

AGENDA

Committee of the Whole January 27, 2025 at 5:30 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.
To view the meeting live and participate in virtual public comment: <https://www.lansingmi.gov/1212/Council-Committee-Meetings>

Council Member Ryan Kost, Chairperson

Council Member Tamera Carter, Vice Chairperson

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
 - A. January 13, 2025
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Presentations:**
 - B. City of Lansing Annual Audit Fiscal Year Ending 6/30/2024- Maner Costerisan
 - C. Lansing Entertainment and Public Facilities Authority Financial Statements Year End 6/30/2024 - Maner Costerisan
 - D. Update on the Ovation Project
6. **Discussion/Action:**
 - E. RESOLUTION - Act-8-2024; Easement for Use of Rights-of-Way on S. Washington Ave. and W. Lenawee St., Ovation Center for Music and Arts
 - F. RESOLUTION - Appointment; Christopher Harkins; At-Large member; Lansing Board of Water and Light; Term to expire June 30, 2028
 - G. RESOLUTION - Appointment; Shelbi Frayer; At-Large member; Lansing Entertainment and Public Facilities Authority Board of Commissioners (LEPFA) Term to expire June 30, 2025
7. **Other**
8. **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, January 13, 2025 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council President Kost called the meeting to order at 5:30 p.m.

PRESENT

Councilmember Jeffrey Brown
Councilmember Peter Spadafore
Councilmember Tamera Carter
Councilmember Trini Pehlivanoglu
Councilmember Jeremy Garza- excused
Councilmember Ryan Kost
Councilmember Adam Hussain
Councilmember Brian T. Jackson

OTHERS PRESENT

Sherrie Boak, Council Staff
Greg Venker, City Attorney
Lisa Hagen-Lawrence, City Attorney
Mark Lawrence, Mayor's office
Marc Jones, Public Service
Nicole McPherson, Public Service
Elizabeth O'Leary, HR Director
Dennis Parker, Labor Negotiator

Minutes

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE MINUTES FROM JANUARY 6, 2025 AS PRESENTED. MOTION CARRIED 7-0.

Public Comment

Ms. Stanaway spoke on items she is asking for consideration, what the process is for annual reviews, and there should be mandatory reviews. In addition, she had issues with the structure of an affidavit of disclosure, and wants those forms updated for up to date filing.

Discussion/Action

RESOLUTION – Set Public Hearing; Noise Special Permit; Leavitt and Starck Excavating, Inc. request to allow for the Combined Sewer Overflow 015 South Project

Mr. Jones referenced a map which outlined the project area. The contractor worked every Saturday in 2024 and they expect to do the same this summer. The contractor and staff are asking for the hearing to be set for 2/10/2025.

Council Member Jackson asked if the Saturdays in 2024 were optional. Mr. Jones stated it was asked for every Saturday in 2024 as part of the contract due to the project area. They do

expect to work every Saturday. Council Member Jackson asked what those approximate start and finish. Mr. Jones stated in 2024 they started at 8 and if they started before that, they were spoken to, to not start sooner.

Council Member Hussain asked if there were complaints filed on start and finish times. Mr. Jones confirmed and stated there were City O & M employees, but if they started before 8 they were made aware of the constraints and they were compliant.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE RESOLUTION TO SET THE NOISE SPECIAL PERMIT PUBLIC HEARING FOR FEBRUARY 10, 2025. MOTION CARRIED 7-0.

RESOLUTION – ISSUANCE OF SEWAGE DISPOSAL SYSTEM REVENUE BONDS (CWSRF 5005-27)

Mr. Jones stated this is part of the wet weather control program, and they are continuing with the next phase in compliance with the consent order by the State. This is for the pump station, the CSO 019 area. This area is bound by Maple, West Saginaw, N. Chestnut and N. Grand Avenue, and includes major streets including Grand, Saginaw, and Oakland. This will take 2 years to complete. The pump station is near the river and MLK. The loan amount in the resolution not to exceed \$45 million and paid back over 30 years, and generally under 2%. The total is \$51 million for the two projects, and EGLE has indicated \$4.2 million in forgiveness, and BWL is also participating, and MDOT is participating. Any remaining funds will be funded through GF, local street and sanitary street. Both out to bid, and the opening is 1/14/2025 and the pump station due 1/30/2025 and final determination after those bids are opened.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE RESOLUTION FOR THE ISSUANCE OF SEWAGE DISPOSAL SYSTEM REVENUE BONDS CWSRF 5005-27. MOTION CARRIED 7-0.

Presentations

City of Lansing Hiring Process and Practices; HR Director & Labor Negotiator

Council President Kost stated the Mayor had requested a presentation from Ms. O'Leary and Mr. Parker. Ms. O'Leary started with the overview of hiring, hiring specialist, health and wellness, labor relations, payroll and benefits, retirement for all 901 budget employee positions. She then outlined the hiring process, requests from department directors, testing, background testing. Currently there are 13 postings, and there are some positions not posted due to beginning of the process, the posting has come down, there are 27 of those. IN 2024 there were 70 retirements, 42 resignations, they filled 166 budgeted positions which would have been on the vacancy list.

Mr. Perkins spoke on the positions that require special skills, special licenses, and so they are working on training programs including fleet, electricians, CDL positions, maintenance, and residential assessor licensing.

Ms. O'Leary stated the vacancy list does not always reflect people in training. For example the LPD has 10 training, and they just posted for recruits, but those won't be reflected until they fill the academy.

Council Member Spadafore asked if the 25 vacancies in LFD include the 15 from the Safe Grant, and it was confirmed. Mr. Perkins stated they will be hiring fully licensed paramedics.

Council Member Jackson asked about the long term postings, and in some cases the salary was raised for reclassifying, can that be done with more. Is there any contact with the EDI Advisory Board for input, and lastly asked if with the CDL program and apprenticeship program, and the medic program; do those prevent them from moving to other jobs outside of the City. Ms. O'Leary stated it does not prevent them, and that is the risk, but it is worth it to

bring them in. They are hoping they will stay after the City pays for the licensing. Regarding the classifications, but the City has not done a whole group organization wide comp. study in a number of years, but the departments and HR does look at it. Lastly, she said she has not had discussions with the EDI Advisory Board for their input if that is what they want to do.

Council Member Carter asked about clarification on the process, it appears there a lot of people involved for one position. If there is a candidate that makes 80% but fails the testing; do they have multiple candidates lined up, or a process like that. Ms. O'Leary stated that all candidates that meet qualifications move onto testing and interviews.

Council Member Pehlivanoglu asked about the priority list from departments, when HR receives the list do they place a cap on the priority listings they are posting. Ms. O'Leary stated the specialists are in constant communication with the directors, meet bi-weekly, the directors are in charge of determining the 1st, 2nd, 3rd postings. Council Member Pehlivanoglu then spoke directly at the electrician vacancy, which had to be reclassified, does HR write the description. Ms. O'Leary said they are the holder, but rely on the department for the content. It is a collaborative process.

Council Member Hussain asked if in the budget they asked for more positions that did not make it. Ms. O'Leary stated the position she asked for was granted. Council Member Hussain asked if this budget season she would ask for more, and Ms. O'Leary stated they are assessing the needs, focus in the divisions, labor relations, but need to spread the focus on the divisions to make sure there are the services. Council Member Hussain asked if they track time from posting to filling, on a yearly basis. Ms. O'Leary stated they could not pull a report, but the deputy director is looking into with the current position, but it could vary. Police and Fire is longer than admin position. The data is only as good as you can get it out of the system.

Council Member Carter noted the additional programs; apprentice, re-entry, refugee and have they spoken about veterans. Ms. O'Leary stated they are a certified veteran employer.

Council Member Spadafore asked how many collective bargaining agreements are there. Mr. Parker stated 6 contracts, teamsters, and CCLP Sup and Non-Sup.

Council Member Spadafore stepped away from the meeting at 6:10 p.m.

Council Member Kost asked if finding the long vacant electrician position, if it made them look at other longer term vacancies. Mr. Parker stated in the case of the electrician they will have to hire on contract until the employee can go through the apprentice program.

Council Member Kost asked what is the length of time from start to finish on the maintenance positions. Mr. Parker stated with a CDL, that posting has been open for 2 years, and Ms. O'Leary stated she can get details on the maintenance 400, but there are 4 applications for testing, 9 scheduled for a written test, and currently have 12 vacancies. They require a CDL because they have to drive commercial vehicles.

Council Member Spadafore returned to the meeting at 6:11 p.m.

Mr. Parker stated they are transitioning the seasonal with CDL and can transition to full time. Council Member Kost asked if it would be 2-4 months, and Ms. O'Leary stated she could report back on that if they have CDL or if they have to get CDL.

Council Member Kost asked if departments prioritize do they tend to fill management positions filled first before front line workers. Mr. Parker stated no, and filling a management position would not hold up a front line worker. Council Member Kost stated in the recent vacancy lists

there are new positions and asked if they have created more management or equal balance. Ms. O'Leary stated she can report back, and Council Member Kost asked if they could go back as far as they have. Mr. Parker stated there are no front line to be created, but management could be restructured.

OTHER

No other topics.

Adjourn

The meeting adjourned at: 6:17pm

Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council

Approved by the Committee

City of Lansing
Year Ended June 30, 2024

Audit Presentation

Presented by:
William I. Tucker IV, CPA
Principal &
Tyler P. Baker, CPA
Senior Manager

A background image showing a close-up of a calculator, a pen, and a financial chart with a line graph. The chart has a grid and a line that fluctuates upwards. The calculator is on the left, and the pen is on the right, pointing towards the chart.

SETTING THE STANDARD FOR QUALITY
GOVERNMENTAL AUDITS



Opinions

- In our opinion, the financial statements...present fairly, in all material respects,...

Responsibilities of Management of the Financial Statements

- Preparation and fair presentation of the financial statements in accordance with GAAP
- Including design, implementation, and maintenance of internal controls
- Also responsible for fraud detection, deterrence, and prevention

Audit Objective

- The objective, or purpose, of an audit is to express opinions on the financial statements
- The purpose is not to detect fraud or express an opinion on your internal controls

Auditor's Responsibility for the Audit of the Financial Statements

- Express opinions on the financial statements based on our audit



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Presented to

**City of Lansing
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF LANSING
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
ASSETS				
Current assets				
Cash and cash equivalents	\$ 30,675,525	\$ 5,781,643	\$ 36,457,168	\$ 22,346,558
Equity in pooled cash and investments	67,809,549	36,276,617	104,086,166	497,970
Cash and cash equivalents, restricted	206,857,644	2,555,433	209,413,077	3,856,930
Investments	1,846,087	-	1,846,087	-
Current portion of receivables, net	29,443,561	8,719,067	38,162,628	2,210,030
Due from other governmental units	28,200,218	27,992,095	56,192,313	1,726,390
Internal balances	(3,543,795)	3,543,795	-	-
Inventories	2,121,184	1,531,706	3,652,890	86,187
Prepays	2,535,441	-	2,535,441	9,523
Total current assets	365,945,414	86,400,356	452,345,770	30,733,588
Noncurrent assets				
Noncurrent portion of receivables, net	20,076,243	13,708,354	33,784,597	37,919
Capital assets not being depreciated/amortized	57,610,327	25,065,401	82,675,728	-
Capital assets, net of accumulated depreciation/amortization	196,464,345	323,452,813	519,917,158	2,246,864
Total noncurrent assets	274,150,915	362,226,568	636,377,483	2,284,783
TOTAL ASSETS	640,096,329	448,626,924	1,088,723,253	33,018,371
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	190,477	3,356,682	3,547,159	-
Deferred outflows of resources related to pensions	24,764,049	1,039,440	25,803,489	-
Deferred outflows of resources related to OPEB	1,028,672	10,668	1,039,340	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	25,983,198	4,406,790	30,389,988	-
LIABILITIES				
Current liabilities				
Accounts payable	20,179,607	6,387,960	26,567,567	5,050,449
Accrued payroll	2,804,224	99,657	2,903,881	-
Deposits payable	-	87,401	87,401	-
Due to other governmental units	2,408,623	1,679,960	4,088,583	46,430
Claims incurred but not reported	1,500,590	-	1,500,590	-
Indemnity bonds	43,867	-	43,867	-
Other accrued liabilities	2,807,670	-	2,807,670	504,222
Accrued interest payable	1,323,137	580,900	1,904,037	503,204
Unearned revenue	24,667,110	-	24,667,110	2,122,051
Current portion of compensated absences	1,647,472	66,562	1,714,034	-
Current portion of long-term obligations	6,696,058	11,100,938	17,796,996	2,755,232
Total current liabilities	64,078,358	20,003,378	84,081,736	10,981,588

The accompanying notes are an integral part of the financial statements.

CONTINUED

CITY OF LANSING
STATEMENT OF NET POSITION (concluded)
JUNE 30, 2024

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
LIABILITIES (concluded)				
Noncurrent liabilities				
Noncurrent portion of compensated absences	\$ 9,428,486	\$ 846,154	\$ 10,274,640	\$ -
Noncurrent portion of long-term obligations	267,030,308	105,075,558	372,105,866	75,593,647
Accrued interest payable, net of current portion	-	-	-	32,778
Net pension liability	351,063,014	26,972,060	378,035,074	-
Net other post-employment benefits liability	198,498,721	10,740,955	209,239,676	-
Total noncurrent liabilities	826,020,529	143,634,727	969,655,256	75,626,425
TOTAL LIABILITIES	890,098,887	163,638,105	1,053,736,992	86,608,013
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to leases	404,343	-	404,343	-
Deferred gain on refunding	-	-	-	907,988
Deferred inflows of resources related to pensions	566,770	128,375	695,145	-
Deferred inflows of resources related to OPEB	11,532,545	1,236,669	12,769,214	-
TOTAL DEFERRED INFLOWS OF RESOURCES	12,503,658	1,365,044	13,868,702	907,988
NET POSITION (DEFICIT)				
Net investment in capital assets	176,420,751	235,698,400	412,119,151	1,976,542
Restricted				
Public safety	2,540,901	-	2,540,901	-
Public works	31,298,938	-	31,298,938	-
Building department	4,008,847	-	4,008,847	-
Debt service	10,553,503	2,555,433	13,108,936	-
Redevelopment projects	-	-	-	2,146,294
Capital projects	-	-	-	80,000
Stabilization arrangements	7,792,610	-	7,792,610	-
Endowments (nonexpendable)	2,053,956	-	2,053,956	-
Unrestricted	(471,192,524)	49,776,732	(421,415,792)	(58,700,466)
TOTAL NET POSITION (DEFICIT)	\$ (236,523,018)	\$ 288,030,565	\$ 51,507,547	\$ (54,497,630)

The accompanying notes are an integral part of the financial statements.

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
CHANGE IN TOTAL PENSION LIABILITY										
Service cost	\$ 3,074,831	\$ 2,889,649	\$ 2,827,879	\$ 2,943,847	\$ 2,738,099	\$ 2,719,559	\$ 2,538,487	\$ 2,711,461	\$ 2,977,084	\$ 2,857,948
Interest	21,073,196	21,220,221	21,523,899	21,890,652	21,360,398	21,512,099	21,994,837	22,403,009	22,268,516	22,671,909
Difference between expected and actual experience	931,426	(2,085,433)	(4,473,505)	(2,504,529)	7,219,344	(2,559,726)	(6,451,827)	(23,183,264)	(4,937,823)	(6,422,330)
Changes of assumptions	-	-	-	7,666,292	-	-	3,099,448	3,706,512	7,575,775	-
Benefit payments, including employee refunds	(24,410,966)	(24,212,331)	(24,342,091)	(24,316,255)	(24,106,903)	(23,470,040)	(23,102,224)	(22,913,214)	(22,860,449)	(22,462,587)
Net Change in Total Pension Liability	668,487	(2,187,894)	(4,463,818)	5,680,007	7,210,938	(1,798,108)	(1,921,279)	(17,275,496)	5,023,103	(3,355,060)
Total Pension Liability, beginning	309,969,880	312,157,774	316,621,592	310,941,585	303,730,647	305,528,755	307,450,034	324,725,530	319,702,427	323,057,487
Total Pension Liability, ending	\$ 310,638,367	\$ 309,969,880	\$ 312,157,774	\$ 316,621,592	\$ 310,941,585	\$ 303,730,647	\$ 305,528,755	\$ 307,450,034	\$ 324,725,530	\$ 319,702,427
CHANGE IN PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 13,793,087	\$ 11,675,068	\$ 13,494,287	\$ 12,649,529	\$ 10,698,401	\$ 10,880,932	\$ 10,843,000	\$ 10,246,872	\$ 10,181,620	\$ 10,547,556
Contributions - employee	1,417,258	1,418,513	1,289,306	1,172,409	1,286,273	1,220,657	1,230,857	1,216,519	1,088,943	1,128,120
Contributions - state grant	11,551,892	-	-	-	-	-	-	-	-	-
Net investment income (loss)	16,452,547	3,436,309	(15,129,738)	36,047,284	(540,861)	8,437,568	9,679,565	17,412,568	(2,790,190)	4,399,543
Benefit payments, including employee refunds	(24,410,966)	(24,212,331)	(24,342,091)	(24,316,255)	(24,106,903)	(23,470,040)	(23,102,224)	(22,913,214)	(22,860,449)	(22,462,587)
Administrative expenses	(86,560)	(114,853)	(66,474)	(20,367)	(34,016)	(42,364)	(57,822)	(47,217)	(126,486)	(174,818)
Net Change in Plan Fiduciary Net Position	18,717,258	(7,797,294)	(24,754,710)	25,532,600	(12,697,106)	(2,973,247)	(1,406,624)	5,915,528	(14,506,562)	(6,562,186)
Plan Fiduciary Net Position, beginning	145,869,059	153,666,353	178,421,063	152,888,463	165,585,569	168,558,816	169,965,440	164,049,912	178,556,474	185,118,660
Plan Fiduciary Net Position, ending	\$ 164,586,317	\$ 145,869,059	\$ 153,666,353	\$ 178,421,063	\$ 152,888,463	\$ 165,585,569	\$ 168,558,816	\$ 169,965,440	\$ 164,049,912	\$ 178,556,474
City's Net Pension Liability	\$ 146,052,050	\$ 164,100,821	\$ 158,491,421	\$ 138,200,529	\$ 158,053,122	\$ 138,145,078	\$ 136,969,939	\$ 137,484,594	\$ 160,675,618	\$ 141,145,953
Plan fiduciary net position as a percentage of the total pension liability	52.98%	47.06%	49.23%	56.35%	49.17%	54.52%	55.17%	55.28%	50.52%	55.85%
Covered payroll	\$ 21,858,025	\$ 27,348,422	\$ 24,509,599	\$ 26,001,896	\$ 24,304,971	\$ 23,265,437	\$ 22,672,891	\$ 20,901,389	\$ 23,085,894	\$ 19,769,460
City's net pension liability as a percentage of covered payroll	668.2%	600.0%	646.7%	531.5%	650.3%	593.8%	604.1%	657.8%	696.0%	714.0%

Assumption changes - there were no changes in actuarial assumptions during fiscal year 2024. More details regarding actuarial assumptions can be found in the December 31, 2023, valuation reports for each system.

Benefit changes - there were no changes to benefits in the current year.

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
CHANGE IN TOTAL PENSION LIABILITY										
Service cost	\$ 7,023,797	\$ 7,853,786	\$ 7,269,988	\$ 6,961,705	\$ 6,526,273	\$ 6,801,669	\$ 6,533,877	\$ 6,133,683	\$ 6,371,845	\$ 6,350,378
Interest	35,852,495	34,431,238	33,647,916	32,984,834	32,689,419	31,573,535	30,641,722	30,519,676	30,197,513	29,159,382
Changes of benefit terms	-	295,273	-	-	-	-	779	-	-	-
Difference between expected and actual experience	9,526,686	17,292,601	6,641,422	(2,944,445)	(1,062,537)	10,590,030	8,263,623	(19,308,117)	7,884,167	3,159,996
Changes of assumptions	-	-	-	24,025,142	-	-	1,647,044	25,078,592	3,281,341	-
Benefit payments, including employee refunds	(39,760,974)	(37,717,498)	(36,188,116)	(35,040,363)	(33,987,421)	(32,609,254)	(31,757,151)	(31,102,186)	(29,503,964)	(27,969,021)
Net Change in Total Pension Liability	12,642,004	22,155,400	11,371,210	25,986,873	4,165,734	16,355,980	15,329,894	11,321,648	18,230,902	10,700,735
Total Pension Liability, beginning	525,035,189	502,879,789	491,508,579	465,521,706	461,355,972	444,999,992	429,670,098	418,348,450	400,117,548	389,416,813
Total Pension Liability, ending	\$ 537,677,193	\$ 525,035,189	\$ 502,879,789	\$ 491,508,579	\$ 465,521,706	\$ 461,355,972	\$ 444,999,992	\$ 429,670,098	\$ 418,348,450	\$ 400,117,548
CHANGE IN PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 20,638,901	\$ 18,165,988	\$ 19,609,552	\$ 18,250,155	\$ 15,457,647	\$ 13,554,239	\$ 12,686,000	\$ 11,521,768	\$ 10,884,312	\$ 11,050,091
Contributions - employee	3,232,535	2,967,886	2,722,350	3,207,122	3,459,452	3,485,891	2,650,019	2,840,914	2,608,214	2,950,832
Net investment income (loss)	35,058,403	13,936,766	(32,083,115)	68,910,089	1,047,240	17,943,950	19,937,149	32,116,305	(6,040,910)	8,965,080
Benefit payments, including employee refunds	(39,760,974)	(37,717,498)	(36,188,116)	(35,040,363)	(33,987,421)	(32,609,254)	(31,757,151)	(31,102,186)	(29,503,964)	(27,969,021)
Administrative expenses	(113,104)	(126,049)	(88,992)	(24,177)	(41,599)	(53,318)	(77,237)	(50,996)	(128,903)	(173,849)
Net Change in Plan Fiduciary Net Position	19,055,761	(2,772,907)	(46,028,321)	55,302,826	(14,064,681)	2,321,508	3,438,780	15,325,805	(22,181,251)	(5,176,867)
Plan Fiduciary Net Position, beginning	286,638,408	289,411,315	335,439,636	280,136,810	294,201,491	291,879,983	288,441,203	273,115,398	295,296,649	300,473,516
Plan Fiduciary Net Position, ending	\$ 305,694,169	\$ 286,638,408	\$ 289,411,315	\$ 335,439,636	\$ 280,136,810	\$ 294,201,491	\$ 291,879,983	\$ 288,441,203	\$ 273,115,398	\$ 295,296,649
City's Net Pension Liability	\$ 231,983,024	\$ 238,396,781	\$ 213,468,474	\$ 156,068,943	\$ 185,384,896	\$ 167,154,481	\$ 153,120,009	\$ 141,228,895	\$ 145,233,052	\$ 104,820,899
Plan fiduciary net position as a percentage of the total pension liability	56.85%	54.59%	57.55%	68.25%	60.18%	63.77%	65.59%	67.13%	65.28%	73.80%
Covered payroll	\$ 27,834,051	\$ 33,120,012	\$ 31,354,796	\$ 29,636,017	\$ 28,977,408	\$ 29,638,532	\$ 28,435,952	\$ 27,585,521	\$ 27,078,405	\$ 24,407,740
City's net pension asset as a percentage of covered payroll	833.5%	719.8%	680.8%	526.6%	639.8%	564.0%	538.5%	512.0%	536.3%	429.5%

Assumption changes - there were no changes in actuarial assumptions during fiscal year 2024. More details regarding actuarial assumptions can be found in the December 31, 2023, valuation reports for each system.

Benefit changes - there were no changes to benefits in the current year.

CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2024	2023*	2022*	2021*	2020*	2019*	2018*	2017*
CHANGE IN TOTAL OPEB LIABILITY								
Service cost	\$ 1,049,303	\$ 1,647,129	\$ 1,603,045	\$ 1,560,141	\$ 1,518,385	\$ 1,477,747	\$ 1,438,197	\$ 1,550,428
Interest	6,747,227	10,762,261	10,562,939	11,335,921	13,143,168	12,990,219	13,221,134	12,976,683
Difference between expected and actual return on investments	(6,227,729)	-	-	(39,503,661)	(19,498,451)	-	(9,321,837)	-
Changes of assumptions	-	-	-	(66,716,444)	39,986,554	3,614,432	(2,727,829)	-
Benefit payments, including refunds of member contributions	(11,071,584)	(10,410,016)	(8,350,052)	(9,395,594)	(10,444,878)	(10,573,488)	(10,286,249)	(10,116,593)
Net Change in Total OPEB Liability	(9,502,783)	1,999,374	3,815,932	(102,719,637)	24,704,778	7,508,910	(7,676,584)	4,410,518
Total OPEB Liability, beginning	102,433,054	157,216,430	153,400,498	256,120,135	231,415,357	223,906,447	231,583,031	227,172,513
Total OPEB Liability, ending	\$ 92,930,271	\$ 159,215,804	\$ 157,216,430	\$ 153,400,498	\$ 256,120,135	\$ 231,415,357	\$ 223,906,447	\$ 231,583,031
CHANGE IN PLAN FIDUCIARY NET POSITION								
Employer contributions	\$ 11,886,843	\$ 12,126,259	\$ 10,643,555	\$ 10,424,468	\$ 11,461,488	\$ 11,848,485	\$ 11,436,222	\$ 11,305,756
OPEB plan net investment income (loss)	2,455,416	12,596,837	(11,324,122)	11,001,355	4,366,514	3,040,683	4,329,577	5,209,669
Benefit payments, including refunds of member contributions	(11,071,584)	(10,410,016)	(8,350,052)	(9,395,594)	(10,444,878)	(10,573,488)	(10,286,249)	(10,116,593)
Administrative expenses	(151,356)	(697,661)	(611,703)	(728,874)	(636,610)	(548,939)	(444,973)	(389,163)
Net Change in Plan Fiduciary Net Position	3,119,319	13,615,419	(9,642,322)	11,301,355	4,746,514	3,766,741	5,034,577	6,009,669
Plan Fiduciary Net Position, beginning	44,384,706	69,887,591	79,529,913	68,228,558	63,482,044	59,715,303	54,680,726	48,671,057
Plan Fiduciary Net Position, ending	\$ 47,504,025	\$ 83,503,010	\$ 69,887,591	\$ 79,529,913	\$ 68,228,558	\$ 63,482,044	\$ 59,715,303	\$ 54,680,726
Plan's Net OPEB Liability	\$ 45,426,246	\$ 75,712,794	\$ 87,328,839	\$ 73,870,585	\$ 187,891,577	\$ 167,933,313	\$ 164,191,144	\$ 176,902,305
Plan fiduciary net position as a percentage of the total OPEB liability	51.12%	52.45%	44.45%	51.84%	26.64%	27.43%	26.67%	23.61%
Covered payroll	\$ 18,827,984	\$ 26,458,716	\$ 26,747,483	\$ 24,292,037	\$ 25,453,989	\$ 23,720,424	\$ 21,251,418	\$ 20,901,289
Plan's net OPEB liability as a percentage of covered payroll	241.27%	286.15%	326.49%	304.09%	738.16%	707.97%	772.61%	846.37%

*Includes ERS and VEBA OPEB plan activity.

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Assumption changes - there were no changes of assumptions in 2024.

Benefit changes - there were no changes to benefits in 2024.

CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2024	2023	2022	2021	2020	2019	2018	2017
CHANGE IN TOTAL OPEB LIABILITY								
Service cost	\$ 1,566,323	\$ 3,904,624	\$ 3,800,121	\$ 3,698,415	\$ 3,599,431	\$ 3,503,096	\$ 3,409,339	\$ 3,749,359
Interest	14,585,580	14,158,158	13,536,620	15,112,018	15,551,609	15,565,892	15,994,328	15,584,783
Difference between expected and actual return on investments	(7,287,277)	-	-	(71,213,994)	18,584,560	-	(17,811,401)	-
Changes of assumptions	-	-	-	(162,399,773)	91,997,958	18,652,834	(7,445,354)	-
Benefit payments, including refunds of member contributions	(10,063,103)	(9,188,608)	(7,956,471)	(10,836,077)	(13,132,398)	(12,271,014)	(11,960,557)	(11,065,440)
Net Change in Total OPEB Liability	(1,198,477)	8,874,174	9,380,270	(225,639,411)	116,601,160	25,450,808	(17,813,645)	8,268,702
Total OPEB Liability, beginning	211,745,553	202,871,379	193,491,109	419,130,520	302,529,360	277,078,552	294,892,197	286,623,495
Total OPEB Liability, ending	\$ 210,547,076	\$ 211,745,553	\$ 202,871,379	\$ 193,491,109	\$ 419,130,520	\$ 302,529,360	\$ 277,078,552	\$ 294,892,197
CHANGE IN PLAN FIDUCIARY NET POSITION								
Employer contributions	\$ 13,313,395	\$ 11,304,220	\$ 9,974,904	\$ 12,951,908	\$ 14,971,737	\$ 13,500,687	\$ 13,163,201	\$ 12,290,749
OPEB plan net investment income (loss)	1,471,511	11,844,067	(7,645,295)	3,408,741	2,998,056	290,543	3,572,965	3,487,200
Benefit payments, including refunds of member contributions	(10,063,103)	(9,188,608)	(7,956,471)	(10,836,077)	(13,132,398)	(12,271,014)	(11,960,557)	(11,065,440)
Administrative expenses	(365,017)	(765,612)	(672,516)	(815,831)	(529,339)	(627,673)	(600,644)	(525,309)
Net Change in Plan Fiduciary Net Position	4,356,786	13,194,067	(6,299,378)	4,708,741	4,308,056	892,543	4,174,965	4,187,200
Plan Fiduciary Net Position, beginning	55,112,232	41,918,165	48,217,543	43,508,802	39,200,746	38,308,203	34,133,238	29,946,038
Plan Fiduciary Net Position, ending	\$ 59,469,018	\$ 55,112,232	\$ 41,918,165	\$ 48,217,543	\$ 43,508,802	\$ 39,200,746	\$ 38,308,203	\$ 34,133,238
Plan's Net OPEB Liability	\$ 151,078,058	\$ 156,633,321	\$ 160,953,214	\$ 145,273,566	\$ 375,621,718	\$ 263,328,614	\$ 238,770,349	\$ 260,758,959
Plan fiduciary net position as a percentage of the total OPEB liability	28.24%	26.03%	20.66%	24.92%	10.38%	12.96%	13.83%	11.57%
Covered payroll	\$ 28,983,627	\$ 31,220,001	\$ 27,116,594	\$ 29,636,017	\$ 29,774,287	\$ 28,435,953	\$ 20,667,007	\$ 27,585,521
Plan's net OPEB liability as a percentage of covered payroll	521.25%	501.71%	593.56%	490.19%	1261.56%	926.04%	1155.32%	945.27%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Assumption changes - there were no changes of assumptions in 2024.

Benefit changes - there were no changes to benefits in 2024.

CITY OF LANSING
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	State and Federal Grants - Special Revenue	Public Safety Capital Projects	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 16,937,271	\$ 11,916,216	\$ -	\$ 1,822,038	\$ 30,675,525
Cash and cash equivalents - restricted	3,132,061	-	172,698,171	31,027,412	206,857,644
Equity in pooled cash and investments	6,517,404	-	1,011	44,590,078	51,108,493
Investments	-	-	-	1,846,087	1,846,087
Receivables					
Accounts, net	29,360,751	-	4,750	4,827,796	34,193,297
Taxes receivable, net	1,147,791	-	-	-	1,147,791
Special assessments	-	-	-	9,610,828	9,610,828
Loans	-	30,000	-	1,185,000	1,215,000
Leases	401,310	-	-	-	401,310
Accrued interest	-	-	-	2,468,696	2,468,696
Due from other funds	-	-	-	1,931,186	1,931,186
Due from other governmental units	6,754,253	13,444,340	-	8,001,625	28,200,218
Inventories	-	-	-	1,461,219	1,461,219
Prepays	1,035,441	-	-	-	1,035,441
TOTAL ASSETS	\$ 65,286,282	\$ 25,390,556	\$ 172,703,932	\$ 108,771,965	\$ 372,152,735
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 11,961,631	\$ 2,059,765	\$ -	\$ 3,489,855	\$ 17,511,251
Accrued payroll	2,467,285	20,899	-	53,360	2,541,544
Due to other governmental units	2,308,685	6,174	-	93,764	2,408,623
Indemnity bonds	-	-	-	43,867	43,867
Other liabilities	2,775,232	-	-	32,438	2,807,670
Due to other funds	-	-	-	1,931,186	1,931,186
Unearned revenue	380,924	23,265,992	-	1,020,194	24,667,110
TOTAL LIABILITIES	19,893,757	25,352,830	-	6,664,664	51,911,251
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - fees	4,331,845	-	-	-	4,331,845
Unavailable revenue - leases	404,343	-	-	-	404,343
Unavailable revenue - contracts	4,491	-	-	-	4,491
Unavailable revenue - loans and accrued interest receivable	-	37,726	-	10,556,219	10,593,945
Unavailable revenue - special assessments	-	-	-	9,243,949	9,243,949
TOTAL DEFERRED INFLOWS OF RESOURCES	4,740,679	37,726	-	19,800,168	24,578,573
FUND BALANCES					
Nonspendable	1,035,441	-	-	3,515,175	4,550,616
Restricted	7,792,610	-	172,703,932	68,374,918	248,871,460
Committed	282,524	-	-	10,417,040	10,699,564
Assigned	175,000	-	-	-	175,000
Unassigned	31,366,271	-	-	-	31,366,271
TOTAL FUND BALANCES	40,651,846	-	172,703,932	82,307,133	295,662,911
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 65,286,282	\$ 25,390,556	\$ 172,703,932	\$ 108,771,965	\$ 372,152,735

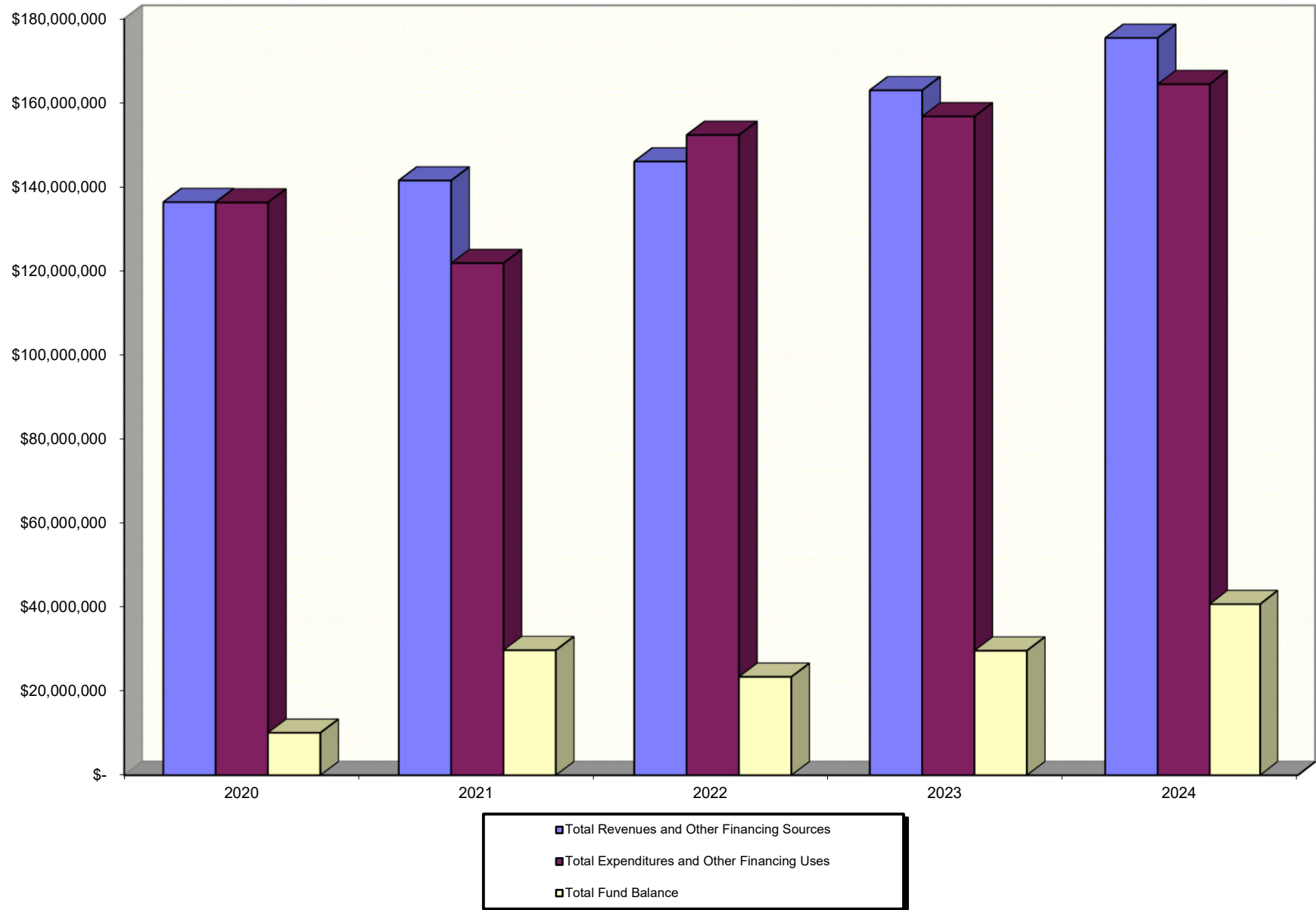
The accompanying notes are an integral part of the financial statements.

CITY OF LANSING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

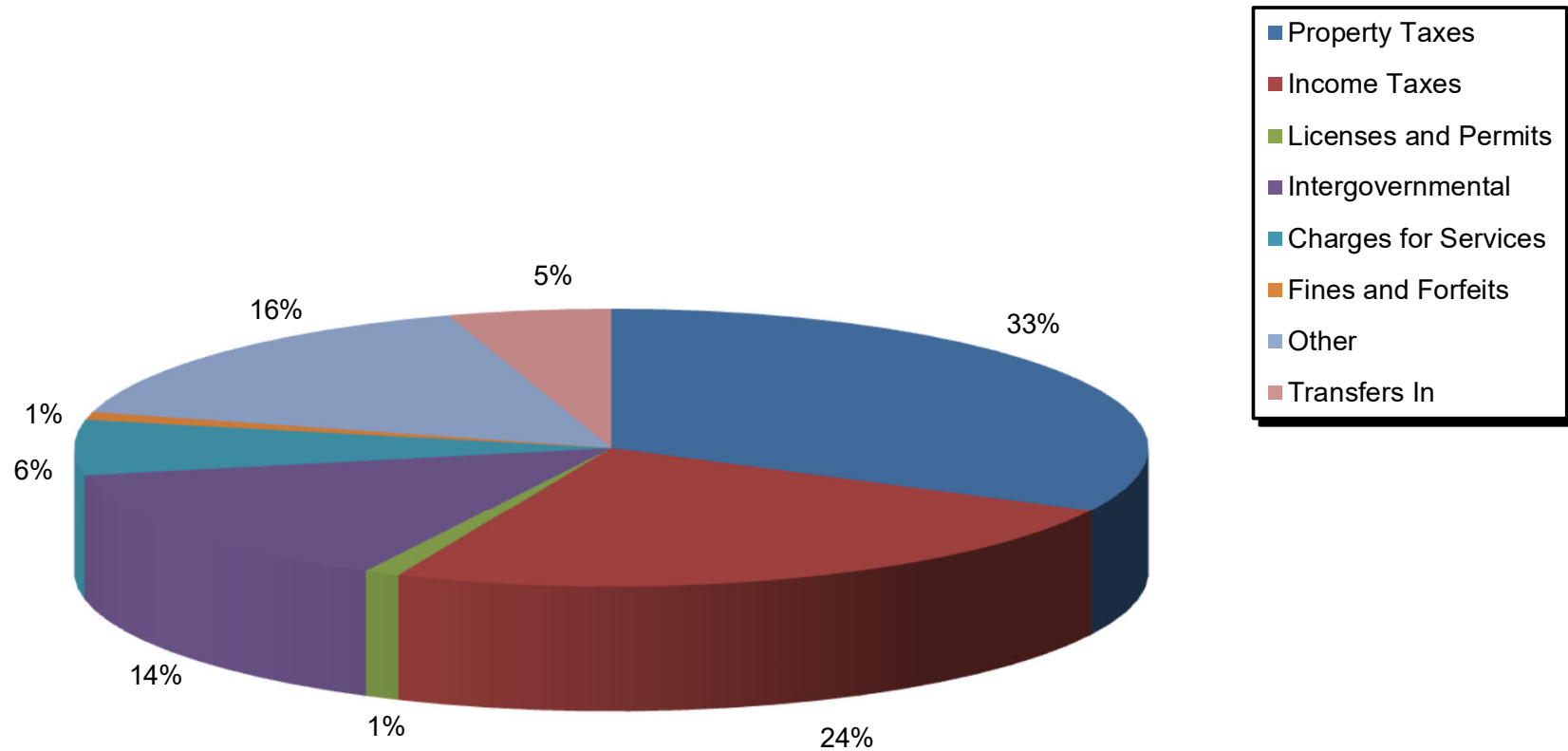
	General	State and Federal Grants - Special Revenue	Public Safety Capital Projects	Nonmajor Governmental Funds	Total
REVENUES					
Property taxes and special assessments	\$ 56,921,024	\$ -	\$ -	\$ 12,272,942	\$ 69,193,966
Income taxes	42,184,295	-	-	-	42,184,295
Licenses and permits	1,871,789	-	-	-	1,871,789
Intergovernmental	25,096,790	30,719,070	-	31,795,552	87,611,412
Charges for services	11,227,405	-	-	5,407,245	16,634,650
Fines and forfeits	1,605,604	-	-	167,950	1,773,554
Interest and rents	1,137,928	1,716,319	6,235,762	2,463,763	11,553,772
Other	26,784,106	79,803	-	442,770	27,306,679
TOTAL REVENUES	166,828,941	32,515,192	6,235,762	52,550,222	258,130,117
EXPENDITURES					
Current					
General government	18,950,244	3,052,717	-	2,963,720	24,966,681
Public safety	95,867,689	4,753,221	-	3,552,393	104,173,303
Public works	9,663,037	9,044,068	-	-	18,707,105
Judicial	8,644,768	-	-	-	8,644,768
Health and welfare	1,836,148	357,298	-	-	2,193,446
Highways and streets	-	-	-	11,649,145	11,649,145
Recreation and culture	8,832,477	200,000	-	-	9,032,477
Community and economic development	9,911,517	7,099,037	-	2,188,032	19,198,586
Debt service					
Principal	1,436,000	-	-	4,472,306	5,908,306
Interest and fiscal charges	409,302	-	-	9,602,656	10,011,958
Capital outlay	-	-	4,689,235	13,394,395	18,083,630
TOTAL EXPENDITURES	155,551,182	24,506,341	4,689,235	47,822,647	232,569,405
EXCESS OF REVENUES OVER EXPENDITURES	11,277,759	8,008,851	1,546,527	4,727,575	25,560,712
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	20,000,000	20,000,000
Bond premium	-	-	-	571,444	571,444
Transfers in	8,636,220	278,649	-	12,678,326	21,593,195
Transfers out	(8,923,630)	(8,287,500)	-	(4,382,065)	(21,593,195)
TOTAL OTHER FINANCING SOURCES (USES)	(287,410)	(8,008,851)	-	28,867,705	20,571,444
NET CHANGE IN FUND BALANCES	10,990,349	-	1,546,527	33,595,280	46,132,156
Fund balances, beginning of year	29,661,497	-	171,157,405	48,711,853	249,530,755
Fund balances, end of year	\$ 40,651,846	\$ -	\$ 172,703,932	\$ 82,307,133	\$ 295,662,911

The accompanying notes are an integral part of the financial statements.

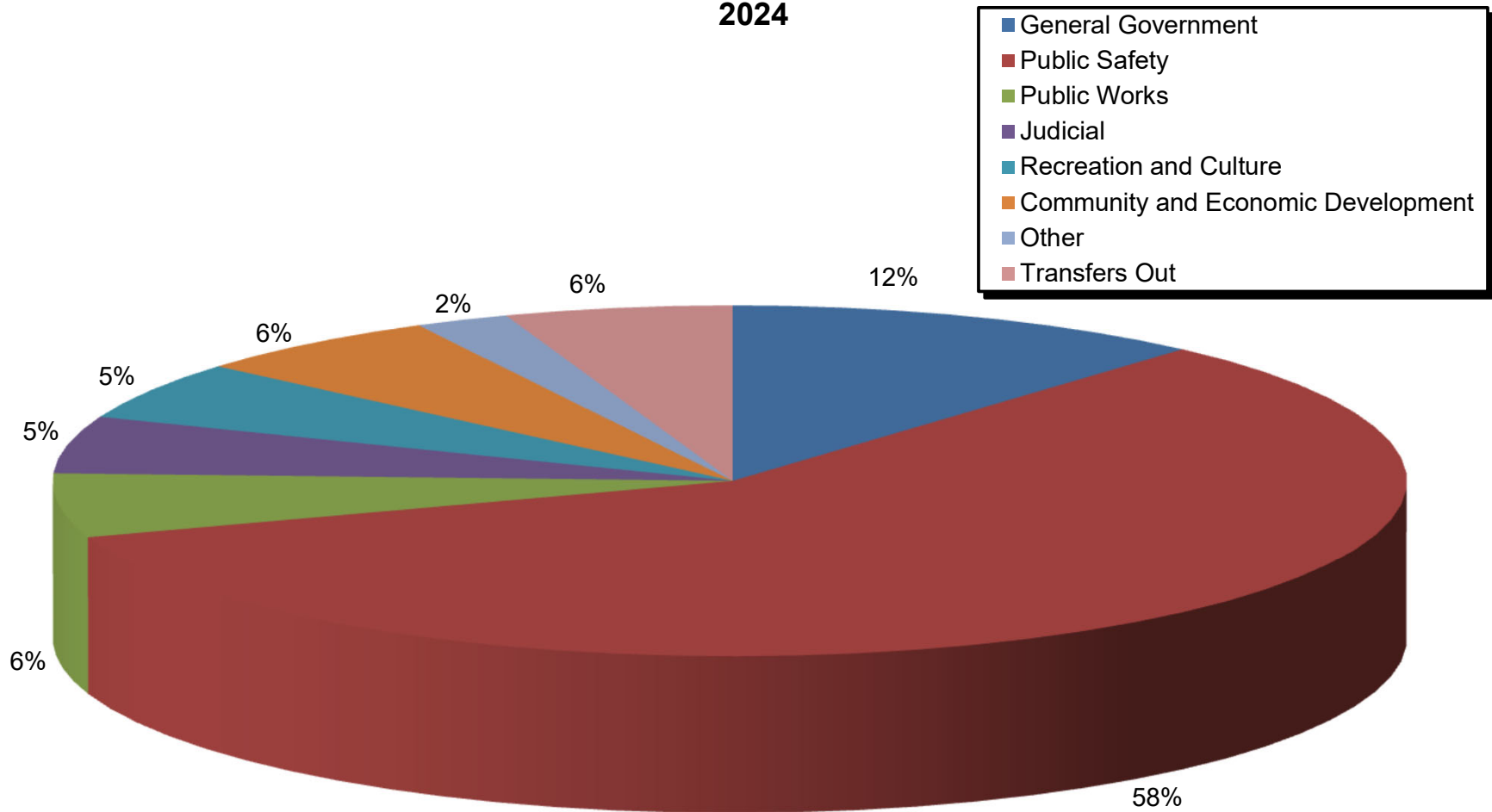
**City of Lansing
General Fund Total Revenues, Expenditures, and Fund Balance**



**City of Lansing
General Fund
Total Revenues and Other Financing Sources
2024**



**City of Lansing
General Fund
Total Expenditures and Other Financing Uses
2024**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and
Members of the City Council
City of Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 10, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control we consider to be a material weakness and significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

2024-001 MATERIAL JOURNAL ENTRIES

Condition: Material journal entries for the proper recognition of various financial statement amounts within the City's accounting records were recorded after year end, some of which were proposed by the auditors. In addition, we received several revisions to the City's trial balance (the final version coming in late November 2024), each of which contained material corrections to previous trial balances. A similar issue was noted and reported last year as 2023-001.

2024-001 MATERIAL JOURNAL ENTRIES (concluded)

Criteria: Management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the recording of all appropriate journal entries to assure the trial balance from which the financial statements are prepared, reflect amounts that are in conformity with U.S. generally accepted accounting principles.

Cause: The Finance Department relies significantly on other Departments providing information to them for proper recording of transactions in the financial statements. A number of these Departments were behind in getting this information to the Finance Department. These issues have placed a significant burden on the month and year end close processes and have contributed to journal entries not being completed in a timely manner. We noted that this process did improve in the current fiscal year, however this was still a systemic issue for the City.

Effect: The accounting records were initially misstated by amounts material to the financial statements. Certain applicable adjustments were brought to the attention of management and were subsequently recorded in the general ledger.

Recommendation: We recommend that the City take steps to assure that material journal entries are not necessary at the time future audit analysis is performed.

Corrective Action Response: The Finance Team will continue the efforts begun this year regarding the identification and correction of potential errors in the financial statements prior to the beginning of future audits. The Finance Team will meet to review adjustments made to this year's financial statements and bottlenecks that were encountered and will develop a plan to address the most significant issues in a more timely manner going forward. Within budget constraints, Management will look to increase staffing levels and/or obtain temporary assistance earlier in the fiscal year, both within the Finance Department as well as other key departments, in order to perform more timely analyses of the various account balances. At the end of fiscal year 2024, Finance implemented a new General Ledger software package, which ultimately will also help to resolve this issue.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency described below to be a significant deficiency:

2024-002 PAYROLL PROCESS

Condition: The City has procedures in place to ensure that employees are being paid at the correct rate and for the actual number of hours worked, but much of the data entry of this process continues to be manual and payroll can be submitted and paid before applicable department management reviews and approves their departmental staff payroll data. While no inappropriate transactions were noted during our testing of the payroll process, this is a systemic issue. A similar issue was noted and reported last year as 2023-002.

Criteria: Payroll should be reviewed and approved prior to disbursement of funds.

Cause: Proper up-front detective internal controls over the payroll process were not put in place to prevent inaccurate amounts being paid to an employee.

Effect: Unauthorized amounts could be disbursed either as a result of an error or fraud and those transactions could go undetected by management until "after the fact".

2024-002 PAYROLL PROCESS (concluded)

Recommendation: We recommend an appropriate level of management, with no other access to the payroll process, be authorized to approve payroll for their respective departments. There also should be an overarching review of the payroll reports prior to each disbursement and that review should be documented.

Corrective Action Response: Payroll now runs a listing of all transactions entered manually into the payroll system outside of those entered on timecards. The report is reviewed, signed, and saved by the Payroll Tech and the Payroll and Benefits Administrator to confirm no errors are made in typing. In addition, a summary report of payroll totals is run and compared to prior payrolls for any significant differences. The report is reviewed, signed, and saved by the Payroll Tech and the Payroll and Benefits Administrator. The Human Resources Department, to whom Payroll reports, will work to implement appropriate corrective action over the payroll process at the department level, as noted above, through the implementation process of the new General Ledger software package.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

2024-003 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 the overages occurred.

Effect: Having unfavorable budget variances as described above, the City is not in compliance with Public Act 621 of 1978, as amended.

Recommendation: We recommend the City monitor expenditures against adopted budgets in all applicable funds and make appropriate budget amendments as needed.

Corrective Action Response: The City will continue to make improvements in control of revenue and expenditures and budget conservatively in order to maintain the City's fiscal health. The City has a Chief Strategy Officer/Budget Director and is working with departments to be more proactive and responsive to City needs and to identify necessary changes during the fiscal year. Correcting this issue will be one of their principal tasks. We will continue to work with the various departments to be more aware of the status of their actual vs budget status throughout the year. Upgrades to the City's financial software will also help with this in the future.

City of Lansing's Responses to Findings

The City's responses to the findings identified in our audit are described above. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maney Costeiran PC

December 10, 2024

Questions?



Thank you for your time.

William I. Tucker IV, CPA
Principal

Tyler P. Baker, CPA
Senior Manager

Maner Costerisan
Certified Public Accountants
Business & Technology Advisors
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Lansing, MI 48912
(517) 323-7500



**CITY OF LANSING
INTERNAL AUDITOR**
124 W MICHIGAN AVE FL 10
LANSING MI 48933-1605
(517) 483-4159

Date: January 22, 2025
To: Committee Of the Whole
From: Charles H Randall, Internal Auditor
Subject: City of Lansing Fiscal Year-End 2024 Analysis of Financial Position

Overview

This report is being issued in accordance with Lansing City Charter Section 3-402.4 ("As soon as possible after the close of each fiscal year, the Internal Auditor shall provide an analysis of the financial position of the City. The report shall be a public record.") The 2024 fiscal year-end was closed when the ACFR was issued on December 10, 2024. Internal Audit reviewed the following items to prepare this report:

- City of Lansing - Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2024. Included Maner Costerisan's Independent Auditor's Report dated December 10, 2024
- Maner Costerisan - Internal Control Letter dated December 10, 2024
- Maner Costerisan - Governance Letter dated December 10, 2024
- Michigan Department of Treasury - Auditing Procedures Report submitted December 18, 2024
- Michigan Department of Treasury - Qualifying Statement submitted December 19, 2024

Executive Summary

The audit report was unqualified, commonly referred to as "clean".

The auditor had no significant difficulties with management.

Three audit issues repeated from last year:

- Material Weakness in Material Journal Entries,
- Significant Deficiency in Payroll Process, and
- Statutory Non-Compliance for unfavorable budget variances.

The city did not exceed their statutory or constitutional debt limit.

The city was not in violation of provisions in the covenants for an outstanding security.

The city was not in default for any debt which they are financially liable.

The city was not in violation of any State or Federal finance or tax related statutes. The city will submit a deficit elimination plan to the Department of Treasury for \$5M of unrestricted fund deficit in the Fringe Benefits fund.

Analysis of Financial Position

Total net change in position improved \$117.25M overall and switched net position from a deficit of \$65.7M to positive \$51.5M.

General fund balance was up \$11M to \$40.65M with \$166.8M in revenue and \$155.56M of expenditures.

All OBEB (retirement) funds ended with positive net positions totaling of \$630M and positive changes in net position totaling \$53M.

Financial Statement Highlights

Measure	\$	Measure	\$
General Fund Revenue	166,828,941	Governmental net position	-236,523,018
General Fund Expenditure	155,551,182	Business type net position	288,030,565
General Fund Other financing net sources/(uses)	-287,410	Component units total net Position	-54,497,630
General Fund Beginning Balance	29,661,497	Governmental Activities Long-Term Debt	284,802,324
General Fund Ending Balance	40,651,846	Governmental Fund Revenues	258,130,117



Presentations:

B. City of Lansing Annual Audit Fiscal Year Ending 6/31/2024- Maner Costerisan

Multiple Documents too large for publication.

Viewing of documents can be found on the website:

<https://www.lansingmi.gov/227/Public-Notices-Documents-on-File>



LANCING, MICHIGAN

November 30, 2024

Maner Costerisan
2425 E. Grand River Avenue, Suite 1
Lansing, MI 48912

This representation letter is provided in connection with your audit of the financial statements of the business-type activities and each major fund of the Lansing Entertainment and Public Facilities Authority (the "Authority"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 30, 2024, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable, including those measured at fair value, are reasonable.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.
10. In regards to the nonattest services performed by you as identified in the attached addendum we have:
 - a. Made all management decisions and performed all management functions.
 - b. Designated an individual with suitable skill, knowledge, or experience to oversee the services.
 - c. Evaluated the adequacy and results for the services performed.
 - d. Accepted responsibility for the results of the services.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Authority or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. Except as made known to you, we have no knowledge of any fraud or suspected fraud that affects the Authority and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements
18. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transaction of which we are aware.

Government - Specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
23. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
24. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

27. As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
28. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
29. The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
31. The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
32. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
33. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
34. Provisions for uncollectible receivables have been properly identified and recorded.
35. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
36. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
37. Capital assets, included infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
38. We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
39. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
40. We have provided all leases and SBITAs subject to GASB 87 and GASB 96 and appropriately recorded them at the fund level and have evaluated that it is not significant to the Authority.

Signature: _____ Signature: _____

Title: _____ Title: _____

ADDENDUM TO REPRESENTATION LETTER

As part of the audit engagement, you have provided these services as “non-attest” or “non-audit” services.

- Preparation of the financial statements, including the related notes, required and additional supplementary information.
- Assistance with the preparation and submission of audit financial information required by law or regulations.
- Assistance with, or the preparation of, year-end adjusting journal entries and work papers.
- Access to a secure portal for use in exchanging information electronically.

**LANSING ENTERTAINMENT AND PUBLIC
FACILITIES AUTHORITY**

REPORT ON FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, Members of the City Council, and
Members of the Board of Commissioners of the
Lansing Entertainment and Public Facilities Authority
Lansing, Michigan

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the Lansing Entertainment and Public Facilities Authority (the Authority), a discretely presented component unit of the City of Lansing, Michigan, as of and for the year ended June 30, 2024, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Lansing Entertainment and Public Facilities Authority as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Exclusive Presentation

As discussed in Note 1, the financial statements present only the Authority and do not purport to, and do not present fairly the financial position of the City of Lansing, Michigan, as of June 30, 2024, and the changes in its financial position, or where applicable, its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

November 30, 2024

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Lansing Entertainment and Public Facilities Authority (the "Authority") we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2024.

Financial Highlights

Total net position	\$ 5,649,825
Change in total net position	2,663,226

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of:

- The *statement of net position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The *statement of revenues, expenses, and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.
- The *statement of cash flows* presents the change in the Authority's cash and cash equivalents for the most recent fiscal year.
- The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$5,649,825 at the close of the most recent fiscal year.

By far the largest portion of the Authority's net position (63.6%) is its unrestricted net position which may be used to meet the Authority's ongoing obligations to system users and creditors.

Another portion of net position (1.4%) is restricted by contractual agreement to maintain in an event development cash reserve for Jackson Field to provide a source of monies from which to finance events at the Jackson Field.

The remaining portion of the net position (35.0%) is its investment in capital assets (e.g., machinery and equipment, and right to use assets); less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services; consequently, these assets are *not* available for future spending.

At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

The Lansing Center, Jackson Field, Groesbeck Golf Course and Center Park Productions reported a net position of \$3,291,302, \$1,361,966, \$849,387 and \$147,170, respectively.

	Net Position	
	2024	2023
Assets		
Current and other assets	\$ 7,712,323	\$ 5,282,749
Capital assets, net	2,246,864	62,509
Total assets	9,959,187	5,345,258
Current liabilities	4,082,923	2,358,659
Non-Current Liabilities	226,439	-
Total Liabilities	4,309,362	2,358,659
Net Position		
Net investment in capital assets	1,976,542	41,944
Restricted	80,000	80,000
Unrestricted	3,593,283	2,864,655
Total net position	\$ 5,649,825	\$ 2,986,599
	Change in Net Position	
	2024	2023
Operating revenues	\$ 7,394,183	\$ 6,503,225
Operating expenses	9,727,637	8,774,515
Operating loss	(2,333,454)	(2,271,290)
Nonoperating revenues	4,996,680	3,547,276
Change in net position	2,663,226	1,275,986
Net position, beginning of year	2,986,599	1,710,613
Net position, end of year	\$ 5,649,825	\$ 2,986,599

The Authority's net position increased by \$2,663,226 for fiscal year 2024, compared to an increase of \$1,275,986 for fiscal year 2023. Key elements of the 2024 increase include:

- Revenues of the Authority increased overall; however, the Lansing Center and Groesbeck Golf Course saw increases in revenues due to the increase ability to host activities now that the pandemic is in the past and this fiscal year operated to pre-pandemic. In year booking has been the driving factor to increased events at the Lansing Center. Jackson Field is under its normal operating conditions and continues to see significant increases in operating expenses due to restrictions in funding to maintain the facility. Deferred maintenance at all facilities caused additional increases in maintenance expenses along with MLB required upgrades. The return to events at all properties created increases in staffing and expense for hiring and training staff increased as well. Grant funds help sustain operations while revenues increased. Continued concerns over the inflation and challenges associated with expenses (healthcare costs, labor costs, food costs, utilities, etc.) rising and still being able to maintain competitively in the industry while trying hard to provide a good product. Concerns over the overall conditions of the Lansing Center, Jackson Field, and Groesbeck Golf Course still exist and funding is desperately needed to stay up to industry standards and competitive for business. The substantial increase in the net position is also due to the Authority being awarded a one time grant of \$5,000,000.

Capital Assets

The Authority's investment in capital assets as of June 30, 2024 amounted to \$2,246,864 (net of accumulated depreciation). Total net capital assets increased by \$2,184,355. The decrease is due to depreciation expense in the current year net with additions related to machinery and equipment.

	Balance June 30, 2023	Net Additions/ Deletions	Balance June 30, 2024
Capital assets being depreciated/amortized			
Machinery and equipment	\$ 1,404,502	\$ 948,322	\$ 2,352,824
Building improvements	-	1,032,897	1,032,897
Right to use - machinery and equipment	101,308	184,032	285,340
Total assets being depreciated/amortized	1,505,810	2,165,251	3,671,061
Less accumulated depreciation/amortization			
Machinery and equipment	(1,360,423)	(22,100)	(1,382,523)
Building improvements	-	(25,822)	(25,822)
Right to use - machinery and equipment	(82,878)	67,026	(15,852)
Total accumulated depreciation/amortization	(1,443,301)	19,104	(1,424,197)
Capital assets, net	\$ 62,509	\$ 2,184,355	\$ 2,246,864

Additional information on the Authority's capital assets can be found in Note 5 of this report.

Long-term Obligations

	Balance July 1, 2023	Net Additions/ Deletions	Balance June 30, 2024
Business-type Activities			
Direct borrowings and direct placements	\$ 20,565	\$ 249,757	\$ 270,322

Additional information on the Authority’s long-term obligation can be found in Note 6 of this report.

Economic Factors Affecting Next Year’s Operations

The Authority is still concerned about several economic factors for all LEPFA managed properties heading into FY 2024-25. Consumer spending is concerning due to uncertainty of the economy and inflation. Continued increases to expenses at the Authority include costs of goods, labor, utilities, and employee benefits. Staffing shortages continue to be a concern heading into the upcoming fiscal year.

The Authority believes that events will continue to be held and plans to focus on strategic plans that involve growth and investment in the facilities, events, and staff. There is a strong schedule of activity at all properties, and the Authority is focused on overcoming the challenges with staffing and increased costs. There is a focus on evolving food service operations to help offset some of these challenges while still delivering great service to its customers. The cycle of events in the coming year will play a large factor in the Authority’s overall position as it typically sees a three-year cycle with some of its events.

Requests for Information

This financial report is designed to provide a general overview of the Authority’s finances for all those with an interest in the Authority’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lansing Entertainment and Public Facilities Authority, 333 E. Michigan Avenue, Lansing, Michigan 48933.

BASIC FINANCIAL STATEMENTS

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2024

	Lansing Center	Jackson Field	Groesbeck Golf Course	Center Park Productions	Total Business-type Activities
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 2,634,806	\$ 211,339	\$ 855,644	\$ 26,808	\$ 3,728,597
Cash and cash equivalents - restricted	1,576,189	80,000	-	-	1,656,189
Receivables, net	1,324,286	713,664	5,402	121,268	2,164,620
Due from other funds	-	58,531	8,676	-	67,207
Prepaid items	4,717	3,944	862	-	9,523
Inventory	63,128	-	23,059	-	86,187
Total Current Assets	5,603,126	1,067,478	893,643	148,076	7,712,323
Noncurrent Assets					
Capital assets, net	895,660	1,029,528	321,676	-	2,246,864
TOTAL ASSETS	6,498,786	2,097,006	1,215,319	148,076	9,959,187
LIABILITIES					
Current Liabilities					
Accounts payable	583,846	734,321	28,410	906	1,347,483
Accrued liabilities	488,299	719	13,281	-	502,299
Due to other funds	67,207	-	-	-	67,207
Current portion of long-term obligations	-	-	43,883	-	43,883
Unearned revenue	2,068,132	-	53,919	-	2,122,051
Total Current Liabilities	3,207,484	735,040	139,493	906	4,082,923
Noncurrent Liabilities					
Long-term obligations, net of current portion	-	-	226,439	-	226,439
TOTAL LIABILITIES	3,207,484	735,040	365,932	906	4,309,362
NET POSITION					
Net investment in capital assets	895,660	1,029,528	51,354	-	1,976,542
Restricted for Jackson Field events	-	80,000	-	-	80,000
Unrestricted	2,395,642	252,438	798,033	147,170	3,593,283
TOTAL NET POSITION	\$ 3,291,302	\$ 1,361,966	\$ 849,387	\$ 147,170	\$ 5,649,825

See accompanying notes to financial statements.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Lansing Center	Jackson Field	Groesbeck Golf Course	Center Park Productions	Total Business-type Activities
OPERATING REVENUES					
Building rental	\$ 886,781	\$ -	\$ -	\$ -	\$ 886,781
Security	79,265	-	-	-	79,265
Food services	3,478,979	-	122,590	-	3,601,569
Equipment rental	995,335	-	228,646	-	1,223,981
Box office	51,731	-	-	-	51,731
Labor/service	436,868	-	-	-	436,868
Trade show utilities	110,967	-	-	-	110,967
Greens fees	-	-	581,459	-	581,459
Sponsorships	209,063	-	-	-	209,063
Other	176,975	4,181	31,343	-	212,499
TOTAL OPERATING REVENUES	6,425,964	4,181	964,038	-	7,394,183
OPERATING EXPENSES					
Personnel services	2,460,017	172,115	497,386	-	3,129,518
Food and beverage	1,612,765	-	73,913	-	1,686,678
Communications	65,554	5,972	13,946	-	85,472
Rents	47,383	-	49,435	-	96,818
Professional services	775,853	16,679	7,116	-	799,648
Utilities	1,033,784	170,516	26,679	-	1,230,979
Marketing	196,389	-	13,335	-	209,724
Repairs and maintenance	616,881	72,642	71,540	-	761,063
Supplies and materials	138,020	10,375	84,275	-	232,670
Insurance	117,293	48,689	15,309	-	181,291
Events	872,127	-	-	-	872,127
Security	145,028	-	-	-	145,028
Depreciation/amortization	13,748	28,377	40,079	-	82,204
Bad debt expense	3,385	-	-	-	3,385
Other	158,813	51,911	-	308	211,032
TOTAL OPERATING EXPENSES	8,257,040	577,276	893,013	308	9,727,637
OPERATING INCOME (LOSS)	(1,831,076)	(573,095)	71,025	(308)	(2,333,454)
NONOPERATING REVENUES					
Intergovernmental	909,034	1,072,152	-	-	1,981,186
Annual operating subsidy - City of Lansing	1,297,555	679,476	96,383	-	2,073,414
Pass-through of hotel/motel tax collections from Greater Lansing Convention and Visitors Bureau	942,080	-	-	-	942,080
TOTAL NONOPERATING REVENUES	3,148,669	1,751,628	96,383	-	4,996,680
CHANGE IN NET POSITION	1,317,593	1,178,533	167,408	(308)	2,663,226
Net Position, beginning of year	1,973,709	183,433	681,979	147,478	2,986,599
Net Position, end of year	<u>\$ 3,291,302</u>	<u>\$ 1,361,966</u>	<u>\$ 849,387</u>	<u>\$ 147,170</u>	<u>\$ 5,649,825</u>

See accompanying notes to financial statements.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	Lansing Center	Jackson Field	Groesbeck Golf Course	Center Park Productions	Total Business-type Activities
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	\$ 8,432,120	\$ 39,897	\$ 948,368	\$ 5,952	\$ 9,426,337
Cash payments for goods and services	(5,776,630)	(353,757)	(370,469)	(308)	(6,501,164)
Cash payments to employees	(2,435,193)	(172,115)	(488,411)	-	(3,095,719)
Cash receipts (payments) for interfund services	583,544	(180,208)	(403,336)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	803,841	(666,183)	(313,848)	5,644	(170,546)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash transfers from the City of Lansing	1,297,555	679,476	96,383	-	2,073,414
Cash transfers from the Convention and Visitors Bureau	942,080	-	-	-	942,080
Intergovernmental	909,034	539,831	-	-	1,448,865
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	3,148,669	1,219,307	96,383	-	4,464,359
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Payments related to lease payable	-	-	(35,583)	-	(35,583)
Payments for acquisition of capital assets	(902,082)	(500,576)	(46,240)	-	(1,448,898)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(902,082)	(500,576)	(81,823)	-	(1,484,481)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,050,428	52,548	(299,288)	5,644	2,809,332
Cash and cash equivalents, beginning of year	1,160,567	238,791	1,154,932	21,164	2,575,454
Cash and cash equivalents, end of year	<u>\$ 4,210,995</u>	<u>\$ 291,339</u>	<u>\$ 855,644</u>	<u>\$ 26,808</u>	<u>\$ 5,384,786</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (1,831,076)	\$ (573,095)	\$ 71,025	\$ (308)	(2,333,454)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation/amortization	13,748	28,377	40,079	-	82,204
(Increase)/decrease in:					
Accounts receivable	412,517	35,716	(3,701)	5,952	450,484
Due from other funds	516,337	(58,531)	(8,676)	-	449,130
Prepaid items	7,361	(137)	8,146	-	15,370
Inventory	10,125	-	(13,030)	-	(2,905)
Increase/(decrease) in:					
Accounts payable	(10,841)	23,164	(10,037)	-	2,286
Accrued liabilities	24,824	-	8,975	-	33,799
Due to other funds	67,207	(121,677)	(394,660)	-	(449,130)
Unearned revenue	1,593,639	-	(11,969)	-	1,581,670
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 803,841	\$ (666,183)	\$ (313,848)	\$ 5,644	\$ (170,546)
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets on account	<u>\$ -</u>	<u>\$ (532,321)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (532,321)</u>

See accompanying notes to financial statements.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Lansing Entertainment and Public Facilities Authority (the "Authority") was established under the charter of the City of Lansing in February 1996, replacing the former Greater Lansing Convention/Exhibition Authority. The Authority was established to oversee the management and operations of the Lansing Center, Jackson Field, and Groesbeck Golf Course under an agreement with the City of Lansing.

The Authority is chartered as a building authority under the provisions of Act 31, Public Acts of Michigan, 1948. In the event of dissolution or termination of the Authority, all assets and rights of the Authority shall revert to the City of Lansing. The Authority's Board of Commissioners consists of nine members appointed by the Mayor of the City of Lansing and approved by the City Council, and three ex-officio members.

Center Park Productions, a not-for-profit entity, was organized to perform activities in support and furtherance of the purposes of its sole member, Lansing Entertainment and Public Facilities Authority, and is therefore reported as a blended component unit of the Authority. The Entity's Board of Directors consists of six members appointed by the Board of Directors of the Authority. Center Park Productions is presented in the accompanying financial statements on its fiscal year end of December 31.

The accompanying financial statements present the financial position and results of operations of the Authority. They do not purport to, and do not present fairly, the net position of the City of Lansing, Michigan and changes in its net position or cash flows in conformity with accounting principles generally accepted in the United States of America. The Authority is a discretely presented component unit of the City of Lansing.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The financial statements present the Authority's individual major funds. The major individual enterprise funds are reported as separate columns in the financial statements. The Authority reports the Lansing Center, Jackson Field, Groesbeck Golf Course, and Center Park Productions enterprise funds as major funds. Each fund accounts for the activities of its respective facility/event.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for facility rentals, sales, and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Also with this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the Statement of Net Position. Fund equity (i.e., net position) is segregated into net investment in capital assets, restricted, and unrestricted components.

**LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Assets, Liabilities, and Equity

Deposits and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize governments to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). Other receivables, generated in the normal course of providing services to customers, are shown net of doubtful accounts where applicable. Payables are related to amounts due and payable to vendors at year-end for liabilities incurred and paid for subsequent to year-end. Accrued liabilities include wages payable, payroll taxes payable, insurance payable, and benefits payable.

Inventory and Prepaid Items

Inventory is valued at cost using the first-in/first-out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets are limited to equipment and right to use assets. Equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets ranging from three to ten years. Right to use assets of the Authority are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives, which is three years. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$500 and an estimated useful life of three years. Facilities managed by the Authority are owned by the City of Lansing and, as such, the carrying values of these properties are reflected in the City's financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Unearned Revenue

Unearned revenue consists of amounts received prior to the delivery of goods/service or expenditure for allowable costs. Unearned revenue also consists of funds received from state government for a grant where funds were received but expenditures were not allocated in order to recognize the full amount of grant funds received.

Cash and Cash Equivalent Reserves

Under the terms of the Authority's operating agreement with the City of Lansing, the Authority is required to restrict \$50,000 annually for capital improvements and/or replacements. Any such monies unexpended shall be carried forward to future years. For the year ended June 30, 2024, all such restricted monies were expended on capital improvements, leaving a zero balance in restricted assets for capital improvements at year end.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Assets, Liabilities, and Equity (continued)

Cash and Cash Equivalent Reserves (continued)

Under an amendment to the operating agreement with the City of Lansing, the Authority is also required to maintain an event development cash reserve fund for Jackson Field to provide a source of monies from which to finance events at the Jackson Field. The fund was established by an initial contribution from the City and may be increased up to certain limits by the amount of any profits earned from such events. Restricted assets for event development amounted to \$80,000 at June 30, 2024. An equal amount of net position is reported as restricted on the statement of net position.

In July 2023, the Authority received a \$6.5 million grant from the State of Michigan intended to be used for upgrades to the Authority's facilities with \$5.0 million of the grant to be allocated to facility upgrades at the Lansing Center and \$1.5 million being allocated to facility upgrades at Jackson Field. Restricted assets for the facility upgrades to the Lansing Center amounted to \$1,576,189 as of June 30, 2024.

The Authority's Board of Commissioners has also established a cash reserve account to ensure reasonable liquidity for Lansing Center operations. The balance of this cash reserve as of June 30, 2024 was \$1,345,625 and has been formally set aside by the Board of Commissioners as designated for the above purpose. Generally, the reserve is intended to provide up to 60 days of operating cash. The account is adjusted annually for the prior year operating results.

Leases

Lessee: The Authority is a lessee for noncancelable leases of equipment. The Authority recognizes a lease liability and an intangible right-to-use lease asset in the statement of net position. The Authority recognizes lease liabilities with an initial, individual value that it considers significant to the statement of net position, or with annual lease payments that are considered significant to the fund in which they are accounted for.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Leases (continued)

The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the leased assets and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

NOTE 2 - DEPOSITS AND INVESTMENTS

In accordance with Michigan Compiled Laws, the Authority is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services, and which matures more than 270 days after the date of purchase.
- d. The United States government or Federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States Banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

A reconciliation of cash and cash equivalents as shown on the statement of net position follows:

Statement of net position	
Cash and cash equivalents	\$ 3,728,597
Cash and cash equivalents - restricted	<u>1,656,189</u>
Total	<u>\$ 5,384,786</u>
Deposits	
Bank deposits - checking and savings accounts	\$ 5,355,671
Cash on hand	<u>29,115</u>
Total	<u>\$ 5,384,786</u>

Interest Rate Risk

State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of state law on investment credit risk.

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. State law does not require, and the Authority does not have a policy for, deposit custodial credit risk. As of year end, \$5,468,369 of the Authority's bank balance of \$5,718,369 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Authority's investment policy does not specifically address this risk, although the Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Authority evaluates each financial institution with which it deposits Authority funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - TRANSACTIONS WITH THE CITY OF LANSING

For the year ended June 30, 2024, the City of Lansing provided annual operating subsidies to the Authority in the amount of \$2,073,414 for the Lansing Center, Jackson Field, and Groesbeck Golf Course Funds.

NOTE 4 - RECEIVABLES

Receivables are composed entirely of amounts due from customers (net of an allowance for doubtful accounts in the amount of \$25,280) and due from other governmental units. Accounts receivable as of June 30, 2024, were as follows:

Accounts receivable, net	\$ 1,457,458
Accounts receivable - Due from other governmental units	<u>707,162</u>
Total receivables	<u><u>\$ 2,164,620</u></u>

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets being depreciated/amortized				
Machinery and equipment	\$ 1,404,502	\$ 948,322	\$ -	\$ 2,352,824
Building improvements	-	1,032,897	-	1,032,897
Right to use - machinery and equipment	<u>101,308</u>	<u>285,340</u>	<u>(101,308)</u>	<u>285,340</u>
Total assets being depreciated/amortized	<u>1,505,810</u>	<u>2,266,559</u>	<u>(101,308)</u>	<u>3,671,061</u>
Less accumulated depreciation/amortization				
Machinery and equipment	(1,360,423)	(22,100)	-	(1,382,523)
Building improvements	-	(25,822)	-	(25,822)
Right to use - machinery and equipment	<u>(82,878)</u>	<u>(34,282)</u>	<u>101,308</u>	<u>(15,852)</u>
Total accumulated depreciation/amortization	<u>(1,443,301)</u>	<u>(82,204)</u>	<u>101,308</u>	<u>(1,424,197)</u>
Capital assets, net	<u><u>\$ 62,509</u></u>	<u><u>\$ 2,184,355</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,246,864</u></u>

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations for the Authority for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Amounts Due Within One Year
Business-type Activities					
Direct borrowings and direct placements	<u>\$ 20,565</u>	<u>\$ 285,340</u>	<u>\$ (35,583)</u>	<u>\$ 270,322</u>	<u>\$ 43,883</u>

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

Long-term obligations at June 30, 2024 are comprised of the following issues:

Direct Borrowing and Direct Placement

\$239,355 Golf Cart lease dated April 2024, due in installments of \$7,338 to through October 2029, with imputed interest of 3.5%, payable six times per year. \$ 226,757

\$45,985 Golf Cart lease dated April 2024, due in installments of \$1,410 to through October 2029, with imputed interest of 3.5%, payable six times per year. 43,565

\$ 270,322

The Authority's outstanding notes from direct borrowings and direct placements related to business-type activities of \$270,322 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

The annual requirements to amortize long-term obligations outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Direct Borrowings and Direct Placements	
	Principal	Interest
2025	\$ 43,883	\$ 8,607
2026	45,441	7,046
2027	47,061	5,430
2028	48,734	3,757
2029	50,468	2,021
Thereafter	34,735	253
	<u>\$ 270,322</u>	<u>\$ 27,114</u>

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - INTERFUNDS

Short-term interfund receivables and payables are considered due to and due from other funds. These amounts due from and to other funds at year-end are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Lansing Center Fund	\$ -	\$ 67,207
Jackson Field Fund	58,531	-
Groesbeck Golf Course Fund	8,676	-
	<u>\$ 67,207</u>	<u>\$ 67,207</u>

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 8 - DEFINED CONTRIBUTION PENSION PLAN

The Authority has a defined contribution pension plan covering substantially all full-time employees who have completed 120 days of employment. The Authority contributes 12% of participating employees' annual compensation to the plan. Effective January 1, 2003, employees are required to contribute 7.5% of covered wages as defined in the plan; prior to that date, no employee contributions to this plan were required. Such current employee contributions are in lieu of federal social security participation. Plan provisions and contribution requirements are established and may be amended by the Authority's Board of Commissioners. Employee contributions for the year ended June 30, 2024 were \$338,799. Employer contributions for the year ended June 30, 2024 were \$240,548. At June 30, 2024, there were 39 employees participating in the plan.

NOTE 9 - RISK MANAGEMENT

The Authority is exposed to various risks of loss including losses related to issues of cyber security, liability, liquor liability, flood, inland marine, directors' and officers' liability, property, employee bonding, auto, crime, and worker' compensation which is covered through the Authority's insurance policies. The Authority carries commercial insurance to cover these risks. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage during the past three years.

NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The Authority is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

**LANSING ENTERTAINMENT AND PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor, Members of the City Council, and
Members of the Board of Commissioners of the
Lansing Entertainment and Public Facilities Authority
Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of Lansing Entertainment and Public Facilities Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Lansing Entertainment and Public Facilities Authority's basic financial statements and have issued our report thereon dated November 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described below to be a material weakness.

2024-001 MATERIAL JOURNAL ENTRIES PROPOSED BY AUDITORS

Condition: Material journal entries to properly adjust capital assets and related depreciation/amortization, unearned revenues, and grant related revenues and expenditures were proposed by the auditors. These entries were either prepared by the auditors and provided to management, who agreed to them and were subsequently recorded in the Authority's general ledger or was brought to the attention of management that an entry was needed. A similar issue was noted and reported last year as 2023-001.

Criteria: Management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows (where applicable), including the recording of all appropriate journal entries so that the trial balances, from which the audited financial statements are prepared, reflect amounts that are in conformity with U.S. generally accepted accounting principles.

Cause: These misstatements were not identified as part of the Authority's internal control procedures.

Effect: Without the recording of these journal entries the financial statements would have been materially misstated.

Recommendation: We recommend that the Authority take steps to ensure that material journal entries are not necessary at the time future audit analysis is performed.

Corrective Action Response: The Authority strives to perform necessary material journal entry adjustments prior to fiscal year end. The Authority will work to establish a policy to ensure all material journal entries are recorded prior to the commencement of audit procedures in future years.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*:

2024-002 SALES TAXES PAYABLE TO THE DEPARTMENT OF TREASURY

Condition: During our testing of accounts payable, we noted instances in which the Authority did not file returns and remit sales tax to the Department of Treasury within the required number of days following the last day of the month on which the sale was incurred.

Criteria: The General Sales Tax Act, Act 167 of 1933, MCL 205.56 (1), provides that each taxpayer, on or before the twentieth day of each month shall make out a return for the preceding month on a form prescribed by the department showing the entire amount of all sales and gross proceeds of his or her business, the allowable deductions, and the amount of tax for which he or she is liable. The taxpayer shall also transmit the return, together with a remittance for the amount of the tax, to the department on or before the twentieth day of that month.

Cause: Disbursements were not made within the twentieth day of the month subsequent to the month that the sale was incurred.

Effect: The Authority is holding onto funds owed to the Department of Treasury longer than they are allowed by state statute.

2024-002 SALES TAXES PAYABLE TO THE DEPARTMENT OF TREASURY (continued)

Recommendation: We recommend that the Authority take steps to ensure that sales taxes are remitted to the Department of Treasury within the proper number of days as required by the General Sales Tax Act.

Authority's Response to Findings

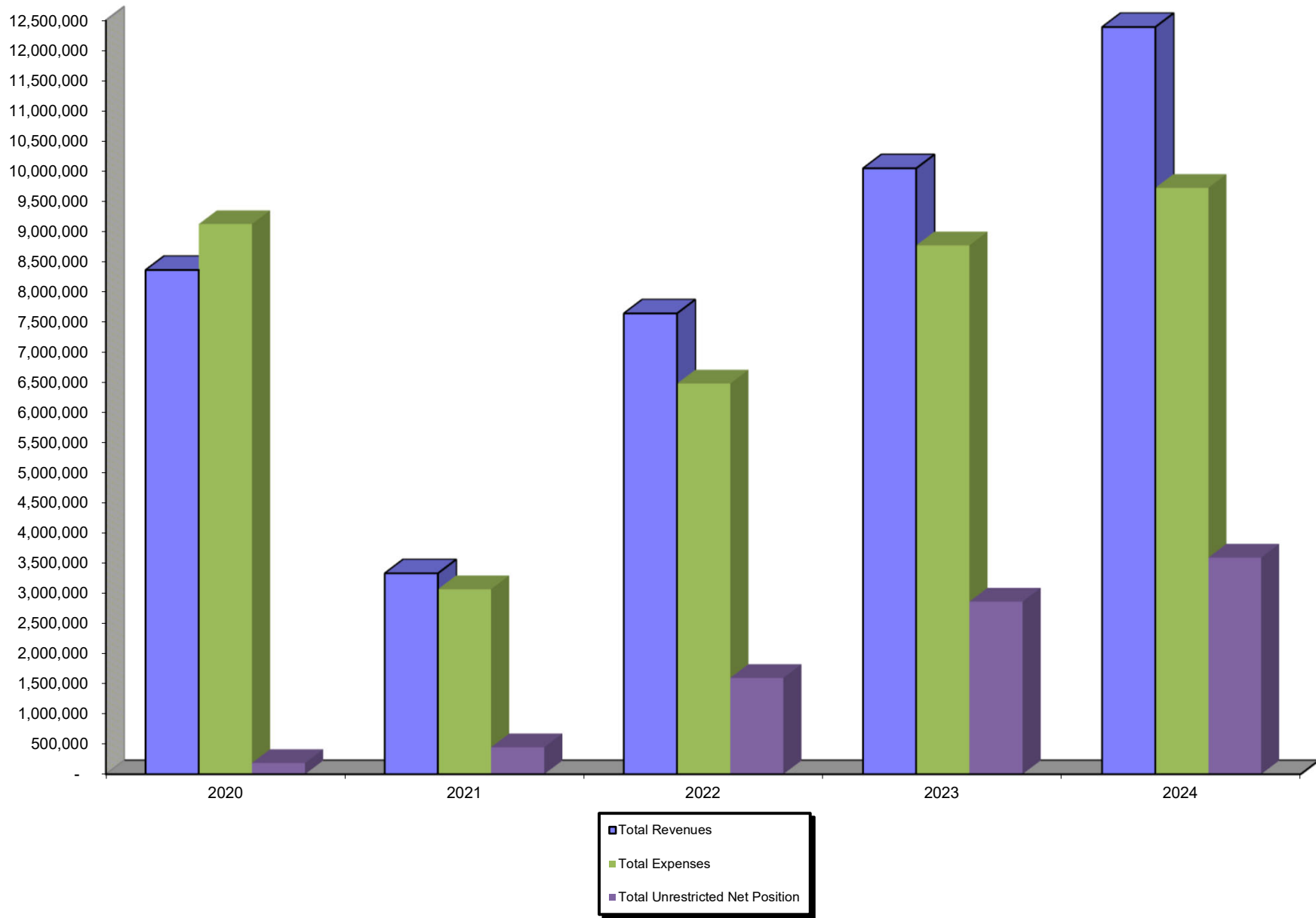
Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described above. The Authority's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 30, 2024

LEPFA
Revenues, Expenses, and Unrestricted Net Position





**CITY OF LANSING
INTERNAL AUDITOR**
124 W MICHIGAN AVE FL 10
LANSING MI 48933-1605
(517) 483-4159

Date: January 21, 2025
To: Committee Of the Whole
From: Charles H Randall, Internal Auditor
Subject: LEPFA Year-End Financial Statements

Overview

The Lansing Entertainment and Public Facilities Authority (LEPFA) year-end June 30, 2024 audit financial statements were accepted by the LEPFA Board of Commissioners on January 21, 2025.

Internal Auditor Report

The independent auditor report issued an unqualified opinion.

The report did contain a (1) material internal control over financial reporting audit issued regarding journal entries after year-end close. The title of the issue is a repeat from prior year, but the Journal Entries were for different transactions. The current issue is related to the recording of a unique (for LEPFA) material transaction. The external auditor's professional advice was obtained to remediate the recording of this transaction for proper reporting. The conditions of this issue were corrected and are not expected to reoccur.

The external auditor also noted a non-compliance with laws and regulation related to the year-end reporting of taxable revenue. Sales was misreported resulting in the submission of a correction. The conditions of this issue were corrected and are not expected to reoccur.

Financial Statement Highlights

Operating revenues for the year were \$7.4M with \$6.4 coming from the Lansing Center property. Operating expenses totaled \$9.7M with \$8.3 coming from the Lansing Center. This resulted in an operating net loss of \$2.3M with Lansing Center's share being \$1.8M.

With nonoperating revenues included (\$5M), LEPFA's net position changed a positive \$2.6M from \$3M to \$5.6M.

City of Lansing subsidized LEPFA \$2M, with \$1.3M to Lansing Center, \$680k to Jackson Field and \$96k to Groesbeck Golf Course. This is reiterated in Note 3 of the financial statements.

Note 1 of the financial statements highlights the receipt of a material grant: (“In July 2023, the Authority received a \$6.5 million grant from the State of Michigan intended to be used for upgrades to the Authority’s facilities with \$5.0 million of the grant to be allocated to facility upgrades at the Lansing Center and \$1.5 million being allocated to facility upgrades at Jackson Field. Restricted assets for the facility upgrades to the Lansing Center amounted to \$1,576,189 as of June 30, 2024.”)

Note 1 presents the leasing of golf carts occurring in 2024. Note 6 indicates the lease was for \$285,340. Note 6 also provides the present value of the long-term obligations (\$270,322) and a 5 year+ payment schedule that includes calculated future interest expense.



The Ovation Project Update

January 27, 2025

Presented by: The City of Lansing, the Lansing Public
Media Authority, and Dymaxion Development

New Design Unveiled



Project Overview

- Construction of a 75,766 square foot concert venue with a ~2,000 person capacity
- Black box theatre
- Third floor restaurant

Project Updates

- Work underway at 520 building, which will soon house the Lansing Public Media Center
 - Demo complete
 - Mural
- Final design phase nearing completion for 500 building with vertical construction commencing this Spring
- Project tracking within budget and timeline targets, with ongoing cost optimization efforts

Budget

- Funding status: fully funded
- Total Construction cost: \$28M
- Construction dollars spent to date:
\$1,438,327.89
- Private fundraising efforts ongoing

Labor Engagement & Bidding



Prevailing wage



Builder's Exchange



Building Trades Council



Interfacing with Local 333
for Plumbing and
Mechanical

Construction Economic Impact

\$17.5M

Generated for the local economy

209 full-time jobs created

\$1.1 million generated in taxes and
fees for local governments

Estimated Annual Ongoing Economic Impact

\$12.5M

Generated for the local economy

159 full-time jobs created

\$904,000 generated in taxes and fees
for local governments



OVATION
CENTER FOR MUSIC AND ARTS
PRESENTED BY *msufcu*

OvationLansing.com



The Ovation Project Spent-to-Date as of 12/31/24

Name	Description of Work	Spent to Date
Albert Kahn Associated Inc.	Architectural and Engineering	693,399.71
Triterra	Environmental Consulting	11,000
ProSoil Site Services	Privacy Screening	5,665.37
PM Environmental	Environmental Testing	30,313.15
Advanced Research Solutions	Brownfield Plan Amendment	30,000.00
Wieland	Temporary Fencing	10,064.92
Freund and Associates	Construction Management	367,225.63
Dymaxion Development LLC	Program Manager	84,414.54
Dymaxion Development LLC	Program Manager Reimbursables	2,945.85
Spalding DeDecker	Site Survey	13,750
Total		1,248,779.17

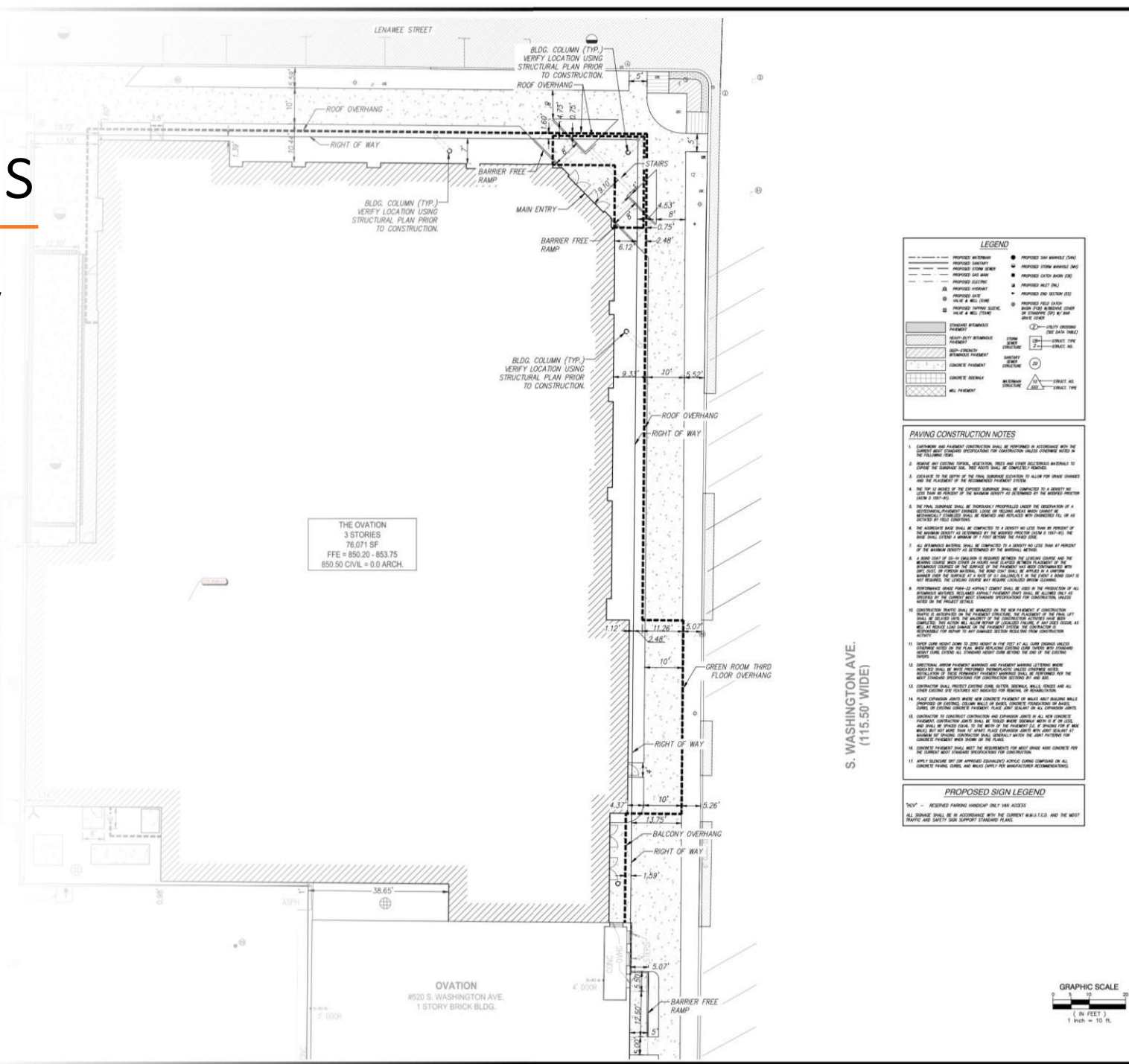
Internal Audit received this report via email from Ms. Linden on 1/7/2025. It is understood to represent the Ovation project spend to date of city funds as of 12/31/2024.

An architectural rendering of a modern, multi-story building at dusk. The building features large glass windows and balconies, with interior lights and people visible. A semi-transparent dark box with white text is centered over the building. The foreground shows a paved plaza with some landscaping and a few people walking. The sky is dark with some clouds.

Ovation Center Act 33

Encroachments

- Barrier Free Ramps at Main Entry and 520 Building
- Building Roof Overhangs Along Washington Ave & Lenawee St
- Black Box Theatre Along Washington Ave



albertKAHN

Albert Kahn Associates, Inc.
The Fisher Building
3011 W. Grand Blvd., Suite 1800
Detroit, Michigan 48202-3000

Issue History		
002 Site Demolition	8/16/24	
003 Design Development	9/1/24	
004 Act 381 Work Plan	9/1/24	
008 Site Plan Review	11/2/24	
No.	Description	Date
Refer To Sheet Index For Complete Issue History		



THE OVATION
520 S. WASHINGTON AVE.,
LANSING, MI 48933

In Charge: C. GENGLER
Designed: T. GERRISH
Drawn By: T. GERRISH / D. KATTOUJAH
Checked: _____
Approved: _____ Date: 11/15/24
Sheet Title: ACT 33 EXHIBIT
Job No.: NP24071
Sheet No.: C6.0

Purpose

- *Ensure the Facility Equitably Serves Guests Through Barrier-Free Access Accommodations*
- *Optimize Guest Experience Through Offering Weather Protection for Those Waiting to Enter the Facility*
- *Maximize Site Capabilities, Operational Stability, and Facility Offerings Through the Incorporation of a Black Box Theatre*





Barrier Free Ramp

Roof Overhangs



Black Box Theatre

Barrier Free Ramps & Stairs

Act-8-2024, 520 S Washington Ave, Use of Right of Way - STAFF REPORT

An Act 33 Review is a planning level review of the **location, character, and extent** of public improvements and City property transactions. Act 33 Reviews are conducted by the City of Lansing pursuant to the provisions of the Michigan Planning Enabling Act (P.A. 33 of 2008) and Section 208 of the Lansing Code of Ordinances.

APPLICANT	Dymaxion Development on behalf of Ovation Center for Music and Arts (the Ovation)
PROPOSAL:	Use of rights-of-way (ROW), permanent easement for building components in W Lenawee St. and S Washington Ave. rights-of-way.
PARCEL(S):	520 S Washington Ave PID # 33-01-01-16-381-007
CURRENT OWNER(S):	City of Lansing
EXISTING LAND USE & ZONING:	Use: Place of assembly, Ovation Center for Music and Arts Zoning: DT-3 Downtown Core
PROPERTY SIZE AND SHAPE:	0.91 acres, irregular
SURROUNDING ZONING & LAND USE	North: DT-3; office, off-street parking South: DT-3; residential, office, off-street parking West: DT-3; office East: DT-3; office

ANALYSIS

BACKGROUND:

The new Ovation Center building, as designed by Albert Kahn Associates proposes building components in the form of roof overhangs, an accessibility ramp, and an internal room that would extend over the W Lenawee St. and S Washington Ave street rights-of-way to be accommodated. Per City policy, non-permanent use of the ROW, such as outdoor seating or signs, is approved through license agreements, while perpetual use of the ROW, such as building foundations and components, require easements reviewed by Planning Commission and approved by City Council.

Act-2-2023 was conducted to approve the purchase of the subject property. LS-23-2023 (lot split) was conducted to approve the lot splits and subsequent lot combinations that reconfigured the entire block.

LOCATION:

The Ovation is in the 500 block of S Washington Ave., at the corner of W Lenawee St. and S Washington Ave. of Downtown.

CHARACTER:

Please see below.

EXTENT:

The character and extent of the building components within the street ROW varies.

The roof overhangs extend past the west, north, and east building façades. Along W Lenawee St., it extends up to 1.6' past the property line into the ROW. Along S Washington Ave. it extends up to 2.48' past the property line. Both overhangs are up to 50' over finished grade.

The 8' wide ramps at the entrance of the Ovation extend 4.53' and 4.73' into the W Lenawee St. and S Washington Ave. ROW, respectively. The overhangs are approximately 14.3' over finished grade along W Lenawee St. and approximately 13.8' over finished grade along S Washington Ave.

The 5' wide accessibility ramp at the entrance of the existing building on the property extends 5.07' into the S Washington Ave. ROW.

The black box theater (called Green Room on attached plan sheet) extends 13.75' into the S Washington Ave. ROW, and will be 25' over finished grade.

AGENCY REFERRALS

Lansing Board of Water and Light (BWL)

- No comment received.

Public Service Department:

(Dan Danke, Engineer)

- An important piece of information was not included in the application. What is the clearance under the overhangs, especially the overhang on Washington Avenue? The architectural depiction indicates there is a sizeable clearance but no specific height is provided. [Staff confirmed clearance height, please see under 'Extent' section.]
- Public Service has no sewers under the proposed overhangs. Sewer separation for Washington Avenue is scheduled for 2029. Sewer separation for Lenawee Street is scheduled for 2034. The existing sewers are currently located under the roadway. They are all considered combined sewer. The 30" will likely be lined and maintained as a storm sewer. It is likely the other sewers will be replaced by a single sanitary sewer. Since there is an existing electric duct and gas main under the west greenway plus possible telecoms, it is unlikely that a sewer would be moved to the west greenway/sidewalk. The northeast corner has a catch basin, but that should not be an issue. A larger concern for the project is the electric duct at the corner.

- As a public Right of Way, utilities have a right to be located in it. Sheet 3.0 Ovation Utility plan (see attached) indicates there is gas, electric and street lights under the encroachment. There are likely telecoms under the sidewalk.
- There shall be sufficient clearance so that the utilities under the overhang can be maintained.
- The overhang shall meet the requirements of Chapter 32 – Encroachment into the Public Right-of-Way of the Michigan Building Code. It is recommended that the clearance be 15 feet or greater.
- Per Chapter 32 of the Michigan Building Code, drainage water from the overhang shall not flow over the public walking surface.
- There is a public sidewalk under the proposed overhang on Washington Avenue. This public sidewalk shall be maintained and shall be ADA compliant. It is recommended that the owner of the overhang be responsible for the repair and maintenance of the sidewalk while the overhang is in place.
- Make certain there is a reverter clause that grants the ROW back to the City when the building is demolished.

Building Safety Office:

- No comment received.

Lansing Fire Department:

- No comment received.

Lansing Parks and Recreation Department:

(Brett Kaschinske, Director)

- No objection.

STAFF RECOMMENDATION

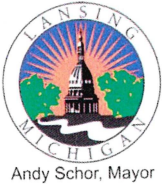
Staff recommends approval of Act-8-2024 on condition that a reverter clause granting the use of the subject sections of the W Lenawee St. and S Washington Ave. ROW back to the city in the event of building demolition, is part of the easement agreement.

Respectfully submitted,

Andy Fedewa, Planner

AERIAL





ACT 33 REVIEW APPLICATION

CITY OF LANSING
PLANNING OFFICE

Reset Form

Print

FILE NUMBER: ACT-_____

DATE SUBMITTED: _____

Applicant: Dymaxion Development

Address (including zip code): 503 Mall Ct STE 312 Lansing, MI 48912

Phone number: 989-640-6682

Fax number: N/A

Email: B.Fox@dymaxiondevelopment.com

Interest in Property:

☐ Owner

☒ Represent owner

☐ Option to buy

☐ Other: _____

If applicant of not the owner, or if there is more than one owner, provide the following information (attach additional sheets if necessary):

Name of owner(s): City of Lansing

Address (including zip code): 124 W Michigan Ave. Lansing, MI 48933

Phone number(s): (517) 862-6159

Fax number: _____

Email: Dcochran@Ovationlansing.org

SUBJECT PROPERTY GENERAL INFORMATION:

Address (if any): 520 S Washington Ave

Location description: The land on southwest corner of the intersection of Lenawee St and Washington Ave.

Permanent parcel #: Part of 33-01-01-16-381-005 & Part of 3:

Legal description (see note below): A parcel of land being part of Lots 1-4 and 9-12, Block 149, Original Plat of the City of Lansing, Ingham County, Michigan, according to the recorded plat thereof, as recorded in Liber 2 of Plats Page 36 Ingham County Records the boundary

Applicant's proposal: The applicant proposes constructing an ADA ramp within the R.O.W. in front of the 520 S Washington building and constructing the Ovation Center to include an 1 occupied overhang and 1 unoccupied overhang that protrude over the R.O.W.

.....

REQUESTED ACTION: (please check one)

☐ City Acquisition of Property

☐ Street or Alley Closure

☐ City Sale of Property

☐ Vacation of R.O.W

☐ Significant Change of Use of City Property

☒ Other: Building to be constructed with overhang over R.O.W. and ADA ramp within R.O.W

What positive impacts (if any) will occur as a result of approving this proposal?

Through approving this proposal, the Lansing Public Media Center will be able to equally serve the community by offering ADA access to its facilities within the 520 S Washington building. Additionally, it will be able to construct a black box theatre to offer smaller-scale performances and events for community benefit if the space is allowed to function as designed with the overhang.

What negative impacts (if any) will occur if this proposal is not approved?

If the proposal is not approved, the Lansing Public Media Center will not have ADA ramp access to the building, thus inhibiting the ability for some community members to benefit from the services and offerings of this public amenity. Further, if the overhang is not approved, a substantial redesign of the Black Box Theatre Ovation Center will be forced to take place, shackling the functionality and budget.

What negative impacts (if any) will occur as a result of approving and implementing your proposal?

The team does not foresee any negative impacts.

Please fill out this application **COMPLETELY** and make sure that the following items are included:

Maps describing proposal. Maps should be readable and drawn to a specific scale.

Any other materials, brochures, pictures, etc. which will further explain the proposal.

NOTE:

If the action applied for will result in transfer of legal title from the City to the applicant or another or if the City otherwise requires, the applicant agrees to provide at the applicant's expense:







BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Act-8-2024, 520 South Washington Avenue, Use of Right-of-Way

WHEREAS, Ovation Center for Music and Arts has requested to formalize easements for use of the West Lenawee Street and South Washington Avenue rights of way to permit building encroachments for the Ovation Center for Music and Arts development; and

WHEREAS, a building encroachment will extend up to 5.07 feet into South Washington Avenue to facilitate the building of an accessibility ramp; and

WHEREAS, a building encroachment will extend up to 4.53 feet into West Lenawee Street and up to 4.73 feet into South Washington Avenue, with a building overhang of up to 14.3 feet above finished grade, to facilitate the building of entrance ramps at the north east corner of the building; and

WHEREAS, a roof overhang will extend up to 1.6 feet into the West Lenawee Street right of way and up to 50 feet above finished grade; and

WHEREAS, a roof overhang will extend up to 2.48 feet into the South Washington Avenue right of way and up to 50 feet above finished grade; and

WHEREAS, on January 7, 2025, the Planning Commission reviewed the location, character, and extent of the proposal in accordance with its Act 33 Review procedure, and voted unanimously (7-0) to recommend approval of Act-8-2024, 520 South Washington Avenue, Use of Right-of-Way; and

WHEREAS, the Committee on Development and Planning has reviewed the report and recommendation of the Planning Commission and concurs therewith;

NOW THEREFORE BE IT RESOLVED, the Lansing City Council hereby approves Act-8-2024, and approves the easements for the use of building encroachments into the West Lenawee Street and South Washington Avenue rights-of-way, on the property legally described as:

A parcel of land being part of Lots 1-4 and 9-12, Block 1469, Original Plat of the City of Lansing, Ingham County, Michigan, according to the recorded plat thereof, as recorded in Liber 2 of Plats, Page 36, Ingham County Records, the boundary of said parcel described as: Commencing at the Northwest corner of said Block 149; thence South 89° 13' 23" East along the North line of said Block 149 a distance of 161.50 feet to the point of beginning of this description; thence South 89° 13' 23" East continuing along said north line 168.50 feet to the Northeast corner of said Block; thence South 00° 32' 26" West along the East line of said Block 149 a distance of 263.50 feet to the Southeast corner of Lot 4 of said Block 149; thence North 89° 18' 36" West along the South line of said Lot 4 a distance of 89.00 feet; thence North 00° 32' 27" East 57.50 feet; thence North 89° 27' 35" West 79.50 feet; thence North 00° 32' 26" East 206.46 feet to the point of beginning; said parcel subject to all easements and restrictions, if any.

BE IT FINALLY RESOLVED, that the Mayor, on behalf of the City, is hereby authorized to sign and execute all documents to complete this transaction, subject to prior approval as to content and form by the City Attorney.

Application for Appointment to Board or Commission

Thank you for your interest in serving on a Lansing Board, Commission, or Committee.

Certain boards, commissions, or committees require appointees to be a registered elector in the City of Lansing (Charter Section 2-102) and be a resident of Lansing for one year prior to taking office (Charter Section 2-102).

Appointees to every board, commission, or committee must not be in default to the City at the time of taking office (Charter Section 2-103.2).

Lansing City Charter, Section 5-104, Ineligibility For Boards, restricts certain City employee activities on some boards: "No person holding another City office or activity employed by the City shall be eligible to be a voting member on any board."

Date	01/05/2025
First Name	Christopher
Middle	M
Last Name	Harkins
Date of Birth	
Home Address	301 N. Sycamore St
Email	
Gender	Male
If you don't know which ward you live in, visit the Lansing Neighborhoods Ward Map and type in your address to find out!	
Ward	Ward 4
Precinct	36
Best Phone Number to Contact You	517-202-0755
In what year did you move to Lansing?	2007

Additional Information Regarding Experience and Credentials	In addition to other qualifications, I have served on the following local boards: - Habitat for Humanity Capital Region Board of Directors (2013-2018) - Lansing Chamber of Commerce Policy Committee (2017-2019) - Lansing Chamber of Commerce Political Action Committee (2017-2019) - City of Lansing Financial Health Team; Education/Communication subcommittee (2017-2019) - Arts Council of Greater Lansing Board of Directors (2018-2021) Additionally, I have served on the following statewide boards: - State of Michigan Investment Board
---	---

- Detroit Fiscal Review Commission
- Growing Michigan Together Council
- Statewide Risk Committee

Occupational Background

Relevant recent employment is listed below:

12/23-Present: Executive Director; Special Projects and Initiatives, Office of the SVP, CFO/Treasurer - Michigan State University
 9/21-12/23: State Budget Director; State Budget Office - State of Michigan
 1/19-10/21: Director; Michigan Senate Fiscal Agency - Michigan State Senate

Educational Background

The Pennsylvania State University; Master of Professional Studies - Community and Economic Development (2012)
 Michigan State University; Bachelor of Arts - International Relations (2003)

Are you a current City of Lansing or Lansing Board of Water and Light employee?

No

Previous Appointments

Lansing Financial Health Team

First Choice for Board to Serve on

Board of Water and Light

Please comment briefly on why you wish to serve on a particular board or commission. Please be specific as to your goals and ideas about how you wish to contribute to the work of the board or commission.

I have placed public service as a focus of my professional career and personal interests. When I was appointed to serve as the Director of the Senate Fiscal Agency and later as Budget Director, I stepped down from community boards to ensure there was no real or perceived conflicts of interest. Now that I have moved to work at Michigan State University, I am again interested in using my skills with local boards.

Over the course of my professional career, I have worked to ensure public funds are used appropriately and have worked to maximize public resources ever mindful of the taxpayer funded resources. I am interested in working to provide that continued oversight with the Board of Water and Light. My most recent experience, as the Budget Director for the State of Michigan, along with my current employment at Michigan State University have afforded me experience with large and complex institutions. My interest in joining the BWL Board is to use my prior experiences monitoring taxpayer funds and guiding the distribution of public resources. The BWL is a tremendous community-based asset with exceptional connection within Lansing. I want to help ensure that the BWL continues to set the standard for a municipally owned utility in the state and nation.

Qualifications and Eligibility – At this time, if you do not meet one or more of the qualifications or eligibility requirements listed at the top, please state here the requirement to be met and explain how you will be qualified or eligible before you would be sworn in to an appointed office.

As stated above, I qualify and am eligible to serve. My qualifications center around a strong interest in community and civic engagement and bettering my community. I have publicly demonstrated success in management of taxpayer funds and oversight of complex organizations, such as the Board of Water and Light.

This certification is not required but may impact potential consideration of the appointment being sought. I authorize the use of the information provided above to conduct a background search, including but not limited to criminal history, residency, and indebtedness to the City of Lansing. If selected to serve, I further authorize additional background checks during the term of my service to ensure the required criteria continue to be met. I also acknowledge that I have the affirmative duty to inform the City if I become aware of any change or condition in my status that fails to meet the required criteria.

Agreement to Background Check Authorization

- I agree

Please type your name in this box to signify that you can serve on a board or commission and the information in this application is accurate to the best of your knowledge.

Christopher M. Harkins

Date & Time

01/05/2025 1:50 PM (EST)

Receive an email copy of this form.

Yes

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Mayor has made the recommendation for appointment of Christopher Harkins as an At-Large member of the Board of Water and Light for a term to expire June 30, 2028; and

WHEREAS, the Mayor's office has confirmed with this resolution, that they have vetted the applicant based on the original application and believes that the applicant meets the qualifications as required by the City Charter; and

WHEREAS, the Committee of the Whole met on January 27, 2025 and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the appointment of Christopher Harkins as an At-Large member of the Board of Water and Light for a term to expire June 30, 2028.

Application for Appointment to Board or Commission

Thank you for your interest in serving on a Lansing Board, Commission, or Committee.

Certain boards, commissions, or committees require appointees to be a registered elector in the City of Lansing (Charter Section 2-102) and be a resident of Lansing for one year prior to taking office (Charter Section 2-102).

Appointees to every board, commission, or committee must not be in default to the City at the time of taking office (Charter Section 2-103.2).

Lansing City Charter, Section 5-104, Ineligibility For Boards, restricts certain City employee activities on some boards: "No person holding another City office or activity employed by the City shall be eligible to be a voting member on any board."

Date	12/19/2024
First Name	Shelbi
Last Name	Fraye
Date of Birth	
Home Address	12710 Ospreys Way
City	DEWITT
State	MI
Zip Code	48820
Email	
If you don't know which ward you live in, visit the Lansing Neighborhoods Ward Map and type in your address to find out!	
Ward	Regional
Best Phone Number to Contact You	5178813410
In what year did you move to Lansing?	1985
Occupational Background	20 years of experience in government finance and operations roles.
Educational Background	Associates Degree from Lansing Community College Bachelor's Degree from Northwood University Master's Degree from Central Michigan University
Are you a current City of Lansing or Lansing Board of Water and	No

Light employee?

First Choice for Board to Serve on Lansing Entertainment and Public Facilities (LEPFA)

Second Choice of a Board to Serve on Economic Development Corporation / Tax Increment Finance Authority / Brownfield Redevelopment Authority

Third Choice of a Board to Serve on Downtown Lansing, Inc.

Fourth Choice of a Board to Serve on Capital Area Transportation Authority (CATA)

Please comment briefly on why you wish to serve on a particular board or commission. Please be specific as to your goals and ideas about how you wish to contribute to the work of the board or commission.

I am eager to serve on a city board because I am deeply committed to enhancing our community and believe that thoughtful collaboration can drive positive change. Serving on this board would allow me to bring my passion for improving public services, fostering inclusivity, and supporting sustainable development.

My goal is to contribute by offering practical solutions to the challenges our city faces, whether it's through improving infrastructure, increasing community engagement, or creating policies that prioritize both growth and quality of life. I would also advocate for initiatives that promote economic opportunity, while keeping the community's best interests at the forefront.

This certification is not required but may impact potential consideration of the appointment being sought. I authorize the use of the information provided above to conduct a background search, including but not limited to criminal history, residency, and indebtedness to the City of Lansing. If selected to serve, I further authorize additional background checks during the term of my service to ensure the required criteria continue to be met. I also acknowledge that I have the affirmative duty to inform the City if I become aware of any change or condition in my status that fails to meet the required criteria.

Agreement to Background Check Authorization • I agree

Please type your name in this box to signify that you can serve on a board or commission and the information in this application is accurate to the best of your knowledge.

Shelbi Frayer

Date & Time 12/19/2024 8:40 AM (EST)

Receive an email copy of this form. Yes

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Mayor has made the recommendation for appointment of Shelbi Frayer as an At-Large member of the Lansing Entertainment and Public Facilities Authority Board of Commissioners for a term to expire June 30, 2025; and

WHEREAS, the Mayor's office has confirmed with this resolution that they have vetted the applicant based on the original application and believes that the applicant meets the qualifications as required by the City Charter; and

WHEREAS, the Committee of the Whole met on January 27, 2025 and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the appointment of Shelbi Frayer as an At-Large member of the Lansing Entertainment and Public Facilities Authority Board of Commissioners for a term to expire June 30, 2025.