AGENDA

Committee of the Whole
AGENDA FOR MARCH 13, 2023 AT 5:00 PM

Lansing City Hall, Tony Benavides Lansing City Council Chambers
124 W. Michigan Avenue, 10th Floor
To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting.

Council Member Wood, Chairperson
Council Member Garza, Vice Chairperson

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
   A. February 27, 2023
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Presentations:**
   B. Lansing Police Department Update on their Acquired ARPA Funds and Future Budget Vision
   C. DISCUSSION - CAFR Follow Up Presentation & FY2022/2023 2nd Quarter Update with Vacancy Factor- Finance Director
   D. Presentation on Assigning the Take Me Out To The Ballgame, Limited Liability Company (TMO- aka *Lansing Lugnuts*) Contract and Assumption by New Etity
6. **Other**
7. **Adjourn**

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

MINUTES
Committee of the Whole
Monday, February 27, 2023 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER
Council President Wood called the meeting to order at 5:30 p.m.

PRESENT
Council Member Carol Wood
Council Member Jeremy Garza
Councilmember Adam Hussain
Councilmember Peter Spadafore
Councilmember Patricia Spitzley
Councilmember Brian T. Jackson
Councilmember Jeffrey Brown
Councilmember Ryan Kost

OTHERS PRESENT
Sherrie Boak, Council Office Manager
Lisa Hagen- Lawrence, OCA
Jim Smiertka, OCA
Barb Kimmel, EDP
Doris Witherspoon, EDP
Jane DiSessa, Deputy Mayor
Chief Sturdivant, LFD
Mike Dombrowski, Parks Board
Loretta Stanaway
Stephen Purchase
Deborah Muluy

Minutes
MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE MINUTES FROM THE FEBRUARY 13, 2023 AS PRESENTED. MOTION CARRIED 8-0.

Public Comment
Ms. Stanaway asked for the updated contact information to be posted on the website for the Parks Board members with contact information. She also asked that agendas be put on the website by the Monday before the meeting at 5 p.m.

Council Member Jackson stepped away from the meeting at 5:33 p.m.

Ms. Stanaway elaborated on her request and opinion on the public comment on the Park Board Agenda.

Ms. Muluy spoke on forestry and how it is reflected on the Park Board annual report. She then expanded on examples of trees in the City.

Council Member Jackson returned to the meeting at 5:36 p.m.

The public comment continued by the impact and work done on trees during the CSO project.

Presentations

Lansing Fire Department Update on their Acquire ARPA Funds and Budget

Chief Sturdivant acknowledged Council and made them aware of the $2.7 million of ARPA, earmarked for 3 initiatives. One, $300,000 for turn out gear, and that order has been placed. The vendor is running 4-6 months behind, however they members have been sized and they still anticipate May-June this year. They also received $1.7 million for fleet upgrades, which will be used for an aerial truck at $1.5 million and the balance will be rolled over to the fleet budget. They will use this towards trucks and ambulances, with combining with the fleet funds. The last initiatives was for $750,000 for EMT upgrade, and recently signed a 10 year agreement with Stryker for upgrades. This equipment is already being delivered, and they have increased the level of safety.

Council Member Jackson asked if there is anything about turn out, fleet or EMS that was exasperated by COVID pandemic. Chief Sturdivant stated not exactly directly, but there was a significate increase in call volume, and impact on the staffing model. These items were tools of the trade, and during the height of the pandemic there was some impact.

Council Member Wood touched on the turnout gear impact. Chief Sturdivant explained the impact of the monitoring fire service and carcinogenic. There are extracts in 4 of 6 fire houses, and turn out gear dryers in all fire houses. There is a gross decontamination policy to help with starting the decontamination process on the scene.

Council Member Spitzley asked about the process, and Chief Sturdivant outlined the steps. The extractors will be installed in the new buildings that are currently being designed.

Council Member Garza asked about the protocol of the vehicle cleaning. Chief Sturdivant outlined the process for clearing up, taking back to stations, a wash town before they back into the station.

Council Member Wood asked if the washing water is held in a separate tank, or in the sewer system. Chief Sturdivant confirmed a separate tank, filtered and at no time does it enter into the City system.

Council Member Spitzley asked if there is a State standard on that dark water, and spoke on other contaminants. She asked if the City has a PFAS concern as relates to fire fighting. Chief Sturdivant confirmed that the dark water is isolated and has a proper level of disposal. Regarding the PFAS, all foam used in the City is clean foam. Most foam is used at airport fire fighting, but with no airport in the City itself, the City does not have that concern. He does work with the Airport Fire department on addressing any foam and PFAS issues.

Chief Sturdivant spoke briefly on the current budget, and confirmed it is doing well, they are monitoring expenses on a monthly basis, and he has implemented a couple programs they will look at reconciling with transfer. One of those initiatives was with Lexpol LLC to update the policy manual, and another one was a strategic planning process.

Council Member Wood asked about the staffing, and Chief Sturdivant noted they are down 25 positions right now.

Council Member Spitzley asked about training, and if it acquired new fire fighters in the community. Chief Sturdivant acknowledged the academy is acquiring fire fighters in the region, not just in the City. There are multiple students, but they are not able to apply until they are 18.

Council Member Brown acknowledged the work on the policy and asked for the reasoning behind that. Chief Sturdivant explained what his research found, and the good work taking place but not directed. However there was not direction on where things were heading. Over the last couple years there was a change in leadership and so he engaged with the community for the impact the public wants to see. They contracted with an outside agency on strategic planning process, and the vision to become an accredited agency.

Council Member Garza asked how City pay reflect and compare to other areas in Lansing. Chief Sturdivant confirmed we are competitive, but most departments offer bonuses that the City does not. The City is looking at upgrades and focusing on becoming the employer of choice. Council Member Garza asked if they would consider signing bonuses, and Chief Sturdivant admitted they have moved forward with paramedic bonuses. They continue to have those discussions.

Council Member Garza asked if the fleets were ordered, and Chief Sturdivant confirmed the ladder truck and ambulances will be delivered this year. Council Member Garza asked if fuel costs were figured into the budget and Chief Sturdivant confirmed.

Council Member Jackson spoke on filling of the positions, and asked what about the application process and resume, how they determine moral character. Chief Sturdivant the department used to use a psychological vendor and moved away from them. They have gone to another vendor to review character references based on the application surveys. They use a psychological exam for character background check, and maintain the standard. With the public safety bond and initiative, they want to transition candidates into careers and retention. Council Member Jackson asked if some candidates do not pass the test by a third party, and if they are written. Chief Sturdivant stated with the vendor they were using, which the City no longer uses. They forwarded a questionnaire to be completed before they met in person with the psychologist, and since those forms were from 1983 they did not updated by federal guidelines. They have a new vendor now and work to be objective as they can, but there is some subjectivity involved. At the entry level hiring piece, there is a command chief interview process to review the assessment. This would employ the layers in the process to make sure they are targeting that high quality candidate.

Council Member Hussain acknowledged that they moved away from the former vendor. He then asked about attraction and retention, and if there is a component in the nature of calls in the City. Chief Sturdivant noted the call volume is going up but the resources are going down. The 25 vacancies are mostly fire operations and fire suppression. Those are the entry level positions, and then you move into the other positions.

Park Board 2022 Annual Report

Mr. Dombrowski referenced the report the Board does every year, what they have done, and where their concerns are. They are back up to 8 people, the department continues to provide services, maintain parks, run forestry, and have main concern on resident input to projects. The Board role is to make sure the department is running efficiently as possible. The Park Department is spending a lot of money for projects and maintain parks. But the question has been, is that what the people wanted, so the Board has a concern on if the residents are seeing what they want. Most people attending the meetings had concerns with the most part of the removal of infrastructure in parks that the neighborhoods were not aware of before it happened.

Council Member Jackson stepped away at 6:24 p.m.

Mr. Dombrowski noted that a significant CIP funds were spent on removal of parking equipment and replaced with other park equipment. The board and residents are concerned that neighborhoods that use those neighborhood parks are not asked for their input in advance.

Council Member Jackson returned to the meeting at 6:26 p.m.

The Board is trying to source the CIP projects from the community instead of from the departments.

Council Member Garza asked if the administration was looking at the public input, so when it was brought to the administrations attention how did they react. And in the future will they have more public input. Mr. Dombrowski stated the Board is not aware of the City processes.

Council Member Jackson asked what is the best practice for the public. Mr. Dombrowski encouraged them to come to the Park Board.

Council Member Spitzley stepped away at 6:29 p.m.

Council Member Hussain asked Ms. DiSessa for the Park Department to post the agendas and minutes. Regarding resident input, he asked Mr. Dombrowski where they meet, and he stated they meet regularly at Foster. He was then asked about moving to other locations. Mr. Dombrowski confirmed they have talks about rotating board meetings to parks and outside the 1st Ward.

Council Member Spitzley returned to the meeting at 6:31 p.m.

Council Member Hussain asked Ms. DiSessa to address better communications and solicit input to the neighborhoods. Regarding the CIP he asked if they have considered CIP disbursement throughout the City. Mr. Dombrowski acknowledged they talk about it, but the process does not include enforcement of spreading the projects through out the City.

Council Member Brown asked if the Park Board is not being informed of the projects, where do they think there is a disconnect. And what advising is the Board doing. Mr. Dombrowski stated the Board exists and informed of what the department is doing, outside of the CIP. They are not informed of the ideas before they happened. The disconnect is the Board is not approached during the design. Council Member Brown asked why that is happening and what can change. Ms. DiSessa stated she would speak to the Park Director and acknowledged it is important to speak to the Board and so they can help guide the administration. She stated she would speak to the Mayor and director. Mr. Dombrowski stated the Board should not be advising but the public should be.

Council Member Garza asked Mr. Dombrowski about the five-year plan and the destination playgrounds per ward. Mr. Dombrowski stated he is not sure where that status is or where those are. However they are still working on it.

Council Member Wood noted in the past the Parks Board went out to the community with the designer and interaction. It has been done in the past, and encouraged to the Administration that they need to make sure the people in the community around that park feel ownership to it. She asked the Park Board to put together a public participation plan and present to the Administration. Council Member Wood encouraged the Board to reach out to the experts on forestry to put a plan together on how to replace trees and encourage people to take care of new trees.

Discussion/Action

RESOLUTION -Affirming the Appointment of Danielle Grubaugh; Workforce Development Member; Community Corrections Advisory Board (CCAB); Term to Expire September 17, 2023

Council Member Wood stated this Board is made up by Ingham County, and even though the City sits on it, they City just affirms those appointments.

MOTION BY COUNCIL MEMBER HUSSAIN TO DISCHARGE THE RESOLUTION FROM THE COMMITTEE ON PUBLIC SAFETY TO COMMITTEE OF THE WHOLE. MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE RESOLUTION FOR THE AFFIRMATION OF THE APPOINTMENT OF DANIELLE GRUBAUGH TO THE CCAB BOARD WITH A TERM TO EXPIRE SEPTEMBER 17, 2023. MOTION CARRIED 8-0.

RESOLUTION –CDBG Amendment for FY2020 Annual Action Plan and FY2021 Annual Action Plan

Council Member Wood noted at the last meeting there was a presentation, and the updated presentation is in the packet due to incorrect information in the original report. The public hearing is tonight, however the Department is asking for approval tonight as well. This would be done as long as there are no significant comments from the public.

Council Member Hussain referenced Rawley Van Hausen with Capital Area Housing Partnership in the audience and asked for him to speak to concerns Council have gotten on ownership. Mr. Van Hausen stated that no one affiliated, employed or connected is financially benefiting. As a resident agent for an LLC which is required by the State. The resident agent has to have the mailing address on file, someone there to obtain anything from LARA. It has nothing to do with ownership, but contact for LARA. He then elaborated on the LLC creation and tool and function as required by the State. The non-profit cannot be the recipient directly and not a new practice. Since CAHP is a non-profit they have the ability this year as sole general partner. No employee or board member can have any financial benefit.

Council Member Hussain asked about the 76 units, 19 supported housing for homeless of the highest need, and what management would be for those units. Mr. Van Hausen stated they do not self manage any of their units, majority outside of the City of Lansing. They work with the State on contracting for site managers.

MOTION BY COUNCIL MEMBER GARZA MADE A MOTION TO APPROVE THE RESOLUTION FOR THE AMENDMENTS TO FY 2020 AND FY 2021 CDBG ANNUAL ACTION PLAN FOR FEBRUARY 27, 2023. MOTION CARRIED 8-0.

Other

Council President Wood asked Council members to notify Ms. Boak about BWL agenda suggestions for the March 20th, 2023 meeting. These items should be provided by Wednesday, March 1st.

Adjourn

The meeting adjourned at 7:01 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee

January 23, 2023 Committee of the Whole Presentation

Auditor Presentation – Maner Costerisan

Council Member Spadafore stepped away from the meeting at 5:05 p.m. and returned at 5:06 p.m.

Mr. Tucker and Mr. Baker began with the presentation in the packet, referenced the CAFR from June 30, 2022, the letter that addressed the estimates in the financial statements, and an internal control letter. The opinions include 9 including each major fund, components, unmodified or clean opinions. A clean opinion means everything is in compliance with accounting principles. Mr. Tucker referenced the statement of net position in the presentation and explained the process of all the funds for GASB.
Mr. Baker went through the rest of the presentation beginning on a copy of page 113, budget revenue and expenditures. Mr. Baker then highlighted 5-year trends. Subsequent to 6/30/2022 there were two draws on the revolving loan, and they pointed that out in the report. It was noted in the prior year there were 7 findings, and in this report and current year there are only 3 findings. The findings include material journal entries, revisions to trial balance and the City has made improvements in entries. This was a continuation of a finding. For the second finding, regarding payroll process, the City has procedures in place to make sure hours and rate are correct. Most of the data entry is mainly manual, and no inappropriate postings was notice, but it is systemic issue. The last is a compliance finding.

Council President Wood asked Ms. Kirkland, she referenced the budget amendment of 6/27/2022, the budget amendment does not match the 2022 CAFR report. Ms. Kirkland confirmed it was an oversight in the Finance department, and something like that will not be done in the future. Council President Wood asked how it reflects in the audit that was done, using the OCA budget being off and not spent. Ms. Kirkland confirmed and that created the audit finding, and there is policy being put in place to watch the numbers to make sure all the numbers that are approved. Council President Wood referenced the budget manual, which states budget amendments are done before any expenditures of the budget are done. Ms. Kirkland confirmed, and they are working on it. Council President Wood noted this is a violation of the Budget Act. Ms. Kirkland acknowledged the error again and assured the Council they are aware and will not happen in the future.

Council Member Jackson asked if the OPEB and Pension is funded, what is that impact on the short term and long-term numbers. Mr. Tucker stated when they look at those numbers, they look to get it to 60% for pension. There is grant funding coming out and the city can look at those in the future. Council Member Jackson asked if the city should be higher, and Mr. Tucker stated OPEB should be at 40% and Pension at 60%. Council Member Jackson noted that income and property taxes are over than the projection and asked why. Ms. Kirkland stated the higher could be reflected from collection. With property taxes, the City is conservative with the rate and that is why it appears the way it does.

Council Member Brown asked Ms. Kirkland about the earlier statement of incorrect numbers in the report and asked what the priority of the Finance department if it is not the budget. Ms. Kirkland stated checks and balances, good accounting system in place, general ledger system is accurate. Currently they are switching from one system to another with better reporting.

Council Member Brown asked the following question for Council Member Spitzley:
To the City Attorney is this: We have submitted a document to the State of Michigan that has an accounting error of approximately $3.5 million. We have been told by the Finance Director that no amendment to the document is needed. Are there any legal ramifications to have an

official document that we know is incorrect submitted to the State? Don't we have to certify that the document is accurate?

Mr. Smiertka stated the question should be directed to the Finance Director and asked if the statement was correct. Ms. Kirkland state the audit reports what was in the general ledger at the time, and the Finance department did not update it. The State only asked for a process going forward. Mr. Tucker stated that getting information from Finance is how to do their audit, and that information what they use. Mr. Smiertka stated if a document is in error, then if the State said there is no correction, the city needs that State document. Ms. Kirkland stated she will submit a priority to the State to reflect they are addressing the incorrect.

Council President Wood asked Ms. Kirkland if she was aware of the Internal Audit report on Human Resources on August 23, 2021, drafted November 5, 2021, and feed back from HR on December 10, 2021 and after review the final report was sent to Council December 15, 2021 with recommendations for corrective action plan. Ms. Kirkland confirmed she saw that report. Council President Wood asked if any of those recommendations were implemented. Ms. Kirkland stated she would follow up on that.

Council President Wood asked Ms. Kirkland about general expenditures in 2021 where the City had $119 million in general fund, and in 2022 the City had $146 million, asking what she attributed the additional $27 million in expenditure to, what caused such a significant increase. Ms. Kirkland could not provide an answer at this time.

Council President Wood noted that the long term during the quarterly budget report Ms. Kirkland noted the City is adding to the fund balance, but it appears to be decreasing by $6 million. (page 34 of the audit) Therefore how has the audit impacted the current year (2023) budget projections and will they take that $6 million from the fund balance this year, and Ms. Kirkland stated they have not decided what to do.

Council President Wood asked if there is an expenditure plan for the $7.6 million in fringe fund balance on page 162, and Ms. Kirkland was not able to provide an answer at this time.

Council President Wood asked if there was a plan for the $5.6 million in unrestricted services in fleet and Ms. Kirkland stated she was not ready to respond to that yet.

Council President Wood asked why the library rental line on page 113 so far off and Mr. Tucket stated they use the budget and actual based on the chart of accounts provided. Based on departments, there is a line item within the number of library rental, and estimated due to requirements for state requirements, so it is grouped to the account number which is within that subgroup.

Council Member Wood asked if the City was on track for having the required uniform chart of accounts implemented by June 30, 2023, as required by the State of Michigan Treasury, as mentioned on page 61 in the presentation. Ms. Kirkland stated they are working towards that but that will also require a conversation with the State Treasury. It was noted by Council President Wood that this has been going on for years, and Ms. Kirkland confirmed however they are looking at a new system now and would like to look at options, so they don't have to do it now and then again when they start the new system.

Council President Wood asked what was happening with the ARPA interest, where is it shown in the documents and if the funds were invested, how much was invested and how is it being used. Ms. Kirkland stated it was not moved to the General Fund yet but can be moved anytime and made available to the City. At this time Ms. Kirkland could not provide the interest amount.

Council Member Jackson stepped away at 5:42 p.m.

Council President Wood asked what the plan is for the parking system; if they have a financial analysis of the frequent parking holidays and how they have impacted the fund. The impact of the "free Fridays", and what does the parking fund mean for future financial projections given the net position is currently negative. Will or is the General Fund supporting the parking fund. Ms. Kirkland stated she does not have a plan currently but will get back with Council.

Council Member Garza noted the three (3) findings in the audit and asked which department went over budget and what their corrective action is. Mr. Baker referred to page 129 in the report.

Council Member Brown asked Ms. Kirkland if the audit covers the compliance measures the City takes for Federal and State level when they receive grant funds for services. Ms. Kirkland stated that is covered under the single audit that is being performed right now, and not reflected in the audit in front of them. Mr. Brown stated the single audit is dues March 31, 2021 to the Federal Clearing House.

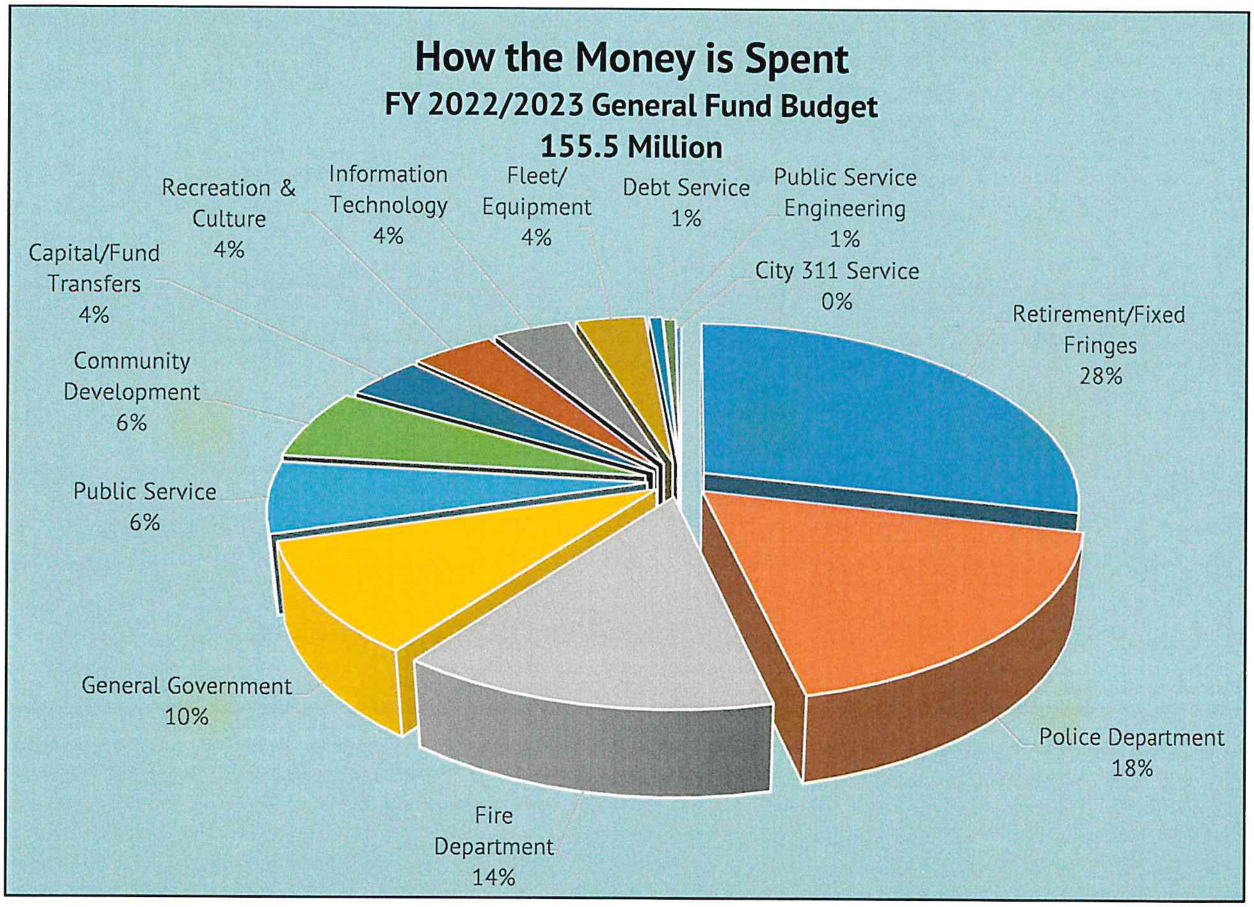
Council Member Jackson returned to the meeting at 5:46 p.m.

Council President Wood concluded the discussion by requesting Ms. Kirkland attend the meeting on February 27, 2023, with answers to the questions, and the auditors do not need to attend.

General Fund Status Report – FY 2023 2nd Quarter

General Fund Summary

For FY23, the City budgeted $145,800,000 in total revenue including transfers and $155,512,500 in total expenditures. The City's fund balance policy recommends a fund balance that is between 12% - 15% of expenditures. With estimated expenditures of $155,512,500, the recommended fund balance is $18,661,500 to $23,326,875.



Revenue Summary

General Fund revenue collected through the second quarter of fiscal year 2022-2023 are on track with expectations. 59.7% of the budgeted revenue has been received, only 0.2% higher than the 3 year average for December 31 YTD.

- **Property Taxes (33.2% of GF revenue budget)** are largely collected at the beginning of the fiscal year. They were initially estimated to be $48.245M. At the end of the second quarter, collections were roughly $49.945M. Although collections currently exceed estimated amounts, they are subject to tax appeals and other adjustment throughout the fiscal year.

- **Income Tax (25.8% of GF revenue budget)** collections are slightly above the second quarter target. At the end of the 2nd quarter, income tax collections were $14.18M (37.8% of its budgeted $37.51M). This amount exceeds the 3-year average for December 31st by over 2%.

- **Return on Equity (ROE) (17.2% of GF revenue budget)** represents payment to the City from the Board of Water & Light. Historically, payments have been received in December and June. However, the new agreement calls for quarterly payment. The first quarterly payment amount was $7,138,749. BWL has notified Finance that the second quarter payment amount will be $6,861,047. This payment, however, is not reflected in this report because the funds were not received prior to December 31, 2022. The FY23 budget amount for this revenue was estimated to be $25M.

- **State Revenue (14.8% of GF revenue budget)** are estimated to be $16,899,500 in revenue sharing and $4.62 in other payments. Quarter 2 YTD is just over $10M, but is in line with past second quarter reports.

- **Charges for Services (6.2% of GF revenue budget)** are trending slightly ahead of the 3 Year Average for the 2nd Quarter.

- **Fines and Forfeitures (1.2% of GF revenue budget)** are budgeted to be $1,692,200. Quarter-to-date, they are trending below expectations. This is because Court Costs-Penal Cases-DI and Ordinance fines are down.

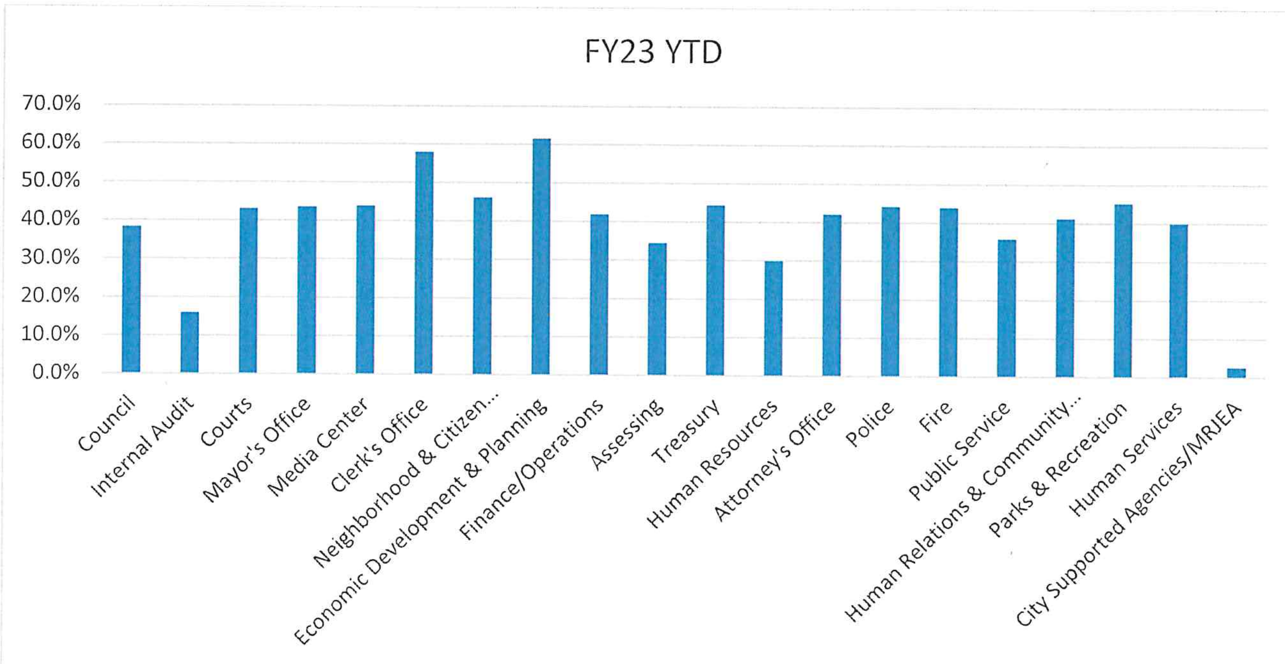
- **Licenses and Permits (1.2% of GF revenue budget)** are estimated to be $1,769,300. The City has received 35.1% of the budgeted amount and is on track.

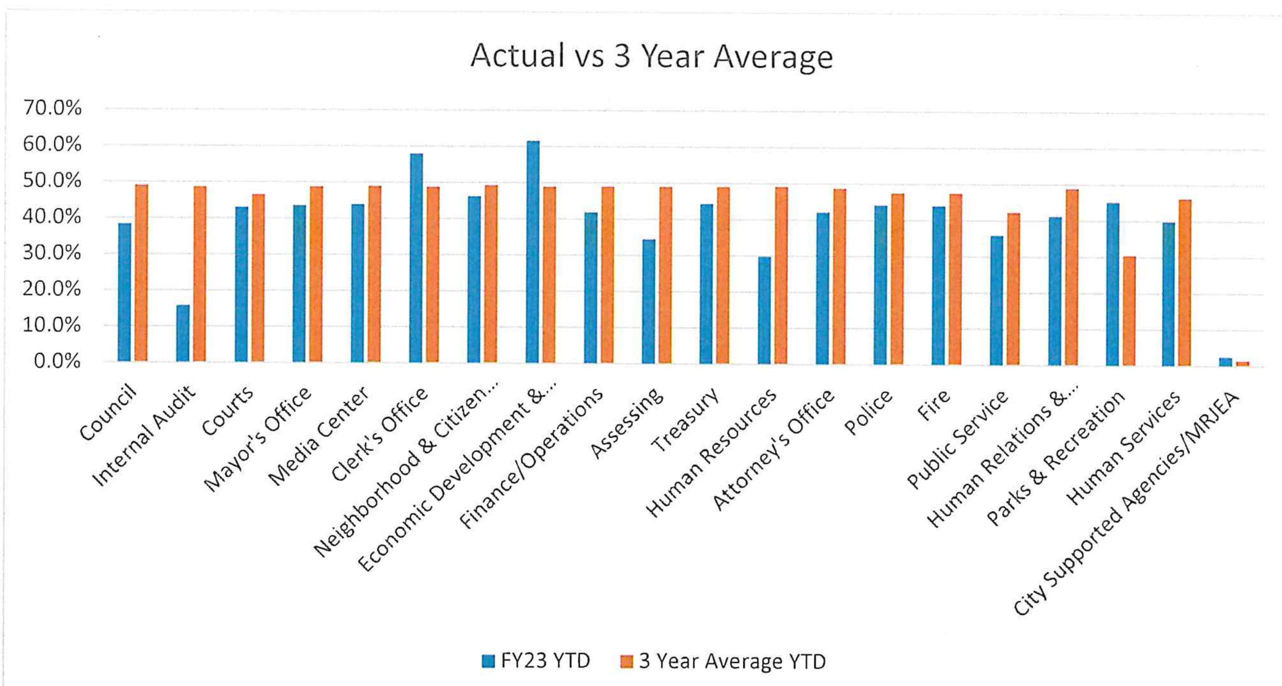
- **Interest and Rents (0.2% of GF revenue budget)** are budgeted to be $330,000 in FY23. The quarter-to-date amount of $155,102 appears low because the interest income has been lower.

- **Other Revenues (0.2% of GF revenue budget)** are a very small percentage of the General Fund budget and are trending below budget expectations.

Expenditure Summary

Departmental actual expenditures for the second quarter are below second quarter anticipated expenditures by 2%.





Economic Development and Planning

The reason EDP's YTD expenditures are high is because of the General Fund LEPFA Subsidy. The $1,975,000 subsidy amount was given in the first quarter. Because the full subsidy amount was paid to LEPFA in the first quarter and not distributed equally among the quarters, it skews EDP's current YTD percentage to the high side.

Clerk's Office

The reason why the Clerk's Office is higher is because the city has had two elections this fiscal year, causing higher expenditures in the first two quarters.

Conclusion

The administration continues to monitor expenditures and seek necessary savings to maintain vital services while also making strategic investments to grow the City's economy and strengthen the quality of life for residents, workers, business owners, and visitors. With the aid of the American Rescue Plan Act, the City has been able to restore services negatively impacted by the COVID-19 pandemic. Even so, there remains significant challenges to maintaining the City's fiscal health.

The general fund budget report is presented in several formats for informational value as follows. After a separate revenue and expenditure summary, the City's general fund is presented as formally adopted in appropriation detail showing personnel vs. operating expenditures, then in governmental detail it is summarized by purpose.

December 31, 2022 Revenue Summary

Fiscal Year July 1, 2022 - June 30, 2023

General Fund Revenues	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2023 Projected Budget	FY 2023 Dec. 31 Actuals	Dec. 31 Percent YTD	3 Year Dec. 31 Avg.
Property Taxes						
Non-Dedicated	36,095,000	36,095,000	36,495,000	38,195,091		
Dedicated - Police	3,645,000	3,645,000	3,525,000	3,525,000		
Dedicated - Fire	3,645,000	3,645,000	3,525,000	3,525,000		
Dedicated - Roads	2,430,000	2,430,000	2,350,000	2,350,000		
Dedicated - Parks	2,430,000	2,430,000	2,350,000	2,350,000		
Total	48,245,000	48,245,000	48,245,000	49,945,091	103.5%	100.2%
Income Taxes						
City Income Tax	37,510,000	37,510,000	37,510,000	14,179,099		
Total	37,510,000	37,510,000	37,510,000	14,179,099	37.8%	35.4%
Return on Equity						
Board of Water and Light	25,000,000	25,000,000	25,000,000	7,138,749		
Sewer Fund	300,000	300,000	300,000	-		
Total	25,300,000	25,300,000	25,300,000	7,138,749	28.2%	50.3%
State Revenues						
Revenue Sharing	16,899,500	16,899,500	16,899,500	6,337,579		
Fire Reimbursement Grants	2,750,000	2,750,000	2,750,000	2,663,201		
Personal Property Tax Reimbursement	900,000	900,000	900,000	923,270		
Recreational Marijuana	900,000	900,000	900,000	10,864		
Liquor License Fee	70,000	70,000	70,000	66,129		
Total	21,519,500	21,519,500	21,519,500	10,001,044	46.5%	41.2%
Charges for Services						
Public Safety	4,368,850	4,368,850	4,368,850	1,282,205		
Reimbursements	2,242,200	2,242,200	2,242,200	1,137,870		
Code Compliance	1,846,000	1,846,000	1,846,000	1,248,726		
Recreation Fees	415,500	415,500	415,500	251,865		
Appeals & Petitions	82,450	82,450	82,450	48,688		
Work for Others	33,200	33,200	33,200	302,590		
Central Stores	3,500	3,500	3,500	1,480		
Subscriptions and Information	2,300	2,300	2,300	25		
Total	8,994,000	8,994,000	8,994,000	4,273,449	47.5%	43.2%
Fines and Forfeitures						
Fines and Forfeitures	1,692,200	1,692,200	1,692,200	609,629		
Total	1,692,200	1,692,200	1,692,200	609,629	36.0%	48.5%
Licenses & Permits						
Cable Franchise Fees	1,000,000	1,000,000	1,000,000	255,391		
Marihuana Licenses	650,000	650,000	650,000	305,000		
Business Licenses	64,450	64,450	64,450	42,030		
Non-Business Licenses	37,600	37,600	37,600	12,199		
Building Licenses & Permits	17,250	17,250	17,250	5,925		
Total	1,769,300	1,769,300	1,769,300	620,545	35.1%	33.5%
Interest & Rents						
Interest Income	330,000	330,000	330,000	155,102		
Total	330,000	330,000	330,000	155,102	47.0%	79.6%
Other Revenues						
Miscellaneous	173,000	173,000	173,000	31,534		
Sale of Fixed Assets	102,000	102,000	102,000	-		
Donations & Contributions	65,000	65,000	65,000	17,243		
Total	340,000	340,000	340,000	48,777	14.3%	103.3%
Total General Fund						
Operating Revenue	145,700,000	145,700,000	145,700,000	86,971,485	59.7%	59.8%
Transfers from Other Funds	100,000	100,000	100,000	100,000		
Total	145,800,000	145,800,000	145,800,000	87,071,485	59.7%	59.5%

December 31, 2022 Departmental Summary

Fiscal Year July 1, 2022 - June 30, 2023

General Fund Appropriations	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2023 Dec. 31 Actuals	Dec. 31 Percent YTD	3 Year Dec. 31 Target
Beginning General Fund Balance	5,873,867	5,873,867	5,873,867		
Beginning Budget Stab. Fund Balance	12,705,546	12,705,546	12,705,546		
Total General Fund Reserves	18,579,413	18,579,413	18,579,413		
Revenues (detail on previous page)	145,800,000	145,800,000	87,071,485	59.7%	59.5%
Departmental Expenditures:					
Council	726,651	726,651	278,785	38.4%	49.1%
Internal Audit	207,885	207,885	33,155	15.9%	48.6%
Mayor's Office	1,769,932	1,769,932	771,932	43.6%	48.7%
Office of Community Media	606,113	606,113	266,367	43.9%	48.9%
District Court	5,984,638	5,984,638	2,723,259	45.5%	49.1%
Circuit Court Building Rental	336,693	336,693	-	0.0%	1.0%
City Clerk's Office	1,542,191	1,542,191	895,152	58.0%	48.8%
Neighborhood & Citizen Engagement	1,326,296	1,326,296	613,075	46.2%	49.2%
Economic Development & Planning	6,772,299	6,772,299	4,172,227	61.6%	48.9%
Finance Department	2,100,195	2,100,195	880,672	41.9%	49.0%
City Assessor	1,970,719	1,970,719	681,033	34.6%	49.0%
Treasury/Income Tax	2,398,328	2,398,328	1,065,375	44.4%	49.1%
Human Resources Department	2,724,062	2,724,062	817,317	30.0%	49.2%
City Attorney's Office	2,520,110	2,520,110	1,063,264	42.2%	48.8%
Police Department	51,580,854	51,580,854	22,823,242	44.2%	47.5%
Fire Department	40,272,672	40,272,672	17,742,105	44.1%	47.5%
Public Service	12,571,351	12,571,351	4,524,172	36.0%	42.3%
Human Relations & Community Services	1,842,818	1,842,818	761,036	41.3%	48.9%
Parks & Recreation Department	9,380,212	9,380,212	4,248,324	45.3%	30.5%
Human Service Agency Support	1,960,000	1,958,000	783,515	40.0%	46.3%
Non-Departmental Expenditures:					
Library Building Rental	136,150	136,150	78,972	58.0%	50.0%
Operating Subsidies to Other Funds	834,731	834,731	834,731	100.0%	100.0%
City Supported Agencies	487,500	489,500	12,895	2.6%	1.5%
Capital Improvements	5,173,000	5,173,000	5,173,000	100.0%	100.0%
Debt Service & Penalties	987,100	987,100	493,264	50.0%	50.0%
Vacancy Factor	(700,000)	(700,000)	-		
Expenditures	155,512,500	155,512,500	71,736,870	46.1%	48.1%
Net Impact on Fund Balance	(9,712,500)	(9,712,500)			
Ending General Fund Reserves	8,866,913	8,866,913			

December 31, 2022 Budget Appropriation Summary

Fiscal Year July 1, 2022 - June 30, 2023

Estimated Revenues	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2023 Dec. 31 Actuals	Dec. 31 Percent YTD	3 Year Dec. 31 Avg.
Property Taxes	48,245,000	48,245,000	49,945,091		
Income Taxes	37,510,000	37,510,000	14,179,099		
Return on Equity	25,300,000	25,300,000	7,138,749		
State Revenues	21,519,500	21,519,500	10,001,044		
Charges for Services	8,994,000	8,994,000	4,273,449		
Fines & Forfeitures	1,692,200	1,692,200	609,629		
Licenses & Permits	1,769,300	1,769,300	620,545		
Interest & Rent	330,000	330,000	155,102		
Other Revenue	340,000	340,000	48,777		
Transfers from Other Funds	100,000	100,000	100,000		
Total Revenues	**145,800,000**	**145,800,000**	**87,071,485**	**59.7%**	**59.5%**

Appropriations	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2023 Dec. 31 Actuals	Dec. 31 Percent YTD	Dec. 31 Target Exp.
Council					
Personnel	474,673	474,673	221,758		
Operating	251,978	251,978	57,027		
Total	**726,651**	**726,651**	**278,785**	38.4%	49.1%
Internal Audit					
Personnel	195,589	195,589	29,777		
Operating	12,296	12,296	3,378		
Total	**207,885**	**207,885**	**33,155**	15.9%	48.6%
Courts					
Personnel	4,829,179	4,829,179	2,269,385		
Operating	1,492,152	1,492,152	453,874		
Total	**6,321,331**	**6,321,331**	**2,723,259**	43.1%	46.5%
Mayor's Office					
Personnel	1,523,058	1,523,058	680,013		
Operating	246,874	246,874	91,919		
Total	**1,769,932**	**1,769,932**	**771,932**	43.6%	48.7%
Media Center					
Personnel	533,107	533,107	235,046		
Operating	73,006	73,006	31,321		
Total	**606,113**	**606,113**	**266,367**	43.9%	48.9%
Clerk's Office					
Personnel	1,103,136	1,103,136	656,286		
Operating	439,055	439,055	238,866		
Total	**1,542,191**	**1,542,191**	**895,152**	58.0%	48.8%
Neighborhood & Citizen Engagement					
Personnel	790,097	790,097	401,975		
Operating	536,199	536,199	211,100		
Total	**1,326,296**	**1,326,296**	**613,075**	46.2%	49.2%
Economic Development & Planning					
Personnel	3,364,071	3,364,071	1,505,679		
Operating	3,408,228	3,408,228	2,666,548		
Total	**6,772,299**	**6,772,299**	**4,172,227**	61.6%	48.9%
Finance/Operations					
Personnel	1,548,729	1,548,729	706,611		
Operating	551,466	551,466	174,060		
Total	**2,100,195**	**2,100,195**	**880,672**	41.9%	49.0%

Appropriations	FY 2023 Adopted Budget	FY 2023 Amended Budget	FY 2023 Dec. 31 Actuals	Dec. 31 Percent YTD	Dec. 31 Target Exp.
Assessing					
Personnel	1,690,117	1,690,117	603,399		
Operating	280,602	280,602	77,633		
Total	**1,970,719**	**1,970,719**	**681,033**	34.6%	49.0%
Treasury					
Personnel	1,832,523	1,832,523	792,043		
Operating	565,805	565,805	273,332		
Total	**2,398,328**	**2,398,328**	**1,065,375**	44.4%	49.1%
Human Resources					
Personnel	1,609,829	1,609,829	607,714		
Operating	1,114,233	1,114,233	209,603		
Total	**2,724,062**	**2,724,062**	**817,317**	30.0%	49.2%
Attorney's Office					
Personnel	2,211,152	2,211,152	937,960		
Operating	308,958	308,958	125,304		
Total	**2,520,110**	**2,520,110**	**1,063,264**	42.2%	48.8%
Police					
Personnel	43,330,653	43,330,653	19,973,037		
Operating	8,250,201	8,250,201	2,850,205		
Total	**51,580,854**	**51,580,854**	**22,823,242**	44.3%	47.5%
Fire					
Personnel	34,484,467	34,484,467	16,141,169		
Operating	5,788,205	5,788,205	1,600,937		
Total	**40,272,672**	**40,272,672**	**17,742,105**	44.1%	47.5%
Public Service					
Personnel	2,945,961	2,945,961	1,190,835		
Operating	9,625,390	9,625,390	3,333,337		
Total	**12,571,351**	**12,571,351**	**4,524,172**	36.0%	42.3%
Human Relations & Community Service					
Personnel	1,669,373	1,669,373	695,540		
Operating	173,445	173,445	65,496		
Total	**1,842,818**	**1,842,818**	**761,036**	41.3%	48.9%
Parks & Recreation					
Personnel	5,759,154	5,759,154	2,341,010		
Operating	3,621,058	3,621,058	1,907,315		
Total	**9,380,212**	**9,380,212**	**4,248,324**	45.3%	30.5%
Human Services					
Operating	1,960,000	1,958,000	783,515		
Total	**1,960,000**	**1,958,000**	**783,515**	40.0%	46.3%
City Supported Agencies/MRJEA					
Operating	487,500	489,500	12,895		
Total	**487,500**	**489,500**	**12,895**	2.6%	1.5%
Non-Departmental					
Contingency	-	-	-		
Vacancy Factor	(700,000)	(700,000)	-		
Library Lease	136,150	136,150	78,972		
Debt Service	987,100	987,100	493,264		
Net Transfers	6,007,731	6,007,731	6,007,731		
Total	**6,430,981**	**6,430,981**	**6,579,968**	102.3%	96.9%
Total Expenditures	**155,512,500**	**155,512,500**	**71,736,870**	46.1%	48.1%

Vacancy Factor Report

Quarter Ending December 31, 2022

Department	Key	PCN	Position Description	Bargaining Unit	FTE	Vacancy	Vacancy Factor
Vacancies Counted Toward General Fund Vacancy Factor							
COUNCIL/INTERNAL AUDIT	1012120	LEGISAUD	LEGISLATIVE AUDITOR	COUNCIL	1.00	2/20/2020	22,143
NEIGH CTZN ENG	1012320	OPCOORDR	GRANT ADMINISTRATOR	T243CTP	1.00	7/1/2022	15,146
HRCS	1012500	DPTDIRHRCS-TBD	Deputy Director	NON BARG SUPV	1.00		*NO BDGT IMPACT*
HRCS	1012500	HMISPFAN	HMIS PERFORMANCE ANALYST	T243CTP	1.00	9/3/2021	13,811
HRCS	1012500	T243SUP	CONTRACT MNGMNT ADMINISTRATOR	T243SUP	1.00	5/26/2022	24,900
CODE COMPLIANCE	1012610	CCOFICER	CODE ENFORCEMENT WORKER	T243CTP	1.00	07/01/22	17,600
CODE COMPLIANCE	1012610	LDHOUSIN	LEAD HOUSING INSPECTOR	T243SUPV	1.00	08/21/22	17,490
CODE COMPLIANCE	1012610	PRMISOFF	PREMISE OFFICER	T243CTP	1.00	8/11/2022	14,443
CODE COMPLIANCE	1012610	PRMISOFF	PREMISE OFFICER	T243CTP	1.00	8/1/2022	14,443
FINANCE/OPERATIONS	1012710	FINDRCTR	FINANCE DIRECTOR	EXEC MGMT PLAN	**0.50**	8/13/2021	*NO BDGT IMPACT*
ASSESSOR	1012720	COMINDAP	COMMERICAL/INDUSTRIAL APPRAISR	T243CTP	1.00	6/15/2022	22,532
ASSESSOR	1012720	RESAPPLD	RESIDENTIAL APPRAISER LEAD	T243CTP	1.00	10/18/2019	17,600
ASSESSOR	1012720	RESAPPTR	RESIDENTIAL APPRAISER APPRENTICE	T243CTP	1.00	5/24/2019	14,443
ASSESSOR	1012720	RESIDAPP	RESIDENTIAL APPRAISER	T243CTP	1.00	10/5/2017	*CONTRACT*
ASSESSOR	1012720	ADMAST28	ADMINISTRATIVE ASSISTANT 30	T243CTP	1.00	7/1/2022	11,390
TREASURY	1012730	CTYTREASR	CITY TREASURER	EXEC MGMT PLAN	**0.50**	8/13/2021	*NO BDGT IMPACT*
TREASURY	1012730	CUSTSREP	CUSTOMER SERVICE REP	T243CTP	1.00	9/16/2022	10,251
TREASURY	1012730	ADMAST28	ADMINISTRATIVE ASSISTANT 28	T243CTP	1.00	10/8/2022	12,705
TREASURY	1012730	TRESYINV	TREASUERY INVESTIGATOR	T243CTP	1.00	2/19/2021	16,765
HUMAN RESOURCES	1012800	DPTDIRHR-TBD	DEPUTY HR DIRECTOR	NON BARG SUPV	1.00	1/1/2022	22,003
HUMAN RESOURCES	1012800	HRSPEC34	HIRING SPECIALIST	T243CTP	1.00	7/1/2022	*CONTRACT*
HUMAN RESOURCES	1012800	HRSPEC34	HIRING SPECIALIST	T243CTP	1.00	6/25/2022	*CONTRACT*
HUMAN RESOURCES	1012800	SAFTYADM	HEALTH & WELLNESS SPECIALIST	T243CTP	0.25	7/1/2022	3,611
CITY ATTORNEY	1012900	LGLADVSR	LEGAL ADVISOR	T214 NS	1.00	4/6/2018	17,650
CITY ATTORNEY	1012800	PTASST31	PT LEGAL ASST DST CT 31	NON BARG SUPV	0.75	7/1/2022	9,879
CITY ATTORNEY	1012800	ASTATY36	ASSISTANT CITY ATTORNEY	T214 NS	1.00	11/11/22	13,158
CITY ATTORNEY	1012800	LGLCLERK	LEGAL CLERK	T214 NS	1.00	10/14/22	8,953
PUBLIC SERVICE/BUILDINGS	1013140	CUSTOWKR	CUSTODIAL WORKER 300	UAW	1.00	12/3/2021	10,128
PUBLIC SERVICE/BUILDINGS	1013140	ELCTRICN	ELECTRICIAN	T243SUP	1.00	12/30/2018	14,443
PUBLIC SERVICE/BUILDINGS	1013140	ELECFACW	ELECTRICAL FACILITY CTRL WKR	T243SUP	1.00	11/2/2018	12,036
PUBLIC SERVICE/BUILDINGS	1013140	PLUMBSUP	PLUMBING SUPERVISOR	UAW	1.00	6/10/2018	19,433
POLICE - ADMIN	1013201	ADMSPC31	ADMINISTRATIVE SPECIALIST 31	T214 NS	1.00	12/28/2011	*CONTRACT*
POLICE - ADMIN	1013201	BUDCTSUP	BUDGET CONTROL SUPERVISOR	T243SUP	1.00	6/27/2022	*CONTRACT*
POLICE - HUMAN RESOURCES	1013221	CLERKS22	CENTRAL RECORD PRINCIPAL CLERK	T243CTP	1.00	7/1/2022	8,611
POLICE - HUMAN RESOURCES	1013221	POLTEC31	LPD FOIA ANALYST	T243CTP	1.00	12/17/21	13,131
POLICE - HUMAN RESOURCES	1013221	POLTEC31	LPD FOIA ANALYST	T243CTP	1.00	09/03/22	13,131
POLICE - RADIO LAB	1013222	RADTEC34	RADIO TECHNICIAN 34	T243CTP	1.00	3/26/2022	*CONTRACT*
POLICE - DETENTION	1013224	DETENOFF	DETENTION OFFICER	T243CTP	1.00	05/02/22	17,600
POLICE - DETENTION	1013224	DETENOFF	DETENTION OFFICER	T243CTP	1.00	09/22/22	17,600
POLICE - DETENTION	1013224	DETENOFF	POLICE OFFICER 1	CCLP NS	1.00	8/21/2022	19,072
POLICE - INVESTIGATIONS	1013240	DETECT2C	DETECTIVE IIC	CCLP NS	1.00	5/1/2021	20,388
POLICE - INVESTIGATIONS	1013240	DETECT2B	DETECTIVE IIB	CCLP NS	1.00	6/17/2022	20,388
POLICE - INVESTIGATIONS/CSI	1013240	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	09/24/22	13,345
POLICE - INVESTIGATIONS/SOS	1013240	POLOFFDT	POLICE OFFICER DETECTIVE PAY	CCLP NS	1.00	07/01/22	20,388
POLICE - INVESTIGATIONS/SOS	1013240	POLOFFDT	POLICE OFFICER DETECTIVE PAY	CCLP NS	1.00	07/14/22	20,388
POLICE - INVESTIGATIONS/SOS	1013240	POLOFFDT	POLICE OFFICER DETECTIVE PAY	CCLP NS	1.00	06/16/22	20,388
POLICE - INVESTIGATIONS	1013240	SECRTY26	SECRETARY 26	CCLP NS	1.00	5/24/2022	*CONTRACT*
POLICE - PATROL	1013251	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	10/29/22	9,239
POLICE - PATROL	1013251	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	12/30/22	205
POLICE - PATROL	1013251	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	11/08/22	8,007
POLICE - PATROL	1013251	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	07/02/22	13,345
POLICE - PATROL	1013251	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	01/14/22	13,345
POLICE - PATROL	1013251	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	12/10/21	13,345
POLICE - PATROL	1013251	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	07/01/22	13,345
POLICE - PATROL	1013251	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	07/01/22	13,345
POLICE - PATROL	1013251	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	07/14/22	13,345
POLICE - PATROL	1013251	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	04/22/22	13,345
POLICE - PATROL	1013251	POLOFFCR	POLICE OFFICER 1	CCLP NS	1.00	07/01/22	13,345
FIRE - ADMIN	1013501	ASTFIRCF	ASSISTANT FIRE CHIEF	NB SUPV	1.00	1/15/2021	*OVERTIME*
FIRE - ADMIN	1013501	ADMSPC30	ADMINISTRATIVE SPECIALIST 30	T243CTP	1.00	9/9/2022	13,764
FIRE - ADMIN	1013501	MATALSP3	MAINTENANCE ALARM SPECIALIST 3	IAFF	1.00	7/17/2021	*OVERTIME*
FIRE - ADMIN	1013510	MATALSP3	MAINTENANCE ALARM SPECIALIST 4	IAFF	1.00	7/1/2022	19,388
FIRE - PREVENTION	1013530	SECRTY26	SECRETARY	T243CTP	1.00	7/1/2022	10,855
FIRE - OPERATIONS	1013520	CAPTAIN4	CAPTAIN IV	IAFF	1.00	11/5/2022	*OVERTIME*
FIRE - OPERATIONS	1013520	CFTRAIN6	CHIEF TRAINING CAPT	IAFF	1.00	9/2/2022	*OVERTIME*
FIRE - OPERATIONS	1013520	FIRFIGTR	FIRE FIGHTER	IAFF	1.00	11/5/2022	*OVERTIME*
FIRE - OPERATIONS	1013520	FIRFIGTR	FIRE FIGHTER	IAFF	1.00	11/11/2022	*OVERTIME*
FIRE - OPERATIONS	1013520	FIRFIGTR	FIRE FIGHTER	IAFF	1.00	5/7/2022	*OVERTIME*
FIRE - OPERATIONS	1013520	FIRFIGTR	FIRE FIGHTER	IAFF	1.00	10/1/2022	*OVERTIME*
FIRE - OPERATIONS	1013520	FIRFIGTR	FIRE FIGHTER	IAFF	1.00	10/23/2021	*OVERTIME*
FIRE - OPERATIONS	1013520	FIRFIGTR	FIRE FIGHTER	IAFF	1.00	12/16/2022	*OVERTIME*

Vacancy Factor Report

Quarter Ending December 31, 2022

Department	Key	PCN	Position Description	Bargaining Unit	FTE	Vacancy	Vacancy Factor
PARKS/BUSINESS & MGMT	1013810	ACCTGCLK	ACCOUNTING CLERK	T243CTP	1.00	3/5/2022	12,525
PARKS/BUSINESS & MGMT	1013810	ADMSPC27	ADMINISTRATIVE SPECIALIST	T243CTP	1.00	9/2/2022	11,390
PARKS/COMMUNITY CENTERS	1013811	PTCLRK22	PTClerk22	T243CTP PT	0.50	7/15/2021	4,504
PARKS/COMMUNITY CENTERS	1013811	PTCTRPRG	PT COMMUNITY CENTER PROGRMMR	T243PT	0.88	6/25/2021	12,112
2nd Qtuarter Vacancy factor:					**72.38**		**790,129**
1st Qtuarter Vacancy factor:					**81.88**		**757,401**
YTD Vacancy Factor							**1,547,530**

Vacancy Factor Report

Quarter Ending December 31, 2022

Department	Key	PCN	Position Description	Bargaining Unit	FTE	Vacancy	Vacancy Factor
Non-Vacancy Factor (non-General Fund) Vacancies							
PUBLIC SERVICE/O&M	1013611	SOLWASOP	SOLID WASTE OPERATOR	UAW	1.00	12/19/2020	12,036
PUBLIC SERVICE/O&M	1013611	FRSTWKR6	ARBORIST 600	UAW	1.00	12/1/2022	4,405
PUBLIC SERVICE/O&M	1013611	EQPOPWK5	EQUIPMENT OPERATOR WORKER 500	UAW	1.00	11/14/2022	5,965
PUBLIC SERVICE/O&M	1013611	DRIVRWKR	DRIVER WORKER 300	UAW	1.00	06/18/2022	11,079
PUBLIC SERVICE/O&M	1013611	DRIVRWKR	DRIVER WORKER 300	UAW	1.00	03/31/2022	11,079
PUBLIC SERVICE/O&M	1013611	DRIVRWKR	DRIVER WORKER 300	UAW	1.00	01/16/2022	13,016
PUBLIC SERVICE/O&M	1013611	SNMATWKR	MAINTENANCE WORKER	UAW	1.00	03/26/2021	11,079
PUBLIC SERVICE/O&M	1013611	MANTWKR3	MAINTENANCE WORKER 300	UAW	1.00	11/01/2022	7,499
PUBLIC SERVICE/O&M	1013611	MANTWKR3	MAINTENANCE WORKER 300	UAW	1.00	12/16/2022	1,875
PUBLIC SERVICE/O&M	1013611	SWRMTWK5	SEWER MAINTENANCE WORKER	UAW	1.00	09/24/2022	12,036
PUBLIC SERVICE/O&M	1013611	SWRMTWK3	SEWER MAINTENANCE WORKER	T243SUPV	1.00	01/31/2022	17,600
PUBLIC SERVICE/O&M	1013611	MANTWKR4	MAINTENANCE WORKER 400	UAW	1.00	10/22/2022	10,012
PUBLIC SERVICE/O&M	1013611	SPEQIPOP	SPECIAL EQUIPMENT OPERATOR	UAW	1.00	12/16/2022	2,203
PUBLIC SERVICE/O&M	1013611	WWMATWK6	WASTEWATER MAINTENANCE WKR 600	T243SUPV	1.00	05/27/2020	18,500
PUBLIC SERVICE/O&M	1013611	PUBWKSUP	PUBLIC SERVICE SUPERVISOR	T243SUP	1.00	12/4/2021	13,016
PUBLIC SERVICE/O&M	1013611	SOLWASUP	SOLID WASTE SUPERVISOR	T243SUP	1.00	8/15/2020	13,016
ED&P/CDBG REHAB	5266305600	REHABCSP	REHAB CONSTRUCTION SPECIALIST	T243CTP	1.00	11/4/2022	10,575
ED&P/BUILDING SAFETY	2492610	BLDINSUP	BUILDING INSPECTOR SUPERVISOR	T214 SUPV	1.00	10/21/2022	15,247
ED&P/PARKING	5853641	CUSTSREP	CUSTOMER SERVICE REP 28	T243CTP	1.00	1/22/2018	11,390
ED&P/PARKING	5853641	CUSTSREP	LEAD CUSTOMER SERVICE REP 30	T243CTP	1.00	5/18/2019	12,525
PUBLIC SERVICE/WWTP	5903670	ASPLSUPT	ASSIST PLANT SUPERINTENDENT	NB SUPV	1.00	7/31/2020	20,933
PUBLIC SERVICE/WWTP	5903670	LABSUP-TBD	LAB SUPERVISOR	T243SUP	1.00	7/1/2022	15,943
PUBLIC SERVICE/WWTP	5903670	INDSRSUP	INDUSTRIAL SURVELIANCE SUPERVISOR	T243CTP	1.00	7/1/2015	19,433
PUBLIC SERVICE/WWTP	5903670	ELECTECH	ELECTRICAL TECHNICIAN	T243CTP	1.00	10/5/2006	15,943
PUBLIC SERVICE/WWTP	5903670	WWMATWK6	WASTEWATER MAINTENANCE WKR 600	UAW	1.00	7/12/2019	13,016
PUBLIC SERVICE/WWTP	5903670	WWRESHAN	RESIDUAL HANDLER	UAW	1.00	1/1/2022	12,036
PUBLIC SERVICE/WWTP	5903670	WWSYSANL	WASTEWATER SYSTEMS ANALYST	T243CTP	1.00	10/23/2015	15,943
PUBLIC SERVICE/WWTP	5903670	UTLELWKR	UTILITY ELECTRICAL WORKER	UAW FULL TIME	1.00	10/1/2022	13,016
INFO TECH	6303130	DATANLST	DATA ANALYST	T243CTP	1.00	2/16/2018	15,943
PUBLIC SERVICE/FLEET	6433623	ATGARSUP	ASSIST SHIFT GARAGE SUPERVISOR	T243SUP	1.00	7/1/2017	14,443
PUBLIC SERVICE/FLEET	6433623	ATGARSUP	ASSIST SHIFT GARAGE SUPERVISOR	T243SUP	1.00	7/12/2019	14,443
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	3/29/2019	12,036
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	5/13/2019	12,036
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	8/17/2019	12,036
PUBLIC SERVICE/FLEET	6433623	SRVCSPEC	SERVICE SPECIALIST	T243CTP	1.00	9/20/2019	11,390
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	8/12/2022	12,036
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	6/17/2022	12,036
PUBLIC SERVICE/FLEET	6433623	MECHANIC	MECHANIC	UAW	1.00	7/21/2021	12,036
PUBLIC SERVICE/FLEET	6433623	VEHWKR04	VEHICLE MAINTENANCE WORKER 400	UAW	1.00	11/1/2020	11,079
PUBLIC SERVICE/ENGINEERING	6453603	CTYENGNR	CITY ENGINEER	T243SUP	1.00	8/16/2019	24,900
PUBLIC SERVICE/ENGINEERING	6453603	DPPBSDIR	DEPUTY PUBLIC SERVICE DIRECTOR	NB SUPV	1.00	7/1/2017	28,181
PUBLIC SERVICE/ENGINEERING	6453603	ENGINR38	ENGINEER 38	T214NS	1.00	6/6/2019	22,607
PUBLIC SERVICE/ENGINEERING	6453603	TRANSENG	TRANSPORTATION ENGINEER	NB SUPV	1.00	1/1/2020	26,826
HUMAN RESOURCES	1012800	SAFTYADM	HEALTH & WELLNESS SPECIALIST	T243CTP	0.75	7/1/2022	10,832
HUMAN RESOURCES	1012800	PTPRTECH	PT RETIREMENT ANALYST	T243PT	0.50	7/1/2022	7,593
DISTRICT COURT	7602201	COLOFFCR	COLLECTIONS OFFICER	T243 DCT	1.00	4/1/2021	9,170
DISTRICT COURT	7602201	MAGISCLK	MAGISTRATE'S CLERK	DCT NON REPR	1.00	7/12/2019	*CONTRACT*
2nd Qtuarter Vacancy factor:					**46.25**		**610,040**
1st Qtuarter Vacancy factor:					**47.25**		**621,237**
YTD Vacancy Factor							**1,231,277**

Follow up Annual Comprehensive Financial Report – Presentation

Open Question: *Council President Wood asked Ms. Kirkland if she was aware of the Internal Audit report on Human Resources on August 23, 2021, drafted November 5, 2021, and feedback from HR on December 10, 2021 and after review the final report was sent to Council December 15, 2021 with recommendations for corrective action plan. Ms. Kirkland confirmed she saw that report. Council President Wood asked if any of those recommendations were implemented.*

Findings and/or Noted Discrepancies and Recommendations

1. **Issue Observed – CDH Setup and/or Changes with Regards to Hourly Types, Pay Flags, and Switches**

   Condition: It was observed that current staff with Human Resources and/or Finance when inquiring could not provide all specific details with regards to CDH set up in relation to the Hour Base Flags, Pay Base Flags, and Switches observed within the system and how this was reflected in roll ups for reporting purposes and/or for General Ledger postings. Additional resources in the form of One Solution User Manuals had to be referenced to understand the posting items with regards to set up for verification purposes of General Ledger postings.

   Recommendation(s):

   (1) Annual Review of Active CDH Codes for Contributions, Deductions, and Earnings at Beginning of Calendar Year

   It is recommended that an annual review be done with Human Resource and Finance Department staff before the beginning of the calendar year with regards to how the currently active CDH codes are set up within the system. Any changes made because of this review should be documented for auditing purposes. The reason for the beginning of the calendar year is for tax reporting purposes. This review at the minimum would include the review of the Debit and Credit of the CDH codes mappings to the General Ledger and the Pay Base Flags rollups for the accumulators for items, such as Federal Taxable Wages, etc. In addition, the CDH codes must be reviewed to make sure the correct classification was used and/or changed because of tax reporting purposes for pre-tax deductions, etc. This would serve as a Preventive Control and help establish understanding of the system and how it processes payroll for verification purposes.

   (2) Additional Training for Human Resources and Finance Staff for One Solution with regards to Setup for CDH codes and/or Accumulators that included the Hourly Types, Pay Base Flags, and Switches

It is also recommended that additional training be sought out by Human Resources and Finance management with the current software vendor for existing staff members with regards to the CDH payroll setup process within the One Solution system. This is to ensure that staff gets up to speed on how the current CDH codes are setup and currently functioning along with the relationship the CDH codes have with the Accumulators used for reporting purposes. In addition, this may identify additional efficiencies and/or functions currently not being used within the One Solution system.

(3) Finance Department Primary Responsibility for Requesting and/or Directing Human Resources Staff on CDH codes additions and/or changes going forward

It is also recommended going forward that Finance Department be the primary responsibility for requesting and/or directing Human Resource staff for CDH codes additions and/or changes because it directly relates to General Ledger and other Reporting requirements. This is not to be confused with assigning individual employees to currently set up CDH codes in the normal payroll process by the Human Resources staff. These requests for changes by the Finance Staff should be communicated to the Human Resources staff in writing with the business justification for documentation and auditing purposes. The role of Human Resources staff is to input the requested changes by Finance and to ensure the system and CDH codes are processing as intended within the payroll module. In addition, it would be beneficial to reach out to the Software vendor for confirmation of said changes until a clear understanding of how the changes reflect in the system with regards to the payroll process and the General Ledger posting. Upon confirmation of the changes made by Human Resources should be communication to Finance staff that provide the effective date of the changes made for documentation and auditing purposes. The process described above allows for segregation of duties between the two departments and additional information for backup and documentation purposes for business justification and/or effective date of changes made within the system for auditing purposes.

Yes, this recommendation as been implemented

2. **Issue Observed – Manual Checks Issued for Payroll**

Condition: It was observed in the payroll process that a small number of employees have manual checks printed and mailed to the individual employee. Within the sample observed, many employee types were for variable hourly and limited number of full-time staff. These individuals could be identified within the pay period as having a check issued with no entries for CDH Direct Deposit Codes (2996, 2998, 2999) for verification purposes.

Recommendation: It is recommended that the City of Lansing investigate requiring that direct deposit be used for all employees and retirees that receive manual checks. Additional research needs to be done by Management and the Office of City Attorney to see if such policy would be limited in scope based upon current Collective Bargaining Agreements and/or State of Michigan laws that fall out of the scope of this review.

No, this recommendation as not been implemented.

3. **Issue Observed – HSA All or CDH 1550 Contribution – Not Posting to GL for Debit Object 715400 "Fringe Benefits Variable" and Credit Object 617113 "Defined Contribution" for Pay Periods Reviewed**

   Condition: It was noticed in reaffirmation of balances for General Ledger transactions for Pay Period 2130020 or Check Date 10-8-2021 that the HSA All or CDH 1550 Contribution that has indicated Debit Object 715400 or Fringe Benefits Variable and the Credit Object of 617113 was not found in the GL transactions. It was found to be included in the individuals' paychecks as a pretax deduction during the same pay period. This pattern was also observed in other samples for Cost Center 172610 for Pay Period 2130019, Cost Center 173140 for Pay Period 2130015, Cost Center 343251 for Pay Period 2120016 and 2120019. These can be found in the appendices for additional details. Additional inquiry was sent to the Finance Staff and discussed with Human Resources staff in more detail about possible adjustment that occur later in the year for these amounts.

   Consequently, it was not known at the time by the Finance staff about any known adjustment outside the back-end process of the payroll system. Thus, the Finance staff has a ticket open with the software vendor to trace this contribution amount location and/or posting with regards to CDH code 1550 or HSA all.

   Criteria: Management is responsible for ensuring that correct inclusion or exclusion of contributions, deductions, and earnings for payroll are used for correct payments to employees as well as correct rollups are used for reporting purposes. This also reflects on the correct posting within the General Ledger Accounts for the contributions, deductions, and earnings. Cause: It appears an error may have been made in setting up the CDH code with regards to HSA All or 1550. This code based on information within the One Solution system was created on 7-8-2019 by Human Resources Staff. This was around the same time the Finance Department had some turnover within the department that based on some of the other prior CDH codes observed were normally set up by the prior Finance Department.

   Effect: The effect of the system not posting the HSA All or 1550 to Debit Object 715400 was that it was not included within the General Ledger Object for Fringe Benefits – Variable for the individual departments sampled. In addition, the Credit Object 617113 or Defined Contribution was that it was not included within the General Ledger for Defined Contribution for the items sampled.

   This has been corrected.

***Open Question**: Council President Wood asked Ms. Kirkland about general expenditures in 2021 where the City had $119 million in general fund, and in 2022 the City had $146 million, asking what she attributed the additional $27 million in expenditure to, what caused such a significant increase. Ms. Kirkland could not provide an answer at this time.*

Per review of the auditor's general fund grouping report, it appears that the increases for the following departments:

- City Clerk's & Council expenditures are due to an increase in wages and related expenses.
- Finance similarly saw increases of $5.5M (can you break this down Finance, Assessing and Treasury) wages and related expenses.
- Mayor increased $595k wages and related expenses.
- Police increased $8.1M with the majority increasing due to wages and related expenses, as well as IT allocation.
- Fire increased $6.6M wages and related expenses.
- Human relations increased $551k due to wages and related expenses.
- Rec and culture increased $2.6M due to contractual/equipment rental charges and wages and related expenses.
- Public works increased $1.9M with the increasing mainly being due to utility/street lights and wages and related expenses.
- Economic Development increased $1.3M mainly due to EDC contract and increase transfers to LEPFA.

Open Question: Council President Wood noted that the long term during the quarterly budget report Ms. Kirkland noted the City is adding to the fund balance, but it appears to be decreasing *by $6 million. (page 34 of the audit). Therefore, how has the audit impacted the current year (2023) budget projections and will they take that $6 million from the fund balance this year, and Ms. Kirkland stated they have not decided what to do.*

In the current year the general fund decreased fund balance by $6.3M. In the current year, the GF transferred out funds of $6.1M to assist other funds run their applicable programs, which is most of the reason for the use of fund balance.

Open Question: *Council President Wood asked if there is an expenditure plan for the $7.6 million in fringe fund balance on page 162, and Ms. Kirkland was not able to provide an answer at this time.*

Theoretically the internal service fund should run close to a net zero net position as the expenditures are being charged to the funds based on an allocation of what actual expenses are. Timing between anticipated expenses compared to actual for fringe benefits charged to each fund could cause net position to increase/decrease from one year to the next. Currently in net position at the end of June 30th, 2022 is approximately 11% of operating expenses, which is slightly more than 1 month worth of expenses. When determining amount to charge funds, the fund balance of $7.6M could be factored into the charges for service in FY2023 if the City would like to use up the remaining ISF equity but there must be a consideration for cash flows too in that some fringes are paid before they are actually "charged back" to the funds so there is a need for funds to be "on-hand" to cover this, i.e. it would be our expectation that, for example, March's insurance would be paid to the insurance vendor in February but not charged out to the funds until March so there is a need for a balance in that fund to cover those types of costs. Having approx. 1 month in net position seems very reasonable to the auditors for liquidity purposes. If in future years not enough is charged for services, the fund will run in a deficit net position and additional funds will need to be requested from the funds rather than being able to use the net position in the ISF.

Open Question: *Council President Wood asked if there was a plan for the $5.6 million in unrestricted services in fleet and Ms. Kirkland stated she was not ready to respond to that yet.*

The plan regarding the fleet maintenance would be based on the inventory of the fleet and what the City's anticipated needs for upgrades to equipment or anticipation of additional repairs and maintenance needed based on age of equipment. Unrestricted fund balance is critical to assist this fund in maintenance of the fleet and to be used on future purchases of fleet assets and the more that can be accumulated the less likely it would be that the city would have to borrow and incur added interest expense costs instead of paying for new fleet assets with accumulated net position.

Open Question: *Council President Wood asked what was happening with the ARPA interest, where is it shown in the documents and if the funds were invested, how much was invested and how is it being used. Ms. Kirkland stated it was not moved to the General Fund yet but can be moved anytime and made available to the City. At this time Ms. Kirkland could not provide the interest amount.*

As of December 31, 2022, we have earned $ 291,195.47

Open Question: Council President Wood asked what the plan is for the parking system; if they have a financial analysis of the frequent parking holidays and how they have impacted the fund. The impact of the "free Fridays", and what does the parking fund mean for future financial projections given the net position is currently negative. Will or is the General Fund supporting the parking fund. Ms. Kirkland stated she does not have a plan currently but will get back with Council.

I will be working with a team to develop a plan for the City's financial health, which will include the parking fund. Right now, the General Fund is not supporting the parking fund.

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

December 22, 2022

Request for Improvement of Deficiencies - Corrective Action Plan
Fiscal Year: 2022
Municipality Code: 332020
Report ID Number: 138472

Sent Via Email
City of Lansing
jeff.scharnowske@lansingmi.gov

Dear Governing Body:

The Community Engagement and Finance Division has received the audit report for the fiscal year referenced above. It is the responsibility of this division to administer certain State statutes. Consequently, your audit has been reviewed to determine compliance with budgeting, accounting, auditing, and statutory compliance related activities. This review has identified issues that we believe need your attention.

Please note the following issues corresponding to response(s) on the auditing procedures report:

- Actual expenditures exceeded the amounts authorized in the budget. Please describe actions being taken to prevent budget variances.
- There is non-compliance with guidance issued by the Community Engagement and Finance Division of the Department of Treasury. Please provide an explanation.

The matter(s) described above are either violations of state statute or are deficiencies of the local unit that may impede the local unit's ability to comply with state statute.

Additional deficiencies in your report are usually found in the form of comments and recommendations located toward the end of the report or may be filed separately. The plan should identify each Auditing Procedure Report question listed above, each additional deficiency, the corrective action to be taken, the supporting documentation requested, if any, and the date in which the action is to be implemented.

Therefore, within **30 days** from the date of this letter, please submit to us a detailed Corrective Action Plan to resolve the above-mentioned matter(s), including other deficiencies noted in your audit report. To submit your Corrective Action Plan, visit the department’s online filing site at Michigan.gov/localfinancialreporting and select the File Online Reports tab. You must request local unit user access if one does not already exist. We do not accept hard-copy or emailed responses. Please combine multiple documents as only one document can be uploaded.

Failure to respond within 30 days or an inability to demonstrate that corrective action has been implemented may result in one or more of the following:

- Denial of subsequent year qualified status under Public Act 34 of 2001, the Revised Municipal Finance Act (possibly preventing your municipality the ability to borrow money);
- Subject the local unit to an audit and/or review performed by Department of Treasury auditors at the expense of the local unit.

Please contact the audit review staff at LAFD_Audits@michigan.gov if you have any questions.

Sincerely,

Cary Jay Vaughn, CPA, CGFM
Community Engagement and Finance Division

FINANCE DEPARTMENT
124 W. Michigan Ave., 8th Floor
Lansing, Michigan 48933
(517) 483-4500

Andy Schor, Mayor

January 25, 2023

Cary Jay Vaughn
State of Michigan
Community Engagement and Finance Division
P.O. Box 30728
Lansing, MI 48909

Corrective Action Plan
Fiscal Year 2022
Municipality Code: 332020
Report ID Number: 138472

The following is City of Lansing Corrective Action Plan regarding the issued identified during our audited.

2022-003 UNFAVORABLE BUDGET VARIANCES

Condition: We noted that expenditures had exceeded the amounts appropriated for various areas of the General Fund and certain Special Revenue Funds.

Criteria: The Uniform Budgeting and Accounting Act requires the City to amend the original adopted budget "as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined." The Act also states that "an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body."

Cause: The City did not adequately monitor expenditures in relation to budgeted amounts in the areas where overage occurred.

Corrective Action Plan: The City will continue to make improvements in control of revenue and expenditures and budget conservatively to maintain the City's fiscal health. The Finance Department has added a budget analyst as part of its team and is working with departments to be more proactive and responsive to City needs and to identify necessary changes during the fiscal year. Additionally, the Finance Department will verify compliance with the approved budget and make any corrections monthly.

Corrective Action Plan: The City of Lansing is working to assure compliance with the guidance issued by the Community Engagement and Finance Division. With the additional staff and implementation of a new general ledger system will in the assuring compliance.

Please let me know if you have any additional questions.

Sincerely,

Desiree A. Kirkland, MA
Treasurer/Chief Financial Officer
517-483-4594

MEMO

CONFIDENTIAL

March 6, 2023

To: Jim Smiertka
Lisa Lawrence-Hagen

From: Tom Dickson

After nearly 30 years as owner and operator of the Lansing Lugnuts professional baseball club, the High-A Affiliate of the Oakland Athletics of Major League Baseball, my investors and I have come to the decision to sell the club to Diamond Baseball Holdings, LLC ("Buyer"). As you are aware, subject to Article XXII of the Stadium License, Lease and Service Agreement between Take Me Out To The Ball Game, LLC ("Seller") and City of Lansing ("City"), the assignment of the stadium lease from the Seller to the Buyer requires written agreement from both the Seller and City which we are requesting from the City immediately.

As requested, here are some details regarding the transaction:

1. The sale is structured as a sale of assets with the stadium lease rights being both the primary asset acquired by the Buyer and primary liability assumed by the Buyer. The stadium lease must be assigned from the Seller to the Buyer.

2. The Seller and Buyer have already been approved by Major League Baseball to execute the mutually agreed Purchase Agreement and move to close the transaction.

3. The Lugnuts are one of only 120 professional baseball clubs licensed by Major League Baseball to participate in Major League Baseball's Professional Development Leagues ("PDL"), formerly called "Minor League Baseball". Each of the 120 PDL clubs, including the Lansing Lugnuts, executed a 10-year license agreement from MLB which runs from the 2021 season through the 2030 season and is renewable subject to MLB terms and conditions.

4. Details regarding the Buyer:

- DBH was formed in 2021 to support, promote and enhance Minor League Baseball Clubs affiliated with Major League Baseball through professional management, best practices, innovation and investment.

- DBH currently owns the following 13 PDL clubs:

    - Triple-A: Iowa Cubs, Memphis Redbirds, Oklahoma City Dodgers, Scranton/Wilkes-Barre RailRiders and Gwinnett Stripers

    - Double-A: Portland SeaDogs, Midland RockHounds, Mississippi Braves and Wichita Wind Surge

    - High-A: Hudson Valley Renegades and Rome Braves

    - Low-A: San Jose Giants and August GreenJackets

- Pat Battle is Chairman of DBH and Peter Freund is CEO. Both Pat and Peter together are responsible for running DBH. Pat and Peter have brought in a number of employees to support DBH and continue to hire and actively fill open roles (on top of those at the acquired Clubs), which support functional areas such as finance and accounting, operations, acquisitions, HR, legal, and IT, as well as sponsorship sales, both in support of DBH's partnership with Major League Baseball on the sponsorship rights to Minor League Baseball, and in support of local marketing and sponsorship opportunities for each Club.

- Pat and Peter bring with them a considerable amount of relevant experience.

    - Most recently, Pat has served as the Chairman of Learfield-IMG College, the leading collegiate athletic department representation company across four primary verticals, including multi-media rights, licensing, ticketing and web publishing. Pat had previously been involved in a number of ventures, including an in-stadium technology venture designed to enhance the experience of fans attending live events, which was sold to Cox Enterprises in 2012, and a sports licensing business which was sold to CAA in 2015. Prior to that, Pat was the CEO of The Collegiate Licensing Company (CLC), which was sold to IMG and later combined with Learfield.

    - Peter is the Founder of Trinity Sports Holdings, which owns / has owned interests in the Memphis Redbirds, Scranton Wilkes-Barre RailRiders, and Charleston RiverDogs Minor League Baseball Teams, as well as Dagenham & Redbridge FC and Memphis 901 FC soccer clubs. Peter was hired as a consultant by Major League Baseball to assist in leading the Minor League Baseball reorganization efforts and is an embedded member of the baseball community.

- DBH was acquired by Silver Lake in August 2022. Silver Lake is a global technology investment firm excited to invest resources to support and grow DBH and each individual Club, as well as fund and support future Club acquisitions. Silver Lake will ensure both DBH and each individual Club is well capitalized with sufficient cash to operate the business and invest for growth.

It has been my pleasure over the past almost 30 years to be a part of the Lansing community and the redevelopment of its downtown. While the decision to sell the Lugnuts is bittersweet, I know the Lugnuts and the City of Lansing will be in good hands for many years to come. Thank you very much for your attention to this matter.

DBH™

DIAMOND
BASEBALL HOLDINGS™

Founded in 2021, Diamond Baseball Holdings (DBH) is committed to elevating fan experiences, creating “centers of energy,” fostering dynamic engagements for brands and highlighting the evolution of the Minor League Baseball environment. It is grounded in a deep-rooted appreciation for traditions, community and the sport of baseball.

Values of DBH

Global In Our Ambition
Local In Our Approach

DIAMOND
BASEBALL HOLDINGS™

All In On
Minor League Baseball

Fall '20 — MiLB
DBH Executive Leader, Peter Freund, hired by MLB Commissioner's Office to advise on new MiLB strategy

December '20 — REORG
Minor League Baseball realignment with the broader MLB including ownership parameters

October '21 — DBH
Diamond Baseball Holdings (DBH) formed & strategic partnership between DBH & MLB for commercial rights

December '21 — PORTFOLIO
Announcement of acquisition of ten (10) MiLB clubs at MiLB Winter Meetings.

January '22 — ACQUISITION
Acquisition of Hudson Valley, Iowa, Memphis, Oklahoma City, San Jose, and Scranton/Wilkes-Barre

February '22 — GROWTH
Acquisition of Augusta, Gwinnett, Mississippi, and Rome

December '22 — ADDITIONS
Acquisition of Midland, Portland, and Wichita

Ongoing — EXPANSION
Canvassing & sourcing incremental properties to expand the DBH portfolio

Leadership Team

We are excited to lead Diamond Baseball Holdings and create new opportunities for Clubs and communities that play an essential role in cultivating America's favorite pastime. We will be global in our ambitions and hyper-local in our approach; and creating incredible fan experiences will remain our number one priority.

PAT BATTLE
EXECUTIVE CHAIRMAN

PETER FREUND
CEO

- TICKETING
- FAN EXPERIENCE
- COMMUNITY OUTREACH
- PARTNERSHIPS
- NAMING RIGHTS
- CONCESSIONS
- MERCHANDISING
- COLLECTIBLES/AUTHENTICS
- CONTENT STRATEGY
- NON-BASEBALL EVENTS

DBH Acquisition
Strategy

MARKET
Market Size
Competitors
MLB Market
US Market
Weather

STADIUM
PDL Compliance
Stadium Age
Term
Distance
Gov Relations
Non-gameday Events
Naming Rights

COMMUNITY
Existing Events
Relationships
Extended Initiatives
Local Affiliations

STABILITY
Financial Foundation
Capital Opportunity
Projections
Growth potential
Lease
Attendance

BRAND
Powerful brand
MLB Affiliation
MiLB Affiliation
Ownership
Management Team

DBH
Teams


PORTLAND, ME
HUDSON VALLEY, NY
SCRANTON
WILKES-BARRE, PA
DES MOINES, IA
SAN JOSE, CA
WICHITA, KS
OKLAHOMA CITY, OK
MEMPHIS, TN
ROME, GA
NORTH AUGUSTA, SC
GWINNETT, GA
MIDLAND, TX
PEARL, MS

Ownership
Approach

MANAGEMENT TEAM CONSISTENCY

NON-CORPORATE ENVIRONMENT & MANAGEMENT

DBH

ELEVATING FAN EXPERIENCES

LOCALLY FOCUSED. LOCALLY CENTRIC

OUR ABILITY TO INFUSE CAPITAL

DYNAMIC ENGAGEMENTS FOR BRANDS

KEEPING TEAMS IN MARKET

Extended
Resources

SilverLake

Learfield
MSG Sports
Red Ventures
Fanatics
Manchester City

MLB

Major League Baseball®

Corporate DBH Resources

KORE Software
Digideck by Sportsdigita
zoominfo
Nielsen Scarborough

Creating a Dynamic
Partnership for Brands

INTELLECTUAL PROPERTY & MARKS

PARTNERSHIP MARKETING

OWNERSHIP PLATFORM & BASEBALL HOLIDAYS

ATHLETES & PERSONALITIES

IN-GAME MARKETING & SIGNAGE

UNIQUE EXPERIENCES & HOSPITALITY

DIGITAL & SOCIAL EXPOSURE

NON-BASEBALL EVENTS

COMMUNITY-CENTRIC INITIATIVES

Opportunity

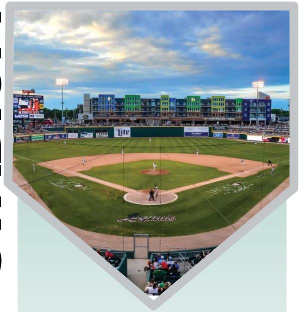
MARKET

Capital of Michigan

2.5 miles from Michigan State University, Lansing is filled with young, passionate sports fans

Only professional sports team in the area

STADIUM



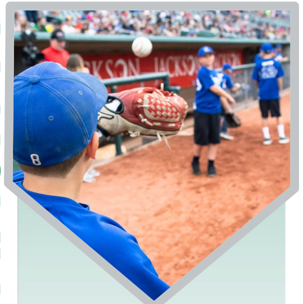
Jackson® Field is nestled in the heart of downtown

An anchor of the live-work-play Stadium District

Multi-use stadium hosts private parties, concourse, plaza, and field events

Completely accessible for physically-challenged visitors

COMMUNITY



Focus on youth initiatives via:

- Lugnut Charities
- Dream Team
- Grand Slam School Days

Community Calendar gives fans a reason to get together at the stadium year-round

Big Lug is a notable attendee at myriad civic & charitable events

BRAND

Affiliation with Oakland A's

9x World Series Champions

Notable Alumni:

- Reggie Jackson
- Rickey Henderson
- Dennis Eckersley
- Mark McGuire

DBH™

THANK YOU

DIAMOND
BASEBALL HOLDINGS™

ASSIGNMENT AND ASSUMPTION AGREEMENT

This **ASSIGNMENT AND ASSUMPTION AGREEMENT** (this "Agreement"), entered into as of March [___], 2023, is made by and between Take Me Out To The Ballgame, LLC, an Illinois limited liability company ("TMO"), Take Me Out Too, LLC, a Michigan limited liability company ("TMO Too", and, together with TMO, collectively, "Assignors") and DBH Lansing, LLC, a Delaware limited liability company ("Assignee"). Capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to such terms in the Purchase Agreement (defined below).

RECITALS

WHEREAS, Assignors and Assignee have entered into that certain Asset Purchase Agreement, dated as of March [__], 2023, by and between Assignors and Assignee (the "Purchase Agreement"), pursuant to which (a) Assignors have agreed to sell, assign, transfer, convey and deliver to Assignee, and Assignee has agreed to purchase from Assignors, free and clear of any Liens (other than Permitted Liens), all of Assignors' rights, title and interest in and to the Purchased Assets and (b) Assignee has agreed to assume and pay, perform and discharge when due the Assumed Liabilities, in each case as more specifically provided in the Purchase Agreement which the Parties acknowledge include but are not limited to (i) Stadium License, Lease, dated July 15, 2014 by and between TMO and the City of Lansing as amended by the First Amendment dated July 15, 2014, and the Second Amendment dated February 10, 2021 (collectively "Stadium Lease") and (ii) Michigan Liquor License Number L-000102998 ("Liquor License") held by the City of Lansing and TMO, Too.

WHEREAS, the City of Lansing joins in this Agreement for purposes of approving the Agreement as it relates to the Assignment and Assumption by Assignors and Assignee for the Stadium Lease and the Liquor License.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein and in the Purchase Agreement, and subject to and on the terms and conditions herein set forth and intending to be legally bound hereby, Assignors and Assignee agree as follows:

AGREEMENT

1. Assumption of Assumed Liabilities. Effective as of the Closing, on the terms and subject to the conditions set forth in the Purchase Agreement, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignee hereby assumes from Assignors and agrees to pay, perform, and discharge all of the Assumed Liabilities in accordance with Section 2.3 of the Purchase Agreement, including but not limited to the Stadium Lease and Liquor License. Notwithstanding the foregoing, (a) Assignors shall retain and Assignee shall not assume any of the Excluded Liabilities and (b) Assignors shall retain all of its rights, title and interest in and to, and Assignee shall not purchase from Assignors, the Excluded Assets. Assignors and Assignee acknowledge that except as set forth in Section 2.4 of the Purchase Agreement, neither the Stadium Lease or the Liquor License are Excluded Assets or Excluded Liabilities.

2. Terms of the Purchase Agreement. The parties hereto hereby acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the

Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the fullest extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

3. Enforceability. The unenforceability or invalidity of any provision of this Agreement shall not affect the enforceability or validity of any other provision. If any provision of this Agreement or the application of any such provision to any Person or circumstance shall be declared by any Court to be invalid, illegal, void or unenforceable in any respect, all other provisions of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it has been held invalid, illegal, void or unenforceable, shall nevertheless remain in full force and effect and will in no way be affected, impaired or invalidated thereby. Upon such determination that any provision, or the application of any such provision, is invalid, illegal, void or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible to the fullest extent permitted by applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

4. Governing Law. All matters relating to the interpretation, construction, validity and enforcement of this Agreement shall be governed by and construed in accordance with the domestic Laws of the State of Delaware without giving effect to any choice or conflict of Law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than the State of Delaware. The parties acknowledge all matters relating to the interpretation, construction, validity, and enforcement of the Stadium License and Liquor License in accordance to the terms of conditions of the Stadium Lease or the Liquor License, as applicable.

5. Amendments. This Agreement may not be amended, supplemented or otherwise modified except (i) in a written instrument executed by each party hereto and (ii) upon the prior receipt of all necessary PDL Approvals.

6. Successors and Assigns. The rights and obligations of this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

7. No Third Party Beneficiaries. Except for the City of Lansing solely with regard to the Stadium Lease and Liquor License, this Agreement is for the sole benefit of the parties hereto and each of their permitted successors and assigns, and nothing herein expressed or implied shall give or be construed to give any Person, other than the parties hereto and such permitted successors and assigns, any legal or equitable rights hereunder.

8. Headings. The headings in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

9. Counterparts. This Agreement and any amendments hereto may be executed and delivered in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. This Agreement and any amendments hereto, to the extent signed and delivered by means of an electronic transmission in portable document format (pdf), shall be treated in all manner and respects as an original thereof and shall be

considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. Minor variations in the form of the signature page, including footers from earlier versions of this Agreement or any such other document, shall be disregarded in determining any party hereto's intent or the effectiveness of such signature. No party hereto shall raise the use of electronic transmission in pdf to deliver a signature or the fact that any signature or document was transmitted or communicated electronically as a defense to the formation of a contract, and each such party hereto forever waives any such defense.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

ASSIGNORS:

TAKE ME OUT TO THE BALLGAME, LLC

By: ____
Name: Tom Dickson
Title: Manager

TAKE ME OUT TOO, LLC

By: ____
Name: Tom Dickson
Title: Manager

ASSIGNEE:

DBH LANSING, LLC

By: ____________________________________
Name: Peter Freund
Title: Authorized Signatory

CITY OF LANSING:

By:_____________________________________

For the sole purpose of approving the Agreement relating to the Stadium Lease and Liquor License only.

[Signature Page to Assignment and Assumption Agreement]