At 8:03 a.m. Chairman Price Dobernick, called the meeting to order in the Governor’s Room of the Lansing Center, located at 333 E. Michigan Avenue; Lansing, Michigan 48933.

COMMISSIONERS PRESENT:  Tim Barron, Cindy Bowen, Eric Brewer, James W. Butler III, Price Dobernick, Larry Leatherwood, Brian McGrain (Ex-Officio), Charles Mickens and James Stajos.

COMMISSIONERS EXCUSED:  Angela Bennett (Ex-Officio) and Charles Janssen.

OTHERS PRESENT:  Heidi Brown, Scott Horgan, Scott Keith, Jennifer McFatridge, Paul Ntoko, Tristan Wright, Ashley Proper - Lansing Entertainment & Public Facilities Authority; and Jack Alexander.

III.  ESTABLISHMENT OF THE AGENDA:  No changes.

IV.  PUBLIC COMMENT:  No public comment.

V.  APPROVAL OF JUNE 18, 2019 MINUTES:
Chairman Price Dobernick requested a motion for approval of the minutes as published.

MOTION:  Commissioner Leatherwood
SECOND:  Commissioner Bowen

Motion unanimously carried.

VI.  REPORTS:

A.  CHAIRMAN’S REPORT:  Chairman Price Dobernick and Scott Keith extended their thanks and appreciation to past Board of Commissioner Chairwoman Cindy Bowen on behalf of the LEPFA Board of Commissioners and staff for her leadership over the past year and presented her with thank you gifts and a plaque.

At 8:06 a.m. Chairman Dobernick exited the meeting and Vice Chair James Stajos chaired the meeting.

B.  FINANCE COMMITTEE:

1.  June 2019 Draft Financials:  Jennifer McFatridge, Vice President Finance presented the following draft June financials, the reports for June are in draft format until the conclusion of LEPFA’s annual audit in October and are draft pending any changes:

   a. Groesbeck Golf Course:  June operating revenue is up compared to budget for the month and year to date. Last year at this time, we were in our sixth month of managing Groesbeck. Green fees, cart rentals, and concessions are up more than 11% compared to last June. Leagues began in April and their revenue is reflected on the financials moving forward. Monthly operating expenses are up compared to budget but are down compared to budget for year to date.
Categories providing the largest impact to the June budget include fringe/related costs, maintenance of facilities and food and beverage. Fringe/related costs adjustments to the fiscal year 2020 budget were necessary in order to have a better target. Maintenance of facilities expenses are related to ground supplies and irrigation repairs. Finally, in the category of food and beverage the expense is related to concessions labor and cost of goods purchased.

b. Lansing City Market: There will be no financial statements reviewed at this meeting because LEPFA no longer receives a City of Lansing subsidy as of July 1, 2019. June operating revenue is up compared to budget for the month and year to date. Building revenue is down by 11% and operating revenue dropped by 21% compared to the prior year. Overall, operating expenses are up compared to budget for the month and year to date. The category providing the largest impact to the budget is professional services with 96% of the expense allocated to legal fees. The Market will continue operating using the remaining minimal reserves. City Market financials will continue to be reviewed and discussed in finance committee monthly meeting only.

c. Cooley Law School Stadium: Operating revenue at Cooley Law School Stadium typically comes from the concourse ATM machine. Monthly revenue is down compared to budget and for year to date. Overall, operating expenses are down compared to budget for the month and year to date. The category providing the largest impact to the June budget was utilities. The Stadium is now equipped with “smart meters” to provide accurate utility usage. There were eleven (11) home Lugnuts games, two (2) Ignite matches, in addition to use of The View and activities held at the stadium. Also impacting the year to date budget is the category “maintenance of facilities.” Repairs as previously discussed include: repairs to breakers in the Pepsi Porch as well as Chevy Terrace; and repairs to light poles, HVAC units, perimeter fencing and elevators.

d. Lansing Center: June year to date operating revenue decreased compared to last year by more than $800,000 or 13%. June monthly revenue is down compared to budget and year to date. June events included: Small Business Association of Michigan, Michigan Health Information Network, and Michigan Department of Health and Human Services. There were two (2) large events in June 2018 that accounted for nearly $185,000 of overall revenue. Michigan Department of Environmental Quality and Michigan Department of Education were not here in June 2019. Overall, there were thirteen (13) events in June 2018 that did not repeat in June 2019 accounting for nearly $145,000 in food and beverage, $82,000 in equipment rental and $32,000 in rent. In June of 2019, there were fourteen (14) events that did not occur in June 2018, capturing nearly $59,000 in food and beverage, $27,000 in equipment rental and $21,000 in rent. Overall, operating expenses are up compared to budget for the month and year to date. Categories impacting the June budget include professional services, marketing and events. In professional services, expenses consist of legal service, payroll upgrade to LEPFA’s financial reporting system and the facility audit. In marketing, the expenses are related to the facility audit, and travel expenses for the Honeywell trip. In event expenses, nearly half of the expense is AV supplies (laptops, projectors, etc.). Unearned revenue-advance rent increased compared to last month and remains strong when compared to the last two (2) fiscal years. At the end of the fiscal year, the Lansing Center captured 99% of the revenue budget and expenses finished at 101% of the budgeted amount.

Commissioner Cindy Bowen asked if the significant business loss was to another community and was it based on competition sets and rotation. Scott Horgan noted the majority of business lost was part of a rotation. Horgan noted rent was behind budget by $200,000 at beginning of the year, and 80% was replaced and this year we are back in the cycle and have replaced business so that this doesn’t happen
again. The Sales team and the GLCVB have reviewed and we need to replace $170,000 in rent shortfall.  
In late April we added additional elements to our contract on the food and beverage side (minimums and 
cancellation fees).  Commissioner Bowen asked if May/June included a marketing campaign?  Scott 
Horgan explained sales targeted the corporate market, which was disappointing – but as a result we are 
learning more about marijuana side of the corporate market.  The LAURA Mid-West conference will be 
here in January, and we will be looking at the marijuana industry.  The sales team attended a good Org 
Pro Meeting and had good networking with associations and in terms of long-term business they made 
connections with associations.  Scott Keith also commented that in June 2018 State of Michigan agencies 
spent more on food costs, and we saw bump in State groups at the end of June of 2018 compared to June 
2019.  Commissioner Barron verified we knew the bump was coming, and we tried to replace the 
business.  Scott Horgan noted we knew what we were going into, and the ultimate goal is to move into 
future years minimizing the cycle and finding groups for the cycle.  He also noted going into the year we 
were down 20% as anticipated and were able to replace 15%.  Commissioner James Butler noted there 
will be no report on City Market after today and questioned why?  Scott Keith clarified there is no longer a 
budget affiliated with the City Market and City Market information will continue to be shared in the 
Finance Committee; currently the utilities have been transferred to the City.  Scott Keith stated that the 
Waterfront has appealed to the Supreme Court and the City has taken over expenses.

Vice Chairman Stajos requested a motion to accept the June 2019 Financials in Draft pending LEPFA’s 
Audit for the Lansing Center, Groesbeck Golf Course, Cooley Law School Stadium; the Lansing City 
Market be received as published and further that the monthly expenses for each entity be accepted.

MOTION:  Commissioner Barron  
SECOND:  Commissioner Mickens

Motion unanimously carried.

2. July 2019 Financials:  Jennifer McFatridge, Vice President Finance presented the following July 
financials:

a.  Groesbeck Golf Course:  July operating revenue is up compared to budget for the month and 
year to date.  Green fees and cart rentals are up more than 4% compared to last July.  Concessions 
revenue has increased more than 21% compared to last July with beer sales accounting for 55% 
of the revenue.  Operating expenses finished up compared to budget for the month as well as year 
to date.  Categories providing the largest impact to the July budget include marketing and food 
and beverage.  For Marketing the expenses are related to advertising to promote the course.  For 
food and beverage, while the July budget increased 25% over last year, the expenses related to 
concessions labor and cost of goods purchased confirm the budget increase wasn't sufficient.

b.  Cooley Law School Stadium:  Operating revenue at Cooley Law School Stadium is from the 
concourse ATM machine.  Revenue is down compared to budget for the month and year to date. 
Overall, operating expenses are down compared to budget for the month and year to date.  
Impacting the July budget was utilities due to the use of smart meters at the stadium.  Electric was 
up 33% compared to last year, while water was up 94% compared to last year.  July weather was 
drier and hotter, requiring increased water for turf and cooling for the offices and meeting spaces. 
There were twelve (12) scheduled home Lugnuts games, three (3) scheduled Ignite matches, in 
addition to scheduled use of The View and activities held at the Stadium.

c.  Lansing Center:  July year to date operating revenue increased over last year by more than 
$40,000 or 18%.  July revenue is up compared to budget for the month and year to date.  Events
that occurred in July included: MYWAY (Wrestling), Crest Pontoon Boats, Triton Industries (Manitou Pontoon Boats) and Greater Lansing Area Sports Hall of Fame. Nine (9) events occurred in July 2018 that did not repeat in July of 2019, for a nearly $30,000 loss in food and beverage, $10,000 in equipment rental and $13,000 in rent. Operating expenses finished up compared to budget for the month and year to date. Categories providing an impact to the July budget include marketing, events and food and beverage. In Marketing, the expenses are related to the facility audit and travel expenses for the annual Venue Connect Conference with IAVM. In Event expenses, more than 50% of the expense is AV & event supplies (laptops, projectors, etc.). For Food and Beverage, a good portion of the expense each month is tied to fixed salaries and wages for full-time staff. We also incurred an increase in wages for staff that are covered by the UAW contract effective July 1. Unearned Revenue-Advance rent increased compared to last month; and remains strong compared to the last two fiscal years. This is the highest amount advance rent has been and is attributed to the efforts of the Sales Team. At the end of the first month of the fiscal year, the Lansing Center has captured 4% of the revenue budget and contained expenses to 7% of the budget.

Scott Keith noted July had the right mix of events, which is critical, and we are ahead of budget; however, August does not look good. Our concern is pre and post Labor Day school start dates consistency which impacts business/people hosting events. Scott referenced an article regarding how the start of school is affecting all business, the work force and tourism; and it does impact us when there isn’t consistency. Vice Chair Stajos noted he sees the impact in his industry/business as well with the legalization of fireworks, it was a booming Labor Day business and has died out now.

Vice Chairman Stajos requested a motion to accept the July 2019 financial statements for: Lansing Center, Groesbeck Golf Course, Cooley Stadium, be received as published and further that the monthly expenses for each entity be accepted

MOTION: Commissioner Barron
SECOND: Commissioner Leatherwood

Motion unanimously carried

C. PRESIDENT & CEO: Scott Keith, LEPFA President & CEO reported the following:

1. Ashley Proper – Scott Introduced Ashley.
2. Facility Audit — Board members in need of a copy of the audit may contact Scott Keith. The current version is a first draft, pending a meeting with Tristan Wright and the consulting agency. Scott indicated he felt they did a great job on IT and AV analysis; next they will focus on prioritizing, costs and highlighting trends with estimation of costs.
3. Creative Placemaking Summit: LEPFA has a table and we are a sponsor. It is a great one day event.
4. House Bill 4816 – This bill is to provide funding based on assessments to hotels in a county (including Ingham) and applies to LEPFA. Scott noted we have made suggested changes - i.e. include funding to cover operating costs. The purpose of the Bill is to fund an arena in downtown Kalamazoo. Scott noted the language is confusing regarding bureaus and funding which may be an error in writing of Bill. Scott noted he has a meeting scheduled after Labor Day to discuss the Bill.
5. Rotary Park - September 10th is the Grand Opening which is being promoted by Delta Dental. The Grand Concert Series was moved to same date. It will be a public event, Brenda Loomis Band will be performing at the grand opening. Delta Dental has asked about using our liquor license; Scott Keith introduced them to Waterfront. Commissioner Barron commented it was the right thing to do.
6. Golf Outings – Scott noted this year we participated in the Capital Area Credit Union Association
golf outing which supports the Davies Project. He noted he is sharing this because the credit union was pleased to see LEPFA participate. Scott also discussed their fourth player, Mr. Earl Anderson; a retired teacher and counselor who also helped integrate African Americans into Big 10 Football. Scott noted it was a good experience.

**8. Branding Meeting** – Scott reported there was great dialog, questions, discussion, and the conversation was more in-depth regarding the logo discussion REV – to including Lansing and should the “E” represent events or entertainment.

At 8:47 a.m. Commissioner Cindy Bowen exited the meeting.

There was great dialog and discussion, which lead to a better understanding. Scott noted he will have a plan in September and estimated costs.

**9. Liquor Control:** LEPFA has worked with Pat Gagliardi, who was recently appointed Chair of State Liquor Control Commission and therefore we no longer can work with him on liquor control.

**10. Chase Creative:** Scott noted they have been sold, and we have discussed the contract changes with our attorney as pertains to our contract and he sees no issues. Tony Bento, from Ann Arbor is the new owner. He plans to keep the current staff here and Ben will stay on for one year and our contract has two (2) years remaining.

**D. PERSONNEL COMMITTEE:** A meeting is scheduled for Thursday to discuss the President & CEO’s contract; a draft will be forwarded to the Personnel Committee and will be review on Thursday.

**E. STRATEGIC PLANNING COMMITTEE:** Vice Chair James Stajos appreciated that the House Bill was picked up that it included Lansing and may offer major funding.

**F. VICE-PRESIDENT & STAFF REPORTS:**

1. **Jennifer McFatridge – Vice President Finance:** No report.

2. **Scott Horgan – Vice President Sales & Service:** Groesbeck is doing extremely well; the course looks good. He noted he is receiving positive feedback daily on the course, from people who have not golfed there in years. All categories are up, and we are starting High School play again, with two of our own tournaments in September. League play is up, and we are excited. Outdoor golf will be wrapping up in October and the second season of simulator will follow. The Lansing Center had a big win this week with MYWAY wrestling, and they confirmed for the next three (3) years, which was a community effort with the event moving to the weekend before Christmas. Scott Keith noted they will now be here three times per year for three (3) years which will impact tourism, with people coming in from all over the country. This week the FRIB Conference will be in house and is a global event. North American Particle Conference - FRIB – is here for ten (10) days, and they start arriving on Thursday. Scott Keith noted the challenge is a third-party group that is very challenging to work with. It is a great learning process for our team. Vice Chairman Stajos noted that Groesbeck was impressive last year; this year is impressive as we are meeting and exceeding marks. Scott Horgan noted the outings and walk ups helped. Commissioner Mickens asked if there is anything being done to get people who are golfing now to the simulator. Scott Horgan noted they have extended an offer so golfers could see and have captured lot of interest but need to find our niche for morning golf.

3. **Tristan Wright – Vice President Operations:** noted Tom Stouffer is doing very well at Groesbeck with the season coming to an end. Tristan noted Lansing Center projects include: C2A8 looking at the balcony area and we will likely work with them; we are replacing a cooling tower over Hall C in September or October, which will be a big project which will need to be done when air conditioning is not needed. September 10 will be the last of the Grand Concert Series, and Mindy is doing a great job. The nets will come down at Cooley Law School Stadium in September and the fountain
The Ignite are in first place and may make play offs; with a September 24 friendly match vs Chicago Fire and they are looking for a huge turnout. The Cross-Town Showdown is scheduled for September.

4. Paul Ntoko - VP Foodservice: Groesbeck Friday promotions are doing well. NUWAY was a busy event and Paul noted they have hired George Wills who started last month and his first week was the week of Common Ground. Paul noted they are looking forward to strong September.

5. Heidi Brown – Vice President Administration: Heidi recapped the current list of vacant positions, the Monthly Employee Leave and Employee Referral Program numbers. Heidi reported the Worker’s Comp claims and noted that LEPFA has changed providers to Accident Fund effective July 1. Staff Evaluations are due by September 13 to the President & CEO and coordinated job description changes. Heidi noted interviews for full-time positions have been completed and filled for the Foodservice Supervisor, Administration Assistant, and interviews are in progress for the Operations Services Coordinator and Floating Foreperson. The annual LEPFA Flu Shot Clinic is scheduled for September 25, 2019. Planning is underway for the United Way Campaign and the LEPFA Healthcare Committee will meet in September with Brogan Reed VanGorder and Associates regarding our January 1 benefit renewal.

VII. COMMISSIONER & STAFF COMMENTS:

1. Brian McGrain noted that Cathleen Edgerly is the new Downtown Inc. Executive Director. She is from Howell Mainstreet, formerly with CATA, and he noted we are excited to have her back in area. James Butler questioned the changes for the Mayor’s Chief of Staff and Brian explained that Samantha will be working on special projects, but questions should be directed to Samantha.

2. Commissioner Tim Barron commented that he liked the added conversation today and likes the less formal feel and appreciated leaving today’s meeting as an updated commissioner. Commissioner Barron noted Paul mention beer sales, and increased worked Groesbeck, and asked if staff TIPS and TAM certifications are current and on-going to ensure we have no issues. Paul noted things are in place and we are hyper vigilant. Paul Ntoko noted that are there are certified members and to-date we have had no issues and we have trained staff and getting one of our own team members to be a certified trainer. The increased volume is a result of more people coming through the course now, resulting in more sales. Paul explained the Friday special includes beer and they are up 50% - 60%. Brian McGrain questioned if we are fully insured at Groesbeck and Scott Keith noted Groesbeck has their own insurance.

3. Scott Keith extended a thank you to Commissioner Stajos for new fireworks contact for Silver Bells; the contact grew up in Lansing and is excited to be a part of Silver Bells. Tim Barron reflected on his part in broadcasting music to fireworks in the 90s Q106, all automated. Music will be added to Silver Bells fireworks. Vice Chair Stajos clarified the provider offers professional fireworks, which is not a part of his business.

VIII. OLD BUSINESS: No report.

IX. NEW BUSINESS: No report.

X. ADJOURNMENT: At 9:33 a.m. the meeting was adjourned.

MOTION: Commissioner Butler
SECOND: Commissioner Barron.

Motion carried.

THE NEXT MONTHLY MEETING IS SCHEDULED FOR:

SEPTEMBER 24, 2019 at 8:00 a.m.,
LANSING CENTER – GOVERNOR'S ROOM

Respectfully submitted,

Heidi K. Brown, Recording Secretary