

LANSING ENTERTAINMENT & PUBLIC FACILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING MINUTES
January 17, 2025

At 8:07 a.m. Chairwoman Maureen McNulty-Saxton called the special meeting of the LEPFA Board of Commissioners to order in rooms 201-202 located at the Lansing Center; 333 East Michigan Avenue; Lansing, Michigan 48933.

COMMISSIONERS PRESENT: Paul Collins, Kenric Hall, Dustin Howard, Desiree Kirkland (Ex-Officio), Larry Leatherwood, Danielle Lenz, Charles Mickens, Charles Randall (Ex-Officio), Maureen McNulty Saxton, and Rawley Van Fossen (Ex-Officio).

COMMISSIONERS ABSENT: None.

OTHERS PRESENT: Kasey McFadden, and Tristan Wright - Lansing Entertainment & Public Facilities Authority; Greg Venker -Lansing City Attorney's Office; Mindy Biladeau, Kirby Doidge, Mike Horning, Dan Matwiczkyk, Paul Ntoko, Ryan Tess, and Matt Woolman- Lansing Center Staff; David Buckenberger- Choose Lansing; Katharine Hude- Dykema AMS; Zac Clark- Lansing Lugnuts; Lisa O'Conner- Publication; Mike Ellis- Lansing State Journal; and Jack Alexander- Public.

I. CALL TO ORDER

II. ESTABLISHMENT OF THE AGENDA: There were no changes to the agenda.

V. REPORTS:

- A. RFP DISCUSSION-** Chairwoman Maureen McNulty-Saxton opened the meeting by outlining its purpose: to address the Board's questions with the RFP panel. She introduced Jake Brower, Chief Strategy Officer for the City of Lansing and the LEPFA Request for Proposal (RFP) Distributor, who provided a more in-depth presentation on the RFP committee's findings and recommendations. No vote will be taken during today's meeting.

Tristan Wright entered at 8:11 a.m.

Jake introduced himself, presented the results of the RFP, and highlighted the following discussions and findings to the Board.

1. LEPFA OVERVIEW:

- i. **Organization and Responsibilities-** LEPFA is incorporated under the City of Lansing as an Act 31 Corporation and is responsible for operating and maintaining public entertainment facilities, including the Lansing Center, Jackson Field, and Groesbeck Golf Course. Governed by a public authority board and subject to oversight by the City of Lansing, LEPFA ensures high-quality operations and preserves the city's investment in these facilities. Its goal is to maintain these venues as economic drivers for downtown Lansing for years to come.

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- ii. **Partners and Contributors-** LEPFA collaborates with various partners, including:
 - a. *City of Lansing:* The city owns the facilities and LEPFA operates them under a lease agreement, last renewed in October 2016 for a 10-year term. It provides annual operating and capital contributions and works closely with LEPFA on budgeting and long-term financial planning.
 - b. *Choose Lansing:* Through a strategic financial support agreement, Choose Lansing provides \$450,000 annually in operating funds and up to \$400,000 in capital improvement funds via the Regional Hotel Assessment. They also support LEPFA through a sales leadership and staffing agreement to attract events to the Lansing Center and local area.
 - c. *Lansing Lugnuts:* They partner with the city under a stadium license agreement, managing baseball activities, revenues, scheduling, marketing, and maintenance of the stadium.

2. RFP OVERVIEW:

- i. **Background:** The Request for Proposals (RFP) was initiated as a collaborative effort between the City of Lansing and LEPFA in response to concerns raised during the FY24 budget hearings. These concerns focused on whether LEPFA's current management model was the most effective approach or if contracting management services might provide a better alternative. The goal of the RFP was to objectively evaluate these options, using a structured process to determine the best long-term management strategy for Lansing's public entertainment facilities. Key objectives included securing capital improvements, reducing reliance on taxpayer funding, and promoting financial self-sufficiency for the facilities.
- ii. **Priorities:** The RFP outlined specific priorities for any potential partner:
 - a. *Financial Responsibility:* Maintain a balanced budget and work towards self-sufficient operations.
 - b. *Enhancing Downtown Vibrancy:* Deliver high-quality, state-of-the-art operations and promote vibrant entertainment.
 - c. *Exceptional Customer Service:* Ensure an outstanding level of customer service across all facilities.
 - d. *Facility Maintenance:* Preserve and support the city's investment through diligent maintenance and management of all activities within the facilities.

- 3. **EVALUATION AND SCORING PROCESS:** Jake explained that the RFP process began in August 2024, incorporating input from the Board's Executive Committee and LEPFA leadership team. Evaluation criteria included organizational capacity, approach, budget allocation, and facility maintenance strategies. Respondents participated in virtual

meetings and facility tours. The evaluation committee, comprising representatives from the LEPFA Board, City of Lansing, Lansing Lugnuts, Choose Lansing, and a client of the Lansing Center, conducted structured interviews and scored proposals by consensus. ASM Global was selected as the top recommendation, due to its experience and strong financial planning strategies.

- 4. GOVERNANCE AND MANAGEMENT:** Under the proposed contract, LEPFA will remain incorporated by the City of Lansing and governed by its Board of Commissioners. This structure includes eight voting members appointed by the mayor with City Council approval, one designee from Choose Lansing and non-voting members such as the city finance director, internal auditor, and economic development director. Existing governance agreements and bylaws will remain unchanged, as the proposal focuses solely on management services.

The Board of Commissioners retains ultimate responsibility for management services, whether through direct hiring or contracting, as determined by the highest-scoring proposal. The city will continue its operating and capital contributions per the license agreement, with projected decreases in net operational costs over the contract term.

Choose Lansing will maintain its current role as a partner unless future changes are deemed necessary. Financial projections have been shared with board members for further review.

5. IMPACT ON STAFF AND OPERATIONS:

- i. **HR and Operational Strategy:** The proposal from ASM Global emphasizes an employee-centric transition, ensuring continuity in pay and benefits without disruptions. One-on-one meetings will address operational changes, onboarding, and integration. A thorough review of vendors and subcontractors will identify cost-saving opportunities, while ASM's own training, procedures, and resources will be implemented. Additionally, the proposal highlights professional development opportunities to support staff growth.
- ii. **Impact on Employees and Union:** Union agreements will remain intact under the proposed plan. The RFP prioritizes maximizing operational efficiencies, reducing taxpayer funding reliance, and maintaining high-quality entertainment facilities. A Lansing-based executive management team, led by a general manager, will oversee daily operations with support from ASM's broader network, while the Board of Commissioners retains governance and contract oversight.

6. ASM GLOBAL SCORING:

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- i. **Overall Experience** (Score: 8.67)- ASM Global brings experience managing convention centers, stadiums, and similar facilities. They leverage their network to attract business while highlighting Lansing's unique identity.
 - ii. **Method of Approach** (Score: 8.0)- ASM focuses on growing revenue and improving efficiency while enhancing customer experiences. Their transition plan ensures a smooth operational shift and emphasizes collaboration with local stakeholders.
 - iii. **Budget and Resource Allocation** (Score: 6.0)- ASM proposed a five-year plan targeting self-sufficiency for the facilities by year three, covering transition costs, and contributing a \$500,000 capital grant.
 - iv. **Facility Maintenance Strategy** (Score: 6.67)- ASM prioritizes preventive maintenance and proactive asset management. They seek grants and partnerships to fund high-impact projects and enhance facility operations.

Ryan Tess entered at 8:23 a.m.

7. **MANAGEMENT COSTS:** Jake presented one of two options for management cost and provided detail on the option (option #2) which was used for internal projections and was detailed as follows:

Larry Leatherwood entered at 8:24 a.m.

- i. **Base Fee:** Option 2 includes an annual base fee of \$150,000, increasing at a CPI-adjusted rate of 3%.
- ii. **Incentive Fees:** Incentive fees include:
 - a. A **qualitative incentive** capped at \$75,000 (half the base fee), based on criteria set by the LEPFA Board of Commissioners.
 - b. A **quantitative incentive** capped at \$75,000, tied to 25% of the improvement in "actual" net operating income over the "budgeted" net operating income.
- iii. **Sponsorship Commissions:** Additionally, ASM Global would earn 20% on new commercial partnerships, sponsorships, and naming rights.
- iv. **Additional Funding:** Incentivizing them to pursue new revenue streams not currently generated by operations, ASM Global will provide a \$500,000 capital contribution in the form of a grant.

Lastly, Jake noted that ASM Global is scheduled to attend the upcoming LEPFA Board meeting on **Tuesday, January 21, 2025**. They will provide a presentation, participate in a Q&A session, and present a draft of their contract agreement. Programming details and their proposed approach will also be covered during this session.

VI. **COMMISSIONERS AND STAFF QUESTIONS/COMMENTS:**

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1. **Chairwoman Maureen McNulty Saxton:** Chairwoman Maureen McNulty Saxton Jake about the \$500,000 initial capital investment. Jake explained that the funds would focus on revenue-generating improvements and aesthetic upgrades to modernize the Lansing Center. He noted that it would not cover the facility's broader capital needs but will provide enough funding needed to modernize the Lansing Center to create a more positive experience to those who enter its doors. These amounts are in addition to the \$400,000 contribution from Choose Lansing for capital improvements.

She confirmed that ASM Global would present a draft contract at the January 21 Board meeting, though the Board may not sign immediately. Jake suggested using the meeting to review the draft and provide input.

Chairwoman Saxton also asked about ASM Global's experience with public boards. Jake confirmed their experience with local governments, supported by positive feedback and letters of recommendation.

2. **Commissioner Paul Collins:** Commissioner Collins asked about the interview questions provided to the panel and ASM by the LEPFA Board, suggesting ASM review their responses. Jake agreed to share them if needed. Collins also inquired about capital investment needs. Jake explained that proposals focused on maintenance, with no additional funds beyond the \$500,000 Choose Lansing contribution and operating budget. ASM emphasized proactive asset management, sponsorships for building enhancements, and leveraging grants. They stood out for reducing reliance on general fund dollars, potentially freeing resources for future improvements, aligning with the city's ongoing funding efforts.
3. **Commissioner Dustin Howard:** Commissioner Howard inquired whether the city plans for ASM Global to manage the Ovation facility expected to open in the spring. Jake clarified that this is not included in the current proposal but could be a future consideration. Howard also asked if this responsibility could potentially fall under the LEPFA board, to which Jake responded that it remains a possibility.
4. **Commissioner Paul Collins:** Commissioner Collins asked whether a risk-benefit analysis was considered during the RFP process. Jake explained that the RFP was designed with careful consideration of potential risks, particularly to avoid disrupting existing operations. Discussions began with the board and LEPFA to prioritize needs and ensure the process was thorough. The panel, including members from various departments and backgrounds, was involved to ensure a comprehensive, competitive, and transparent process that balanced all perspectives.
5. **Chairwoman Maureen McNulty Saxton:** Chairwoman Saxton asked if the city considered that the RFP winner would report to the city. Jake explained that the license

agreement gives LEPFA sole authority over facility management. If issues arise, the board has a clear process for addressing them, including issuing a new bid or hiring temporarily. The city would assist in resolving any problems.

Daniel Matwiczuk exited at 8:42 a.m.

Current contracts, including those with Choose Lansing, will remain intact, with financial support continuing but at a reduced level. David Buckenberger, Senior Vice President of Business Development for Choose Lansing stated that Choose Lansing's intention to have the Choose Lansing funding be taken away if another management takes over; both the sales and support components of the agreement should stay in place. Jake also mentioned that the proposal includes incentives for exceeding projections and performance metrics to ensure quality service. Chairwoman asked in reference to contracts such as the President an CEO's contract. Jake suggested to have this question be addressed at the next Board meeting where ASM Global can discuss in detail. Jake also addressed questions about current losses, noting a \$430,000 deficit, plus an additional \$206,000 at Jackson Field. The current management proposal suggests a \$1.4 million operating budget, while ASM's proposal is slightly lower at \$1.38 million, with decreasing costs over time. These deficits are managed under an annual operating agreement, where the city backstops any shortfalls using general fund dollars. LEPFA will maintain its own fund balance, with financial support from the city, though it will be smaller than the current level. Additionally, the proposal includes incentives for exceeding budget projections and meeting qualitative performance metrics to ensure positive customer experiences.

Daniel Matwiczuk entered at 8:44 a.m.

6. **Commissioner Paul Collins:** Commissioner Collins asked whether any analysis or comparison was done between the current benefits offered to LEPFA staff and those proposed by ASM. Jake explained that ASM's proposal would honor existing labor agreements, meaning no changes to benefits for those covered by those agreements. However, it could affect staff not under those agreements. He emphasized that ASM's approach is employee-centric, aiming to create a positive work environment and retain staff. They have a strong record of employee retention, with over 90% of employees staying with the company. While some changes in roles or procedures may occur, ASM intends to maintain experienced staff to continue providing quality services.
7. **Commissioner Rawley Van Fossen:** Commissioner Van Fossen asked the panel what excites them about ASM's proposal.
 - a. ***David Buckenberger (Choose Lansing)***- David Buckenberger, Senior Vice President of Business Development from Choose Lansing highlighted ASM's

experience in managing diverse convention centers, including in cities like Detroit, Grand Rapids, Toledo, and South Bend. He believes ASM will elevate Lansing's service and culture, bringing the existing staff's dedication into a more competitive environment.

- b. **Kenric Hall (LEPFA Board)**- Kenric Hall, from the LEPFA Board, echoed Buckenberger's statement, emphasizing ASM's commitment to both employee satisfaction and long-term growth in revenue and services.
- c. **Zac Clark (Lansing Lugnuts)**- Zac Clark, General Manager of the Lansing Lugnuts, added that maintaining the status quo with ASM would benefit the stadium, ensuring experienced staff who understand the requirements of Major League Baseball and the facility.
- d. **Katharine Hude (Dykema)**- Katharine Hude from Dykema also pointed out ASM's regional presence and quality management, noting their ability to bring in experienced personnel from other venues as needed. Additionally, she highlighted ASM's strong national network, which could introduce new programming to the Lansing Center and the Lugnuts.

Desiree Kirkland exited at 8:55 a.m.

8. **Chairwomen Mauren McNulty Saxton**: Chairwoman Saxton asked if ASM would meet with employees on the January 21, to address employment questions. Jake confirmed that a meeting was scheduled to go over the next steps and ASM is prepared to respond. He highlighted ASM's robust process for community and employee outreach, based on their experience transitioning fifty public facilities over the past 10 years.

When asked about the plan if the contract is not approved, Jake expressed confidence in ASM's proposal and was open to further review if necessary.

Regarding Silver Bells, Jake confirmed ASM's commitment to continuing community events, including Silver Bells, and emphasized that sponsorships will remain under ASM's management.

Desiree Kirkland entered at 9:01 a.m.

9. **Commissioner Paul Collins**: Commissioner Collins sought clarification on the new sponsorships mentioned in the presentation and asked if Silver Bells would be excluded from the management company's incentive. Jake clarified that sponsorships like Silver Bells, while fluctuating yearly, should not be overly emphasized as revenue-generating opportunities.

He also addressed a question regarding naming rights as a potential revenue source, particularly for high-impact projects.

Collins then asked about the fiscal year budgets, specifically the FY 2024 amended and FY 2025 proposed budgets. Jake confirmed that LEPFA's fiscal year runs from July to June, and the FY 2025 budget reflects the current year's actual figures. The first full year of the contract would be FY 2026, with ASM prepared for a 90-day transition if approved.

- 10. Commissioner Rawley Van Fossen:** Commissioner Van Fossen expressed appreciation for the dialogue and was eager for the upcoming meeting with ASM on January 21. He also sought feedback from fellow commissioners, asking if there were any hesitations about moving forward with the conversation. He emphasized his excitement about continuing discussions and addressing the details mentioned today. Chairwoman Saxton, as well as Commissioner Danielle Lenz acknowledged the importance of hearing directly from staff, particularly when it came to specific financial questions; recognizing that the proposed changes are significant and warrant careful consideration.

VII. PUBLIC COMMENT:

- 1. Kirby Doidge- Vice President of Finance (LEPFA):** Kirby Doidge, Vice President of Finance for LEPFA, raised several questions regarding financial matters and insurance. He asked if ASM's required \$1 million liability insurance would affect LEPFA's existing coverage. Greg Vanker, City Attorney of Lansing noted that the specifics of insurance terms, including property and professional liability, would depend on the agreement with ASM. Doidge also inquired about how losses would be handled, specifically regarding liquidity and the six-day liquidation requirement. Jake explained that the licensing agreement would address these concerns and that the goal was to ensure long-term financial stability, with funds available for emergencies and investments. Doidge further asked about the inclusion of professional service fees in ASM's budget and confirmed that these were accounted for under operating expenses. Finally, he questioned the Choose Lansing agreement's restriction on assignment, to which Jake clarified that the board would control sponsor agreements, except for specific exclusions like Silver Bells.
- 2. Daniel Matwiczuk- Superintendent at Groesbeck Golf Course:** Dan Matwiczuk, Golf Operations Manager at Groesbeck Golf Course, had several questions for Jake. He first inquired about ASM's experience with maintaining golf courses, as their proposal did not specifically mention golf courses, though it did reference other recreational facilities. Jake acknowledged that golf courses were not a primary concern but emphasized the importance of ensuring the continued success of Groesbeck. Matwiczuk also asked about the status of a master plan for Groesbeck, which he described as being in a holding pattern. Jake clarified that how the plan would proceed would be up to the Commissioners and could involve executive decisions or staff input. Matwiczuk's final question was about staff employment: whether staff members would continue to be paid by LEPFA or transition to ASN. Jake explained that under the proposal, transferring

employees to ASM's system was an option, but not a requirement, and noted that the logistics of this would be addressed in further discussions.

3. **Michael Horning- Maintenance Manager (LEPFA)**: Michael Horning, Maintenance Manager at LEPFA, raised a concern regarding pension funding and the potential transition of LEPFA employees to ASM. He asked if the board had considered the implications of this transition, particularly in relation to pension plans and Social Security. Jake acknowledged the importance of this issue, noting that it should be thoroughly addressed as part of the transition process.

IX. **AJOURNMENT:** At 9:18 a.m. the regular monthly meeting was adjourned.

THE NEXT MONTHLY MEETING IS SCHEDULED FOR:

TUESDAY, January 21, 2025

8:00 a.m.

LOCATION: Lansing Center; Governor's Room

Respectfully submitted,

A handwritten signature in cursive script, reading "Kasey McFadden". The signature is written in dark ink on a white background.

Kasey McFadden, Recording Secretary