion and Analysis" and page four compares the Balance Sheet as of 6/30/2021, noting total assets in 2021 of $3,514,12 compared to $2,698,945 with the increase due to the Convention Center Grant of $700,000 received in 2021.

Page seven is the Balance Sheet break out as of June 30, 221 and is slightly changed this year and is broken out in long term for assets and liabilities for activity in 12 months of which $718,00 is Center Park Productions (CPP). Michelle Green noted CPP and the loan would be broken down in 2022.

Page eight is a break down of the Income Statement funds. The Lansing Center reflects the inter-government funds of $700,000 received in 2021; the City Market had some activity in the fiscal year but has a net position of zero and will come off next year. Changes in net position for the Lansing Center are $70,420; ($2,241) at Jackson Field; $2,100 at the City Market; $201,000 at Groesbeck; and ($7,950) for CPP for a total of $263,121.

Page ten are the "Notes to Financials" and spell out the changes from 2020 to 2021.

Page eleven explains "unearned revenue"; the PPP loans and grants yet to be received as of June 30, 2021. Minimal changes are explained up to page sixteen.

Note eleven (page 16) explains he contribution of the PPP loan in unearned revenue as of June 30 and will be received in FY 2021.

Note thirteen "Upcoming Accounting Pronouncements" addresses GASB 87 pertains to leases. GASB 96 addresses digital leases.

Note fourteen is new this year, effective November 5 this addresses the PPP loan forgiveness and revenue associated with it will be recognized in FY 2022.

Page 18 Internal Audit Controls assess and evaluates any deficiencies or material weaknesses, and they would be noted here; there are none and it is consistent with last year.

Tyler then reviewed the two-page "Communication with Governance Letter," which is communication with regard to a number of items and is very boilerplate and LEPFA's is good news. Any findings, differences, disagreements, etc. would be provided in this report and there are no such items, which is good news. Overall, from the audit as of June 30, 2021, the LEPFA financials are in good standing.

Tyler noted the audit was done very successfully from a management perspective and there are a lot of efficiencies from the Board and Management and is well done from that standpoint. There were no further questions/comments.

Motion was made to accept the audit as presented by Tyler Baker, Maner Costerisan. MOTION: Commissioner Hall SECOND: Commissioner Bowen

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

C. **PERSONNEL COMMITTEE:** Committee Chair Cindy Bowen noted there was no report, but the Committee was scheduled to meet on December 8 at 10:30 a.m.

At 8:34 a.m. Tyler Baker exited the meeting.

D. **AD HOC COMMITTEE ON FUNDING:** No report.

E. **STRATEGIC PLANNING COMMITTEE:** Chair Danielle Lenz and Scott Keith met and discussed the proposal from Jack Alexander as well as the options with the Community Fund. Scott noted he called Laurie Baumer to discuss the options and the best plan for this concept would be an "Endowment Fund" which is basically an investment toward an account (Laurie recommended this funding) and at this time would require more work. Scott noted this would take someone doing the leg work on fundraising and would be a full-time job. Scott has shared with Mr. Alexander that at this point we have no staff or funds to dedicate to fundraising, and that it would take roughly a $500,000 investment at a 4% interest/return to generate $20,000 annually and it would take a lot of work initially to raise the funds. Scott noted they will continue to follow up prior to the Strategic Planning Committee meeting.

F. **PRESIDENT & CEO's REPORT:**

1. Mayor's Art's Council Committee: Scott reported he has been invited to participate in the committee and Chairs the subcommittee. The committee is discussing the options for a live performance venue (big box style) and the Mayor and Economic Development Corporation is working on options and proposals are due next week. Discussions with the Arts Council and the Mayor render two opinions: 1. LEPFA, the GLCVB, Laurie Baumer (community foundation), etc. support attaching the building to the Lansing Center as an option which allows for continuity for live events, and we already have staff in place and could easily add to our contract with the City. 2. Build a facility somewhere else and make it a separate venue with separate funding. There is discussion with Laurie Baumer and Julie Pingston as the seating would be temporary. Attachment to the Lansing Center would involve Lot 55 which is currently proposed at Michigan Avenue/Cedar Street and is a viable option.

2. Jackson Field Lighting Project: Scott reported the project is moving along due to the weather; next up will be the wiring and then testing and the Lugnuts and our staff will be trained on the new system. A press release will follow with the Lugnuts, the Mayor and Dick Peffley.

3. Staffing: We continue to try to fill full-time and part-time positions.

4. Healthcare Renewal: the Healthcare Committee has been meeting over the past few weeks with Grant Hendrickson and Greg Brogan of the Brogan Group to discuss benefits. The good news is we moved from a Large Group employer to a Small Group employer, which equates to lower rates (a 19% decrease in rates). However, we moved to member level rating which means employee rates are based on age. Under age 35 equates to a decrease, beginning at age 50 equates to an increase. We opted to a PHP Gold Plan over a Platinum Plan anticipating that next year we will return to a Large Employer group, but not knowing what the future holds, the Gold Plan generally allows for a reduction for staff in premiums although out of network costs increase as well as ER visits. Meetings with staff are scheduled for next week. There were slight increases to other plans which will be absorbed by the Authority (except for voluntary plans, such as buy up dental or additional life insurance). There is no change to the vision plan.

G. <u>VICE PRESIDENT/STAFF REPORTS:</u>

1. Tristan Wright: Tristan Wright reported things at the stadium are progressing including the locker room and associated accommodations. There will be additional costs for the alarm panel box due to renovations. The team is doing a great job. Scott Keith noted with deer season, the contractors were in and out, but are on schedule.

2. Heidi Brown: Heidi reviewed the report as submitted in the Administrative Report. Currently we have 27 full-time positions filled compared to 40 full-time positions in 2020 which equates to 67.5% of staffing in 2020. Part-time staff – we have one out of three positions filled (33.3%). And on call staff in Food and Beverage is at 38 team members compared to 59 in 2020 (64% filled) and Operations On-call staff is at 8 positions filled compared to 16 in 2020.

We currently have 346 accident-free days, the record is 317 days.

Our team is currently offering turkey feathers for our turkey located outside of the Administrative Office for a minimum donation of $1 each, with all of the proceeds benefiting the Greater Lansing Food Bank. Heidi wished everyone safe, happy and healthy holidays.

3. Paul Ntoko: Paul noted with fewer individuals on the team, they are going to the battlefield and are all accepting the challenge. The new Executive Chef, Daniel Ray was to attend the meeting this morning for introduction but is ill. Groesbeck has slowed down with the cold weather. Simulator parts arrived yesterday, so they are currently working on getting it up and going. Paul noted last month he reported on the supply chain challenges and he noted it is not letting up and because of the challenges we have had to make changes internally.

Paul noted items are up and down, but we try to make menus work because the clients have selected us. Paul wished everyone Happy Holidays.

At 8:55 a.m. Commissioner Janssen exited the meeting.

4. Mindy Biladeau: Mindy reported October was a very busy month and the team did a great job and was successful. November and December will be busy and January through March will be very busy. The newly hired Event Logistics Manager will be starting on Monday and comes to us from AIS Global with fifteen years' experience in the industry, her name is Rebecca Chesnut. She has a wealth of knowledge and Mindy noted she is excited to have her on board.

The 37th Annual Silver Bells took place on November 19 with 45-50,000 in attendance; with broadcast numbers to come and included the parade, state tree, sing-along, drone show, and 5K. Mindy noted all feedback has been super positive and it was well received. Mindy noted this was her twelfth event and her most challenging on many levels and that she is incredibly proud of the volunteers, sponsors, partners and staff. On Friday, November 11th the 5K sold out at 650 with 200 on a waiting list; the fantastic weather helped out. Mindy wished everyone Happy Holidays.

Commissioner Larry Leatherwood commended staff on the parade and Silver Bells and especially the drone show, which was only the second one in the state. Mindy commented that the credit goes to LEPFA's Operations Manager, Ryan Tess with coming up with the drone idea; we used Firefly out of Detroit, who is a world leader in the drone industry. Vice Chairman Leatherwood also noted Scott Keith has distributed a flier for the board event on December 14th and reminded everyone to RSVP.

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

A. <u>Commissioner Cindy Bowen:</u> Commissioner Bowen asked Tristan Wright if the accommodations at Jackson Field were for officials? Tristan noted they were for officials and females. Commission Bowen also commented to Paul Ntoko that she is familiar with the supply chain challenges and noted that the pundits are suggesting diversifying suppliers. Paul noted he has discussed with the Chef and staff starting next year looking at suppliers outside of the Midwest. They will consider buying from all sources, take the risk and sometimes purchase in bulk. Commissioner Bowen noted we are not over the pandemic, and they (and she questioned Commissioner Hall) are not holding to minimums. Commissioner Bowen questioned Mindy's team: Event Staff are Mindy, Donna Roy – Senior Event Coordinator, Marci Sullivan is the Assistant and Rebecca Chesnut starts on Monday.

VIII. <u>OLD BUSINESS:</u> None.

IX. <u>NEW BUSINESS:</u> None.

X. AJOURNMENT: At 9:05 a.m. the regular monthly meeting was adjourned.

THE NEXT MONTHLY MEETING IS SCHEDULED FOR:
TUESDAY, JANUARY 25, 2022
8:00 a.m.
LOCATION: TBD

Respectfully submitted,

Heidi Brown, Recording Secretary