LANSING ENTERTAINMENT &PUBLIC FACILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
May 23, 2023
MINUTES

At 8:09 a.m. Chairman Larry Leatherwood called the monthly meeting of LEPFA Board of Commissioners to order in Governor's Room located at the Lansing Center; 333 East Michigan Avenue; Lansing, Michigan 48933.

COMMISSIONERS PRESENT: Paul Collins, Kenric Hall, Jordan Hankwitz (Ex-Officio), Larry Leatherwood, Danielle Lenz, Emily Linden (Ex-Officio), Charles Mickens, and Eric Sudol.

COMMISSIONERS ABSENT: Price Dobernick, Desiree Kirkland (Ex-Officio), Maureen McNulty Saxton, and James Stajos.

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

III. ESTABLISHMENT OF THE AGENDA There were no changes to the agenda. Motion was made to accept the agenda for the meeting as presented. **MOTION:** Commissioner Mickens. **SECOND:** Commissioner Lenz. **MOTIONED CARRIED.**

IV. PUBLIC COMMENT There was no public comment.

V. APPROVAL OF THE APRIL 25, 2023, MINUTES Motion was made to accept the meeting minutes for the April 25, 2023, meeting as presented. **MOTION:** Commissioner Hall. **SECOND:** Commissioner Mickens. **MOTIONED CARRIED.**

VI. REPORTS:

A. CHAIRMAN'S REPORT: Chairman Leatherwood noted items for today's meeting include:
1. Board Training Video Completion for LEPFA Board of Commissioners
2. Succession Plan Draft
3. Upcoming Annual CEO Evaluation/Review
4. Appointment of FY24 Board Nominating Committee
5. LEPFA Budget for FY24

B. FINANCE COMMITTEE: Due to Commissioner Maureen McNulty Saxton's absence, Scott Keith reported the following items:
1. City's Budget: Scott shared the city's budget did not pass and now the LEFPA Board is not able to approve the draft budget that was to be presented today and the members may only accept the draft budget.
2. FY24 Draft Budget: Kirby Doidge, VP of Finance presented the FY24 Draft LEPFA Budget. Kirby mentioned that the budget was in comparison to the 2018/2019 fiscal year for pre-pandemic numbers.

a. Overview of Budget: For FY24, Total Revenue is $5,693,692 and Total Expenses of $7,774,167 for an Operating Loss of $1,297,555 (which is the City Operating Contribution for FY23) compared to 2019, Revenue is down by 7% and Total Expenses are up by 7%.

i. Lansing Center:

Building Rental- Projected Revenue for 2024 for building rental is $883,414 which is 87% compared to 2018/2019 numbers. Average Building Rental since 2000 is $940,718 so coming out of the pandemic the trends are pacing to a positive outlook for the year.

Scott noted trends for booking events in advance are still down and many recent bookings for the Lansing Center are last minute bookings. The Lansing Center's repeat business numbers are significantly higher; last-minute bookings can be a challenge. Scott noted that Rental Rates will be increasing July 1 by 5%.

a) Foodservice Revenue- Foodservice Revenue projections for FY24 are $3,247,085 which is 95% of 2018/2019 Foodservice Revenue. However, due to staffing, Foodservice plated meals are limited. However, Foodservice is in good standing as it is increasing, which is dependent on building rental.

Commissioner Sudol asked what services are being limited. Paul explained the limitations of plated meals as they require more staffing. He added that his team does try and collaborate with the client and produce either a buffet style or a grab in go box to accommodate larger groups and will increase the limit on plated meals, currently the limit is 200 attendees at most. Scott shared that some options, when it comes to staffing, are through third party staffing agencies that the Lansing Center has worked with in past events such as Uniservices. Commissioner Lenz added that the Lansing Center is not the only venue that this is happening to, this is a trend being seen throughout the industry. Commissioner Hall suggested surveying competitors as it could be important to know what is going on with competitors and what is happening within the community.

b) Equipment Rental- The projection for FY24 is $863,425 which is 90% of 2018/2019 Equipment Rental which depends on events booked at the Lansing Center.

Commissioner Lenz asked if this figure included AV/Chase Creative; Tristan Wright confirmed.

c) Salary/Benefits- For FY24 Salary/Benefits is budgeted at $2,966,912. This will be a decrease from 2018/2019 by 2% because LEPFA is not fully staffed with Finance and Foodservice still having open positions.

d) Foodservice- The FY24 budget for Foodservice is $2,207,731 which is an increase of 8% from 2018/2019. This increase is due to the Cost of Goods and Contracted Labor. Kirby explained this is not just Food and Beverage that is factored into this number, this is also maintenance items as well as tables, linens, China, etc.
Commissioner Sudol asked if there is a more detailed report that details the Foodservice's overall cost. Scott confirmed that there is a report that generates in detail the expenses which are normally discussed in the Finance Committee meetings. Kirby stated that he can get this report if needed.

e) Utilities- Utilities rates are increased twice a year, and due to this, the budget for Utilities is $874,455 for FY24. Kirby noted that if utilities decrease, this means there will be less use of the building.

   a) Jackson Field- The overall budget for Jackson Field for FY24 is an increase of 44% from 2018/2019 at $612,381. Kirby mentioned some notable increases for Jackson Field are Salaries/Benefits- LEPFA is properly distributing staff amongst all three entities, which will also be the same for Groesbeck.
   b) Utilities- Utilities since 2018/2019 have increased by 7% each year.
   c) Repair and Maintenance- The stadium is older, hence there are repairs that will need to be updated/upgraded.
   d) Removed ATM from the Stadium.
   e) LEPFA is a passthrough to the City for Stadium Rent.

Commissioner Sudol asked why concessions are not shown on the budget. Scott explained that LEPFA does not see any revenue for concessions as a part of the lease agreement with the City, the team collects all the revenue, and they pay portions of this revenue to the City.

b. Groesbeck Golf Course- Total revenue for Groesbeck Golf Course is $797,453. This is an increase of 74% from 2018/2019. Expenses have increased by 49% from 2018/2019 to $893,836. The notable increases for Groesbeck Golf Course include:
   a) Concessions, Greens Fees, and Cart Rentals.
   b) Salaries/Benefits- Like Jackson Field portions of administration salary have been allocated to all three entities.
   c) Repairs and Maintenance- LEPFA is repairing the steps to the clubhouse and a pump for the pond. These investments will be coming out of the master plan process in order to try and

understand what needs to be improved and maintaining the course, so it is at a level of being consistently played at.

d) Food and Beverage- Food and Beverage have increased due to more play on the course. With more play, more Food and Beverage are purchased.
e) City Operating Contribution- Kirby noted that the City's operating contribution has decreased from $143,000 to $96,383.

Mindy Biladeau entered the meeting at 8:35 a.m.

Commissioner Lenz requested a comparison from the last three years at Groesbeck Golf Course as play has increased; Kirby will pull the numbers and provide that to the Board for review.

Commissioner Leatherwood presented motion to accept the Draft Budget for FY24 as presented. Commissioner Collins moved to accept the budget. Commissioner Sudol seconded. Dialogue followed Commissioner Sudol's second. Commissioner Sudol questioned the overall budget, as there is a projection of a decrease in revenue of $400,000 Compared to 2018/2019, the Expenses are down, and Revenues are up, there are $200,000 in wages, and $260,000 in events which he stated is an almost million-dollar swing. Commissioner Sudol stressed that LEPFA needs to improve this by booking business and generating revenue. He added that booking caps should be evaluated and there needs to be a horizon on this. Commissioner Sudol noted he could not accept the FY24 Draft Budget as presented. Scott shared that the booking business is through the Sales Director from the CVB and the caps on Foodservice for staffing and for salary and wages were increased to attract talented individuals to fill positions needed. Additionally, because Foodservice is short staffed, there was overtime allocated for current Foodservice staff.

Commissioner Leatherwood noted that currently there is a contribution that is made by the Greater Lansing Convention and Visitors Bureau that is currently being held. For the sake of the other Board Members, Commissioner Leatherwood asked for clarification on the situation of the contribution being withheld. Commissioner Sudol explained that he is a Board Member of the GLCVB, but in terms of the agreement with the GLCVB and LEPFA, the withholding of the quarterly payment is due to the fact that the organization has not been able to produce the financials, which is one of the requirements under the contract. This is not a decision, is it a contractual agreement that has not been met for two quarters. Commissioner Sudol added that the finances are going in the right direction with the hire of the new VP of Finance. Once the financials are able to be presented, and the Board finds solutions to the issues, he will feel more comfortable. Commissioner Hall suggested that with there being time for the approval of the City's budget, there is time to address the questions asked to get further detail. With reports mentioned during the presentation, and understanding the booking pace, as well as reviewing the bookings for 2024, the Board will be able to project, to fix the shortfalls that currently exist. Commissioner Hall suggested waiting to act, get some clarification, answer questions, and then take the vote at future meetings.

MOTION: Commissioner Collins. **SECOND:** Commissioner Sudol.
Yays: Commissioner Collins, Leatherwood, Lenz, and Mickens **Nays:** Commissioner Hall and Sudol
MOTION TO ACCEPT THE BUDGET FOR FY2024 DID NOT CARRY.

C. **PERSONNEL COMMITTEE** Committee Chair Kenric Hall reported that the Committee met and reviewed the following items:

1. Salary Increase for FY24- Commissioner Hall shared that the Personnel Committee met and reviewed the salary increase recommendation for LEPFA salary staff. Commissioner Collins asked if this 3% is included in the budget that was present to which Scott confirmed that it is. Scott stated that 3% is on average across as not all employees are eligible.

Motion was made to approve the Salary Increase for Fiscal Year 2024 of 3% on average to be determined by the organization.
MOTION: Commissioner Hall **SECOND**: Commissioner Collins. **MOTIONED CARRIED**

2. Additional Items- Commissioner Hall added that the Personnel Committee will be continuing their discussion on the incentive plan, succession plan and additional employee training. The Committee is looking to present these items to the Board in future meetings.

D. **STRATEGIC COMMITTEE** Committee Chair Danielle Lenz noted the Committee met and discussed the following:

1. Strategic Plan Goals: Commissioner Lenz stated that the Strategic Committee continues to work on assigning staff and board members to strategic responsibilities.
2. Improvements at LEPFAs properties, (Jackson Field, Groesbeck Golf Course and Lansing Center).
3. LEPFA Re-Brand with M3 Group: Commissioner Lenz stated that the main focus of their discussion came from the last Board meeting where M3 Group's Tiffany Dowling presented the LEPFA Re-Brand. To move forward with the process, the committee will have two focus groups (internal and external) meet with M3 and review the re-brand presentation for feedback.
4. DEI Statement: Tristan added that the DEI statement which was approved in last month's board meeting was also discussed with the committee on how to implement the statement and how it will look for the Authority itself, along with training for staff.

E. <u>PRESIDENT & CEO REPORT</u> Scott Keith reported the following:

1. Budget & City of Lansing Budget- Scott hoped to have more details regarding the City's budget; however, because it did not pass, he will provide an update as pertains to LEPFA's budget. The LEPFA budget that was present to the City did have a 4% decrease in the Operating contribution from the City from the previous years. There was an effort made to reduce the funds that are received, and a majority of these funds are born on the Lansing Center. As for any reductions in operating contributions from the City, Scott's inclination is to lower all three properties. This would be seen on the maintenance side or any upkeep of all three properties.
2. Future Projects- With the fiscal year approaching, the main focus will be "Future Forward." This includes these certain items:
   a) Re-Brand
   b) Groesbeck Master Plan
   c) Stadium/MLB Improvements
   d) New ideas for Funding
   e) Strategic Planning
   f) Service Culture initiative

   Scott added that the question is what do all these items mean for LEPFA. Coming out of the pandemic, there were lots of conversations about the future for LEPFA and how the organization is going to grow from the aftermath. This is what the Board will be looking at, how to improve the three facilities, and also looking at the growth in business for the future.

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

1. Mindy Biladeau- Mindy reported on the following:
   a) Sales Report- Mindy reported that Sales for April for Rental are above budget. To finish the fiscal year coming up in June, sales are currently at 111% for Rental compared to the budget for FY 23. For the fiscal year 2024, Sales are at 73% of Rental Revenue compared to budget which is an aggressive jump for rental in FY24.
   b) Rate Increases- Mindy shared rate increases which began April 1st and customers were notified in March Also, IATSE labor (audio/visual) rates will increase July 1and customers were notified of the increase with any customers who were already given a quote prior to the increase, their rates stayed the same. Lastly, Rental Rates will be increasing July 1st by 5%.

Tristan Wright exited the meeting at 9:03 a.m.

   c) Event Coordinators- Mindy announced and presented information regarding two new Event Coordinators that have joined the EC Team, they are Joy Tenjeras and Emily Woodard.
   d) Event Diagramming Software- Mindy gave an update on event diagramming software; as they are now finalizing their implementation plan and their diagram

build started the week of May 21st. Training for all users is tentatively scheduled for July 12.

e) Events- Mindy announced that Groesbeck Golf Course will be hosting their annual two session Greens and Grains event on Friday, June 23, 2023, and the second will be on Friday, September 15, 2023. A ticket includes 9 holes with a cart, and food/beer pairings which are provided by Lansing Brewing Company. Tickets are on sale now on Groesbeck's website.

f) Lansing Center Website Rebuild- Mindy gave an update on the Lansing Center website re-design.

Commissioner Danielle Lenz exited the meeting at 9:06 a.m.

Commissioner Hall asked if the reports that Mindy mentioned could be sent to the board. Mindy stated that she will send the PACE reports to the Board.

2. Heidi Brown- Heidi reported the following:

a) Hiring/Vacant Positions- Adding to Mindy's report, Heidi shared that two Event Coordinators and a Foodservice Supervisor that started as well. Positions that are still vacant are the Accounting Analyst Administrator, the HR/Payroll Coordinator, and the Accounting Manager, which they had an interview and extended an offer which was declined. Heidi continues to work on filling full-time, part-time, and seasonal positions and noted that Groesbeck Golf Course is now fully staffed. For Banquet Servers, Heidi shared that they held interviews with 12 candidates, 3 accepted interview slots, and 1 showed to the interview.

Jack Alexander exited the meeting at 9:09 a.m.

b) Workers Compensation Claims- Heidi stated that they were at 46 days, however they are now back down to 1 day accident free. In terms of staff training, the second session for LEPFA U for the 2023 year will be on November 1st; the theme is "Work/Life Balance." LEPFA's pension providers Brunner VanGorder will be presenting the pension update for full-time staff and PNC will participate and share information regarding their services. Heidi is also looking into adding a Flu Shot Clinic for this session of LEPFA U as well. An additional training will be held with Lisa Fisher for internal Communication Training and Scott and Heidi will be meeting with Lisa Fisher to coordinate another training for staff; the topic is "Self-Awareness Communication."

c) Eye Med Vision Insurance- Heidi updated the Board that vision insurance through Eye Med will be renewed in June 1and there will be no rate increase. Eye Med agreed to move to a January 1 renewal to coincide with LEPFA's medical and dental benefit renewal when the rates are up for renewal again on January 1, 2027.

Commissioner Hall asked, out of the banquet servers, how many positions needed to be filled; Paul confirmed that they will need to have 15 servers to be back to normal; Dishwashers need 4, and cooks need 4.

3. Paul Ntoko- Paul reported the following:
   a) Groesbeck Golf Course- Paul shared that the course had a strong April compared to the previous year. Numbers for the month of April are up. Rounds are up by 20, which is higher than last year, Foodservice is up 45%, and the cap increased from 271 to 311 a person. Twenty-four (24) of 25 leagues have returned to Groesbeck for 2023. Greens and Grains will be returning this year with the first session on June 23. Paul's team will be working with Lansing Brewing Company on the drink selection.

Jeremy Garza exited the meeting at 9:15 a.m.

Commissioner Hall questioned the notes that indicated C-More Greens, Inc. are to save $10k in service fees for the application of pesticides. Scott explained that last year there was not a Superintendent, so this was outsourced. Now with the Superintendent, they are back to normal. Scott added that C-More Greens will be doing some other items still so it will be a 75% drop in savings.

4. Kirby Doidge- Kirby reported the following:
   a) Finance Update- Kirby stated that Lehman Wesley is discovering/investigating what has transpired since July 1, 2022, and they are currently working on October/November 2022. Kirby mentioned that it is a lot of information that is being looked at, but they would like to get this all verified now before the audit in order to be able to explain in detail what they discovered. Kirby stressed that this is a slow process but noted that it is starting to pick up pace.
   Kirby was asked to provide where LEPFA is financially. Kirby gave an update that in all three entities, there is $2,107,000 in the banks. For accounts payable LEPFA owes $66,000 that is currently outstanding. In accounts receivable $714,000 is still due to LEPFA. This is as of April 28, 2023.
   Regarding financials- Finance is mapping out bill backs

Commissioner Hall took this time to congratulate Kirby on his work thus far and welcomed him aboard. Hall then asked if Kirby was sure if the books would be ready by the end of FY 2023. Kirby stated that this is a great goal.

Commissioner Sudol asked if the software used has a function of auto trail to look up items. Kirby stated that it does, however, due to the turnover during the pandemic, Finance has lost knowledge with procedures that were in place from staff who were here previously. These procedures overtime have changed, however, they were not documented. So, Kirby is learning the procedures with the help of Jennifer McFatridge who was an 11-year employee with LEPFA and is also learning the "whys" on how these procedures work and why they were implemented. Commissioner Sudol suggested creating a standard procedure document moving forward and asked if this is something that will be in the initial plan moving forward, to which Kirby confirmed that this is being done currently and is his focus.

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

1. Commissioner Collins: Commissioner Collins took this time to state that he is looking forward to the end of fiscal year and to see the financials coming back as it has been a while since they have been presented.

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

IX. <u>NEW BUSINESS:</u>

1. Nomination Committee- Chairman Leatherwood announced the Nominating Committee as follows: Commissioner Mickens, Committee Chair, along with Commissioner Collins and Commissioner Lenz. The purpose of the Committee is to nominate candidates for the officers of the Board which are made up of the Chair, Vice Chair and Secretary/Treasurer. Commissioner Mickens stated that he will be working diligently on getting these nominations secured.

X. <u>ADJOURNMENT:</u> At 9:29 a.m. the regular monthly meeting was adjourned.

HE NEXT MONTHLY MEETING IS SCHEDULED FOR:

TUESDAY, JUNE 27, 2023
8:00 a.m.
LOCATION: Governor's Room- Lansing Center

Respectfully submitted,

Kasey McFadden

Kasey McFadden, Recording Secretary