**LANSING ENTERTAINMENT & PUBLIC FACILITIES AUTHORITY**
**BOARD OF COMMISSIONERS MEETING**
**JANUARY 24, 2023**
**MINUTES**

At 8:03 a.m. Vice Chairman Kenric Hall called the meeting of LEPFA Board of Commissioners to order in the Governor's Room located at the Lansing Center; 333 East Michigan Avenue; Lansing, Michigan 48933.

**COMMISSIONERS PRESENT:** Paul Collins, Price Dobernick, Kenric Hall, Charles Mickens, Maureen McNulty-Saxton, and Eric Sudol.

**COMMISSIONERS ABSENT:** Desiree Kirkland (Ex-Officio), Larry Leatherwood, Danielle Lenz, Brian McGrain (Ex-Officio), and James Stajos.

**OTHERS PRESENT:** Mindy Biladeau, Heidi Brown, Scott Keith, Kasey McFadden, Paul Ntoko, and Tristan Wright - Lansing Entertainment & Public Facilities Authority, Joe Abood- City Attorney, Sherrie Boak- City Council, Tyler Baker- Maner Costerisan, Julie Pingston- Greater Lansing Convention & Visitors Bureau, and Jack Alexander-Public.

**I. CALL TO ORDER:** Vice Chairman Hall started the meeting by introducing the new LEPFA Board of Commissioner Eric Sudol. Commissioner Sudol gave a brief introduction on himself to the board. He has lived in the community for over 30+ years, is the General Manager of the Marriott of East Lansing, and is on the Greater Lansing Convention and Visitors Bureau Board as well. He looks forward to working with the LEPFA board. Each board member introduced themselves and welcomed Commissioner Sudol.

**II. ESTABLISHMENT OF THE AGENDA:** Motion was made to **approve the meeting agenda** with the correction of the **APPROVAL OF THE MINUTES** with corrected date change of **November 22, 2022.**

**MOTION:** Commissioner Saxton **SECOND:** Commissioner Dobernick **MOTION CARRIED**

**III. PUBLIC COMMENT:**

A. Julie Pingston from the Greater Lansing Convention and Visitors Bureau shared that she will be sending the invitation to Scott Keith to pass out amongst the board members to invite them to the CVB's annual meeting which will be held on Thursday, March 2nd, 2023 from 8:30am to 10:00am and will be at The Venue by Eleven 11 Events by the Lansing Mall. Here they give an update on the industry and hand out awards. She stated that it is a great event, and she would love to have the board join.

**IV. APPROVAL OF NOVEMBER 22, 2022, MINUTES:** Motion was made to accept the meeting minutes for the November 22, 2022, meeting as amended to remove Charles Mickens from the **ABSENT** section; Charles Mickens was present during the November 22, 2022, meeting.

**MOTION:** Commissioner Mickens **SECOND:** Commissioner Saxton. **MOTIONED CARRIED**

**V. REPORTS:**

A. **CHAIRMAN'S REPORT:** In lieu of Chairman Leatherwood's absence, President and CEO Scott Keith shared on the Chair's behalf. The Chair wanted to share his comments on the

Martin Luther King Jr: Day of Celebration event that happened at the Lansing Center on Monday, January 16, 2023. The Chairman was in attendance to this event (along with other board members as well). Scott expressed that the Chair stated that it was an excellent job amongst the staff.

Commissioner Collins added that the event felt quite seamless from an attendee's perspective which is a testament for all who worked to put the event on as it was a large event. He added that it went very well and thanked the staff for their efforts. Commissioner Sudol seconded Commissioner Collins' statement and thanked the staff as well. Tristan Wright, who is the Vice Chairperson of the Commission for the Dr. Martin Luther King Commission of Mid-Michigan, thanked the board for their continued support as this event has not happened within the last two years.

B. **FINANCE COMMITTEE:** Chair of the Finance Committee**,** Commissioner Maureen McNulty-Saxton reported that the Finance Committee did not meet this month and reported that the monthly financials are still being worked on by the finance team, Scott Keith, and their consultants. Scott Keith stated that he will give a brief synapsis of finance related items in his report but went over the status of the monthly financials which are almost completed with just a few items to complete.

1. Audit Presentation: Commissioner Saxton then introduced Tyler Baker, the Senior Auditor from Maner Costerisan who presented the 2022 LEPFA Audit and answered any questions from the board. Tyler noted that he will be reviewing the bound report with the attached letter. He thanked Scott Keith and the finance team for their efforts in getting the audit finalized this year as it was submitted on time by December 21, 2022.

   Page one is the "Independent Auditor's Report." Tyler stated that page one through three are the only pages produced by the auditors, the rest are that of the entities. Tyler noted that there is a slight change in set up that was required of an update to guidance to put the "opinions" as the first paragraph which is the auditor's opinion and then in the second paragraph of the opinions it states that the financials in the auditor's opinion are in ordinance with GAAP (Generally Accepted Accounting Principles) which is the best opinion auditors can provide to their entity. It also states that the Authority is part of the City's financial process. There is another change from prior year is at the bottom of page one which is the "Change in Accounting Principal," this is referenced to GASB 87, which is in regard to leases; the requirement of putting the right to use asset and liability for those leases on the books. Tyler noted it was effective and implemented this year.

   Pages five and six, illustrate the "LEPFA Management's Discussion and Analysis." Tyler highlighted that these pages show comparison from years 2021 to 2022 as of June 30, 2022. The "Change in Net Position" is the income statement.

On pages nine and ten is the "Statement of Net Position" which is a snapshot of the breakdown of the for The Lansing Center, Jackson Field, Groesbeck Golf Course and Center Park Productions as of June 30, 2022. Overall, Tyler stated everything is consistent regarding the statement of net position from a representation standpoint. On page ten, shows the "Income Statement" for the year which breaks down the different operating revenues and operating expenses for each different fund.

Note fourteen discusses the implementation of GASB 87 on Leases and describes how calculation is derived, what is required, and guidance. This is a change to the description from prior years of the significance and common policies.

For pages seventeen and eighteen Tyler shared are where the right to use asset and general obligation are shown on the financial statements due to the implementation of GASB 87. On page seventeen under the "Capital Assets" for Right to Use-Machinery Equipment, the leases that were subject to GASB87 were in regard to golf carts.

Note thirteen (page twenty) explains the restatement of the accounting principles which brought forward that beginning balance of 101,308 for capital assets in long term obligations which is required with the implementation of the additional GASB.

Pages twenty-one and twenty-two are the "Independent Auditor's Report on Internal Control Over Financial Reporting." Tyler noted an audit is not a fraud audit, but they are required to have an understanding of internal controls. This states the auditor's understanding. On page twenty-two, it states the Material Journal Entries Proposed by the Auditors. Tyler stated that the numbers and financials are accurate, the entries occurred were required later in the process than the previous year. This is mainly due to a change in staff in timing of audit.

Tyler then reviewed the two-page "Communication with Governance Letter," which is communication of any findings, differences, disagreements, etc. would be provided in this report and there are no items Tyler reported. Overall, from the audit as of June 30, 2022, the LEPFA financials are in good standing.

**APPROVAL OF THE 2022 LEPFA AUDIT:** Motion was made to accept the audit as presented by Tyler Baker, Maner Costerisan.
**MOTION:** Commissioner Collins **SECOND:** Commissioner Saxton **MOTION CARRIED**

**C.** **PERSONNEL COMMITTEE:** Chair of the Personnel Committee Commissioner Kenric Hall reported that the personnel committee met, and they discussed the following items. Commissioner Hall reported that they received an update on changes in staffing, retirement plan review, began working on a succession plan for the organization, and putting together a framework for the CEO evaluation.

At 8:25a.m. Tyler Baker exited the meeting

**D.** **STRATEGIC COMMITTEE:** In lieu of Chair of the Strategic Committee Commissioner Danielle Lenz, Scott Keith reported that the strategic committee did meet, and they discussed the following items. Scott Keith reported that the committee nominated Tristan Wright as the Strategic Planning Coordinator with Commissioner Lenz to help coordinate the strategic planning process. They established the next steps to review the DEI statement for next month's meeting. Scott continued that the committee will be taking the goal statements and assigning them into short term and long-term assignments with the appropriate staff/board assigned. Then the committee will be creating actionable steps to accomplish these goal statements. These all follow the strategic plan created back in August. Outside of the strategic plan, Scott shared that the committee reviewed picking back up the LEPFA brand discussion, Tiffany Dowling from M3 Group will be coming to share to the whole board on the history of where they started with the brand and where they left off before the pandemic. The committee also brought up the facility audit, which was completed in December before the pandemic, which identifies the needs of the Lansing Center and where it stands. They discussed holding tours of the Lansing Center with stakeholders, political decision makers, community partners, etc. to demonstrate the challenges and needs of the Lansing Center.

**E.** **PRESIDENT & CEO REPORT:**

1. **Michelle Green: VP of Finance Resignation:** Scott began his report by sharing that Michelle Green, VP of Finance has submitted her letter of resignation. Scott and Michelle reached an agreement that she will be doing some retainer work for LEPFA to help out with some challenges with the Finance department. The VP of Finance position has been posted and it is in process.
2. **Finance Dept. Plan:** Scott gave a narrative on the Finance department. One update is that the Accounts Analysis took a position elsewhere, so there are some challenges in the department. However, Scott has contracted Jennifer McFatridge, who was our former VP of Finance, to do work to help the department catch up on some tasks and to help establish some procedures. On top of having Michelle and Jennifer's help, Lehman Wesley, who is LEPFA's IT and finance consulting firm, manages all our software, they have some people on their finance team who will be helping assist. Scott emphasized that there is a plan in place and people in place to complete these tasks and they will be continuing to work towards that plan to get the Finance team on track.
3. **Tristan Wright's Promotion:** Scott announced that Tristan Wright has been promoted to Executive Vice President through the succession planning process. As Chairman Leatherwood identified, the need for someone in place as a #2 for the instance that Scott Keith is not available or if a situation arises in his absence. Scott also shared that Tristan just celebrated her 20th work

anniversary on New Year's Day. Scott congratulated Tristan along with the board.

4. **Service Culture Training:** Scott shared that he has a proposal he will be bringing to the Executive Committee meeting next month, which is on Service Culture Training. Scott emphasized that this is not something LEPFA does not do well, however it is something that staff can improve on and should be a focus coming out of the pandemic. This would be a staff committee that will be staff lead, along with the help of Matthew Anderson who is on the hospitality board at MSU. Matthew is a consultant for this training and has put a proposal together as he and Scott have met to go over expectations on what they would like to come out of this committee. Scott will be bringing this to board for approval.
5. **Budget FY23/24:** Scott discussed the status of the Budget for 23/24. Currently the budget is in draft form. Scott is hoping to have it sent out to the board for review in draft form this week. He gave a brief rundown of the budget. Starting with Groesbeck Golf Course, it is almost identical for budget as far as operating contributions from the City. There will be an increase in revenues due to inflation and the cost of goods and labor increases; this is offset by those increases that will struggle to stay flat. For Jackson Field, this is almost identical as well. Operating contributions is the same situation as Groesbeck with some increases from revenues to the city, there will also be increases in expenses particularly with utilities, labor, and cost of materials as there will be maintenance repairs to the stadium. The Lansing Center is in flux as most of it is due to business rebounding for number of attendees and events, but their spending is not up to par. Scott explained that with this the average dollar per attendee is not climbing to the levels it should be. Scott would like to look over the expenses on the Lansing Center budget before he submits it.

6. **Financials:** Lastly, Scott reported on the financials for December 2022:

    a. *Groesbeck Golf Course:* Scott shared that Groesbeck Golf Course is the closest to completion. Currently Groesbeck is behind budget for the month of December, as comparison to budget last year. However, they are ahead of the budget for the year by over $60,000 compared to the budget last year. Scott reported that simulator leagues are up at about 300%.
    
    *b.* *Jackson Field:* Scott reported that for Jackson Field, the team must correct some allocations of salaries from one property to another (Lansing Center and Jackson Field). There are some bill backs on insurance, so Jackson Field will have a better standing in regards to budget for the month and year to date. This is due to some savings and utilities as some things have been replaced in recuperation of that investment. Currently Jackson Field is ahead by $7,000. There will be

some additional expenses come February as maintenance will be starting to de-winterize the stadium in preparation for the 2023 season.

c. *Lansing Center:* For the Lansing Center Scott emphasized that this is the hardest report to do as there are still some challenges in the reporting structure. For December the Lansing Center was slightly behind budget, Scott stressed that this is not uncommon in December as most business will be from January moving forward. There is still a set number of expenses (salaries and wadges) allocated across the whole year. Currently the Lansing Center is sitting just under $2 million in revenues, and an annual budget of 4.6 million. Overall, Scott stated the Lansing Center is trending in the right direction. He thanked Jennifer McFatridge and Michelle Green for their efforts in getting these completed. Scott will be sending these reports out to the board.

   Commissioner Sudol asked if for reporting if there has been reports on menu price analysis. Paul Ntoko explained that there are reports made frequently to show the cost of items; this is done about once a month. Paul stated that they try not to change prices too much but will change their content.

**F. VICE PRESIDENT/STAFF REPORTS:**

1. **Mindy Biladeau- Sales & Services:** With rental revenue, Mindy announced that it has exceeded budget for the fiscal year. Mindy's team is gearing up for a busy month in February and getting ready for the Spring and Summer seasons. Mindy reported that her team did lose a staff member; one of the event coordinators resigned and their last day was December 29. They are already in the process of getting this position filled and bringing a new staff member on board. For special events, Mindy shared that the Recap breakfast for Silver Bells In The City is this Friday. Overall, Silver Bells was a huge success, as was the 5k. Throughout November and December there were tons of Marketing that happened for events, Mindy mentioned. They kicked off meetings to start prepping for the new Lansing Center Website redesign that will be more user and mobile user friendly. Lastly, Mindy highlighted that E-Newsletters are back from pre-pandemic.

   Commissioner Saxton asked about the E-Newsletter if it is for Lansing businesses primarily. Mindy stated in the first letter yes, then it will be available to the public. Commissioner Hall asked if the board could be a part of the distro that receives these E-Newsletters. Mindy stated she will send them out to the board as well. Commissioner Sudol asked how the Lansing Center is on PACE from pre-pandemic numbers. Mindy reported that they are close to 80%.

2. **Heidi Brown: Human Resources:** Heidi began by stating the current full-time positions that are available. Currently there is a Food Service Supervisor, an Event Coordinator, VP of Finance, and Accounting Analysis Administrator. For the event coordinator position, Heidi mentioned that there are interviews scheduled. All positions have been posted. Heidi shared a couple of items, one being LEPFA U. For LEPFA U, they are looking to do an active shooter training, there has been challenges of scheduling a date (which is good because its because there are many events going on in the building) they are currently looking towards April to have the first session of LEPFA U for the 2023 year. Heidi also shared that there will be an internal staff training on Communication with speaker Lisa Fisher held on March 16. For benefit renewal, the last update in November was that the Healthcare committee was in the process of getting that finalized and Heidi announced that they did. Health insurance is through PHP, and they went with both an HMO and PPO option for staff. All selected the HMO coverage except one. This took effect January 1, 2023. Working in conjunction with the summary plan description update, which will be finished and sent over by the March 1, 2023, deadline. Lastly, Heidi mentioned that she is working on the OSHA summary posting, which is due by February 1, 2023.
3. **Paul Ntoko- Food and Beverage:** Paul started his report by acknowledging the team and all who volunteered for the MLK luncheon on January 16. Paul explained that it was a nice reminder of what events looked like before the pandemic which made him emotional. The MLK event started off the events in past years so it was nice to see it come back and see it all come through. Paul shared he had a Supervisor staff member, but it was short lived so they are looking to repost the position. However, his team is starting to grow, so he is hopeful to get back to numbers to accommodate the number of attendees for events.
   For Groesbeck Golf Course, Paul reported that the team met and discussed their recap for the 2022 season and their outlook for the 2023 season. Paul stated that even with the challenges that occurred in 2022, it still was a successful season for Groesbeck, and it will be stronger for 2023.

   Looking at the admin report showing a low budget in January due to the loss of an event, Commissioner Sudol asked what event that was, and why we lost it. Paul stated he didn't know the specifics of why we lost the event, but it was Michigan Nursery & Landscaping Association that was trying out a new location this year. Scott added that the client went back to Grand Rapids.

4. **Tristan Wright- Operations:** Tristan started her report by reporting that internet revenue was down 20%, but she is confident that they will be increasing the number back to pre-pandemic numbers. Tristan announced that for a while the Lansing Center reader boards have been down, but she is happy

to report that between the Operations Manager and Tech Services Coordinator, they were able to get them up and functioning again for our client. They were also able to get the SCALA system up, which has slides about upcoming events and various properties that they are able to promote to give information to our clients. For an overview, Tristan shared that for utilities, electric was up as October was busy. There was a slight increase to Steam usage for October, November, and December, she shared that they are hoping to see a little bit of savings as the temperature has been nice to us recently.

For Groesbeck Golf Course, Tristan informed the board that there were savings for Groesbeck as the course was shut down and staffing/labor was not needed other than the Golf Operations Manager and the Golf Course Manager/Head Pro. Tristan shared that the Golf Operations assistant did attend a four-day turf school that was taught by our turf consultant Dr. Trey Rogers from Michigan State University. Lastly, they are looking to get ready for the 2023 season, so they have purchased some of their pesticides to save some money there. For utilities, things have been pretty even as the course is shut down.

For Jackson Field, the team is great, and they are going to be de-winterizing for the 2023 season.

**VIII. <u>COMMISSIONERS AND STAFF COMMENTS:</u>**

**A. Commissioner Dobernick:** Commissioner Dobernick took this time to apologize for his absence for a couple of meeting as he has been on the road for work; he stated he will be better on his attendance moving forward and keeping up with Scott Keith behind the scenes.

**B. Commissioner Hall:** Commissioner Hall shared updates from the CVB. He reported on the following topic.

1. **Star Report (*Smith Travel and Research Report*):** Commissioner Hall explained that the Star Report presents occupancy, rates, etc. He was happy to present that for our region and city, for yearend that the region had achieved a 53.7% occupancy which is a change of 9.6% over the prior year. This is still lighter than our competitors, who are at 55-58%, but still well. The reason for the decline in occupancy is for first quarter meetings and event attendance, there were some slow government activity and the legislature only met 5 times from the month of July through December. This has a huge impact on our community (specifically downtown). Their daily rate rose 19% over 2021, which is good from a community-based standpoint. The average daily rate was $110.29. Lastly, Commissioner Hall gave kudos to Julie Pingston and her team at the Greater Lansing Convention and Visitors Bureau, as for the first time in 2022 they achieved an access of 1 million occupied rooms for the 2022 year. Last time this was achieved was in 2019.

Commissioner Hall also noted that on the agenda there is a correction for the next Monthly Board of Commissioners Meeting, as it will be on Tuesday, March 7, 2023.

**IX.** **OLD BUSINESS:** None.

**X.** **NEW BUSINESS:** None.

**XI.** **ADJOURNMENT:** At 9:05 p.m. the meeting was adjourned.

**THE NEXT MONTHLY MEETING IS SCHEDULED FOR:**
**TUESDAY, March 7, 2023**
**8:00 a.m.**
**LOCATION: Greater Lansing Convention & Visitors Bureau's Boardroom; 500 E Michigan Ave, Suite 180, Lansing, MI 48912**

Respectfully submitted,

Kasey McFadden, Recording Secretary