LANSING ENTERTAINMENT &PUBLIC FACILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
APRIL 26, 2022
MINUTES

At 8:03 a.m. Chairman James Stajos called the monthly meeting of LEPFA Board of Commissioners to order in the Conference Room located at the Greater Lansing Convention Visitor's Bureau; 500 East Michigan Avenue; Lansing, Michigan 48912.

COMMISSIONERS PRESENT: Paul Collins, Price Dobernick, Larry Leatherwood, Danielle Lenz, Brian McGrain (Ex-Officio), Charles Mickens, Maureen McNulty-Saxton and James Stajos.

COMMISSIONERS ABSENT: Cindy Bowen, Kenric Hall and Desiree Kirkland (Ex-Officio).

OTHERS PRESENT: Mindy Biladeau, Heidi Brown, Michelle Green, Scott Keith, Paul Ntoko, and Tristan Wright - Lansing Entertainment & Public Facilities Authority; Joe Abood-Lansing City Attorney's Office, Jeremy Garza- Lansing City Councilmember and Jack Alexander.

III. ESTABLISHMENT OF THE AGENDA: The agenda was approved as presented. MOTION: Commissioner Leatherwood SECOND: Commissioner Lenz Motion unanimously carried.

IV. PUBLIC COMMENT: Mr. Jack Alexander commented that he has learned that the COVID Relief funds can't go to the ballpark due to losing money as a business which means the Board as a whole has no power when it comes to this funding. Mr. Alexander noted that he is trying to bring attention to the ballpark and to-date has had no response from the Mayor's office in his efforts to get his attention noting that the stadium needs money, and this concept is not in his thought process.

Scott Keith noted we have submitted a request regarding the ARPA funding for $600,000 from the City. We also have a grant request through our DC leaders Rep. Slotkin, Senator Peters and Senator Stabenow's offices and have been working with Brian McGrain on grant writing for all properties.

At 8:07 a.m. Commissioner Paul Collins entered the meeting.

V. APPROVAL OF THE MARCH 2, 2022 and March 29, 2022 MINUTES: Motion was made to approve the March 2, 2022 and the March 29, 2022 meeting minutes as presented.

MOTION: Commissioner Lenz SECOND: Commission Dobernick Motion carried.

VI. REPORTS:

A. CHAIRMAN'S REPORT: Chairman Stajos noted items for today's meeting includes:

1. Financials Review
2. CEO Evaluation Procedures Review
3. Strategic Plan discussion
4. James W. Butler III Board Room dedication – Scott Keith has sent a notification and Mrs. Butler will attend and there will be refreshments in the Governor's Room. Scott Keith noted he will be attending a ceremony at Arlington National Cemetery for Mr. Butler's final resting place on behalf of the Board and Chairman James Stajos and former Commissioner Charley Janssen will also attend.

Remote Policy: Scott Keith noted that the Personnel Committee had proposed a Remote Work policy which had been shared previously with the Board. There was a policy in place previously during COVID and this is an adjusted version. This policy allows for planning out in advance for remote work and allows for exceptions to the policy by the President & CEO. The policy has been reviewed by our Attorney. The policy doesn't apply to CBA or overtime non-exempt employees. Scott Keith asked that the policy be approved as presented. MOTION: Commissioner Lenz SECOND: Commissioner Saxton Motion carried.

B. NOMINATING COMMITTEE: Scott Keith reported the Committee typically meets once or twice a year to discuss the next year's Board of Commissioners Officers. The committee is typically chaired by the past Chair of the Board. The Chair will reach out to the candidates and will come to the next monthly board meeting with a Nominating Committee report.

Typically, the Chair calls the individuals and asks them to serve in a specific role; there are no rules for succession and the Chairperson can serve for a second term. This year's Nominating Committee members are Commissioner Mickens, Commissioner Dobernick and Chair Stajos. Scott Keith noted he will set a meeting for this committee.

C. FINANCE COMMITTEE: Commissioner Maureen Saxton reported the committee met and she deferred the report to Michelle Green who reported the following:

1. Jackson Field: Michelle reported the hold is back on expenses due to cash flow. The Balance Sheet reflects $12,000 at the month end. Budget versus Actual reflects Maintenance of Facilities on the summary sheet of expenses. HVAC and Electric represent the variance of -$1000 loss for the month. Michelle noted we will see expenses pick up once we received the subsidy.

2. Groesbeck Golf Course: Michelle reported for the month the rounds are down due to the weather compared to last year. The prior year we had six hundred rounds. We are trending higher in revenue per round at $21.68 for the month and $26.08 for year-to-date. Scott Keith noted it was a very wet April which caused issues for the grounds. We are using carts now which is risky but revenue for the cart rental is needed to cover the cost. Commissioner Collins asked if there were any play issues – Scott noted there were none as the course drains well. Expenses include Salaries and Wages which has a savings due to not being fully staffed. The Balance Sheet is still strong. There were no questions.

3. Lansing Center: Michelle Green noted the Lansing Center had a busy March. Revenue variance for month to date versus budget exceeds by $360,000 and revenue exceeds year to date as well and we are beating the prior year and budget. Food and Beverage attributed for 47% of the revenue for the month (19 events); Building Revenue was 19%; Equipment Rental was 23% (Chase Creative) and Miscellaneous was 11% (late Sponsor payment for Silver Bells). March 2019 compared to March 2022 revenue is down 33%. Expenses are under and the Foodservice margin is down as staff is down and contributing to the margin is staffing which down and creates a very thin margin and will eventually correct itself.

Scott noted the Department of Corrections required service for five hundred people with four entrees. They were willing to work with us and understood this Is not doable and is the reality of what we are in terms of staffing and product. Scott noted it is tremendously challenging to pull events off as each group has different needs based on attendance, vendor numbers, attendee numbers etc. For example, exhibitor numbers were down for the Michigan Safety Conference, and it varies based on the industry. Manufacturing is down, education is down; healthcare is up, government is up; and determining needs is still a challenge in what we are able to provide; it is a slow process, and we will get there.

Michelle noted for Expenses – Budget versus Actual for Professional Services is up and Includes Security, Accounting Services provided by a third party and an upgrade to our accounting software. Year to date net margin is 29% versus budgeted 2% and once we remove the Strategic Grant and PPP we are at 5%, beating budget by 3% if you take both into consideration.

The Balance Sheet indicates the Lansing Center is tight on cash; Accounts Receivables are running high due to billing and not having staff.

Motion was made to accept the February, 2022 financials as presented at the March 29 Board meeting and the March, 2022 Financials as presented for Groesbeck Golf Course, Jackson Field and Lansing Center.

MOTION: Commissioner Leatherwood SECOND: Commissioner Dobernick Motion carried.

D. PERSONNEL COMMITTEE: Scott Keith noted Committee Chair Cindy Bowen, Larry Leatherwood and James Stajos attended the meeting and are in a good place on the CEO review and process and are close to finished. Commissioner Leatherwood noted there was great discussion and good input from the Committee, and it was good to have input from Scott Keith as he is the one being evaluated. Committee member Stajos noted it is coming out in a good place after reviewing the process and the end result is to have something more tangible and applicable. Committee member Leatherwood noted the Board is not on hand on a day-to-day basis so they wanted the evaluation to be clear on what they are not and are evaluating and are more comfortable evaluating the CEO on what they can see and measure. Scott Keith and Chair Stajos extended his compliments to Chair Bowen on finalizing the process on the who, what, and not based on the Chair's discretion. The second stage is putting the information into categories, it has been a process that includes reviewing other CEO evaluations. Scott Keith noted as part of the process he will regularly send out updates three to four times a year with feedback, which Scott noted he owes to the Committee by the end of the month. Chair Stajos noted the Board receives monthly updates and Scott noted this will be more of an email, less formal and he is working through the report.

E. STRATEGIC PLANNING COMMITTEE: Committee Chair Danielle Lenz noted the committee met two months ago with Dorothy Maxwell on the Strategic Plan, mission, values, etc. The Committee will receive a proposal for full Board approval. Chair Lenz noted it is slated to be a one-day session with

Dorothy Maxwell and the Committee is looking for approval. Scott Keith noted the session would be held in early summer at the Lansing Center with lunch to do the preliminary work and will move into a closed session with a draft, final and will circle back in six to eight months. Committee Chair Lenz noted that the concern is that the results do not sit on a shelf and that there are clear and actionable steps.

Commissioner Stajos moved to approve the contract with Dorothy Maxwell.

SECOND: Commissioner Saxton Motion carried.

Commissioner Stajos noted the Groesbeck Golf Course strategic plan will be discussed at the next meeting. Scott Keith noted we have peaked as a course, and we need to look toward the future and will be working with Alan Valliere who is local and works for a national firm. He is a Sexton graduate and grew up by Groesbeck and was involved in the first renovation. The challenge is a limited flight driving range and the Friends of Groesbeck Golf Course group. Scott noted the Mayor and Parks and Rec Director are supportive and willing to have the hard conversations. The next steps require an investment back into the course. Commissioner Saxton questioned why the controversy. Scott Keith clarified the issues are the park and the "Friends" group is not supportive. Scott noted Councilmember Daniels lives nearby and is supportive. Councilmember Garza asked if there are plans to add lights. Scott noted lights are not in the plans, but more activity could help prevent issues. Chair Stajos noted it is important to have a driving range for the high school teams. Scott Keith shared there is no longer a driving range in the city; and for example, a team had to warm up at Forest Acres and come back to Groesbeck for play. Mindy Biladeau noted that is the number one question on social media – do we have a driving range.

F. PRESIDENT & CEO's REPORT: Scott Keith reported the following:

1. Board Room Dedication: The dedication of the James W. Butler III Board Room at the Lansing Center will be held on May 9 at 11:00 a.m.

2. Staff Training: Scott noted the top priority will be training for staff as brought to his attention by the CVB and he is meeting with various people on trainings. First will be a customer service training to be held on site which will share tactics for negotiating and how to work with customers and internal communications. We plan to host two different trainings this summer with staff, especially for our new staff, training is important.

3. LEPFA Pension: Scott Keith reported he is in discussion with our attorney about potential changes to the pension plan for new hires, or if we have to leave it as is. Any changes to the plan would come to the Board and would be discussed with staff and would be discussed with the Personnel Committee. He noted we would grandfather current employees and amend the Authorities contribution to the pension plan for new team members if able.

4. GLCVB Annual Report Presentation: Julie Pingston will be invited to present the GLCVB's annual report at next months meeting.

5. Budget Hearing: LEPFA's budget hearing is scheduled for May 9 and the Police have been added to our time slot.

6. ARPA Funding: Scott referenced a recent LSJ article that cited the City of East Lansing is receiving $12.5 million in ARPA funding and $1.50 million is being allocated to the Hannah Center. The Lansing Center did not receive any of the City of Lansing funding. Commissioner Brian McGrain noted that they are looking at other funding avenues for the Lansing Center. Scott Keith noted it is disappointing and will be a discussion item with the Board. Currently the area by the river can't be used and it is impacting business for a cost of $150,000. We need to invest in the Lansing Center – the marquee is dead at this point, if we don't invest we will lose business downtown, keeping in mind the Lansing Center impacts the entire downtown and we need to continue to invest in the Lansing Center.

Commissioner Leatherwood commented on the current situation with Michigan Townships Association and noted that Commissioner McGrain helped adjust the circumstances and cleaned up the issues, by working with the Lansing Center, the group and the GLCVB. Commissioner McGrain noted there was some confusion initially and he thought Scott Keith was on board, not recognizing that he was not on board and after the fact recognized that the changes would not allow the Lansing Center to make money, the intent was not to create trouble for other businesses. The confusion was addressed, and the issue had a good outcome. Scott Keith noted the idea was to not support the brick-and-mortar businesses downtown and food trucks are hip and cool, but in reality the clients don't get served faster, although groups like the concept. Commissioner Dobernick asked Commissioner McGrain if there is any conversation on funding for the Lansing Center. Commissioner McGrain noted that would be a conversation for Desiree and noted that he is very aware of the Lansing Center's needs and through MEDC the City is applying for $20 million placemaking grant. The City is aware of the capital needs and are working on where to place the Lansing Center and the pitch needs to be made to the Mayor and Desiree and he cannot speak as to why or why not the Lansing Center is receiving funding, but they are looking at other places to access funding.

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

1. Tristan Wright: Negotiations are underway with IATSE.

2. Heidi Brown: Heidi reviewed the information provided in the Administrative Report and provided a summary of filled and vacant positions. Currently we have 29 FTEs compared to 43 in 2020. Interviews will be held on Thursday for the Administrative Assistant position; the Accounts Analyst Administrator position has been filled as of May 9. Interviews were held on Monday for the two Event Coordinator positions and two are slated to start on Monday, May 16. Interviews are underway for the Golf Assistant Pro and the three seasonal positions at Groesbeck (Groundskeeper, Pro Shop Attendant and Golf Cart staff). The Summary Plan Description has been distributed to all eligible staff. As Tristan mentioned negotiations are underway with IATSE. Heidi thanked the Board for their support of the Remote Telecommuting

Policy and noted that we have returned to monthly meetings to acknowledge team members, departments for Employee of the Month, Team of the Quarter, and individual anniversary dates while offering a brief training segment. There were no Workers Comp claims, or Employee Referrals.

3. Paul Ntoko: No report.

4. Mindy Biladeau: Mindy noted it was a busy March and we will be busy through the end of June. July and August will have less events, but it will be a super busy fall. Mindy noted she is working on special events at the Golf Course, including "Grains and Greens" which will take place on June 10 and again on September 16 with our partner Lansing Brewing Company. Tickets will be on sale soon – it sold out last year.

Silver Bells won a bronze award from the American Advertising Association for the posters. Mindy is working on one-minute videos with testimonials to be shared on LinkedIn and Twitter. May 13 it will be completed and launched. Groesbeck is being impacted by the weather.

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

A. James Stajos: Extended his thanks to the Mayor and Commissioner McGrain for being pro-business and thanked them for helping him in a time of need. He noted often LEPFA is treated as the "bastard stepchild", and he hopes the City will embrace LEPFA and the Lansing Center more as he noted Michigan High School Football Coaches Association as one of the groups that bring business downtown and provides economic impact as he witnessed firsthand.

B. Brian McGrain: He noted the Mayor is aware of the need and is hopeful once the EDC has a dedicated staff member in place we can look at options. He noted it has been a rough two years and will look at funding options for LEPFA and the Lansing Center. He noted he recognizes the importance of having people back downtown and the importance in terms of tourism and to the downtown economy and it is understood the importance of the Lansing Center in bringing tourism back to downtown Lansing. He explained many of the funds have issues and they have been very thoughtful about the funding. Commissioner McGrain noted he will continue to work with Scott Keith on the needs of the Lansing Center; and the Mayor and Council are aware of the needs. He suggested the Board keep up the advocacy and letting them know the importance of business to the downtown. He suggested Cathleen Edgerly attend a board meeting to discuss downtown.

Commissioner McGrain noted the Lansing City Market is under construction for the shuffleboard business and is slated to open in August and he thanked City Council for their support. It will have food and drinks and will be similar to the Detroit Shipping Company and will be an entertainment space, art gallery, and will be a similar concept for Lansing. Chair Stajos thanked him for the update.

C. Charles Mickens: Commissioner Mickens noted it was nice to see everyone here.

D. Commissioner Collins: Apologized for being late and expressed that he was pleased Michigan Townships Association was resolved.

E. **Councilmember Garza:** Reported he as very supportive of LC funding. He noted the $700,000 for lights and asked if that was for aesthetics and if any went to the Lansing Center. Brian McGrain noted it was aesthetics in part for parking, but was specifically supporting the Lansing Center parking directly, and noted he would let Scott Keith discuss. Scott noted it was a safety concern and sited the crossing coming from I5, underneath the Michigan Avenue bridge is a dark location. LBWL put up lights but people crossing is the bigger safety issue and noted people are hopping curbs.....cones were put along the sidewalk but won't prevent curb hopping. Scott noted the parking improvements are great and the lighting makes it much brighter.

F. **Commissioner Saxton:** Noted she met with the President of her firm last evening and there was no room at the Radisson due to events at the Lansing Center. Commissioner Saxton also noted that Detroit Shipping is very popular and many of her colleagues visit there for lunch, it is very eclectic and has a variety of food. Lansing Shuffle will be very exciting. Scott noted it will offer a great experience for Lansing's guests. He also noted the "compression effect" and the need to stay somewhere else besides downtown, which no one wants to admit to.

Mindy reported Michigan Townships booked two thousand rooms in the region.

VIII. **<u>OLD BUSINESS:</u>** No report**.**

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

X. **<u>AJOURNMENT:</u>** At 9:18 a.m. the regular monthly meeting was adjourned.

THE NEXT MONTHLY MEETING IS SCHEDULED FOR:
TUESDAY, MAY 24, 2022
8:00 a.m.
LANSING CENTER – GOVERNOR'S ROOM

Respectfully submitted,

Heidi Brown, Recording Secretary