

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Tuesday, January 19, 2010
Room 109

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on Tuesday, January 19, 2010, in Room 109 of the Indiana Convention Center.

Present were Ann Lathrop, Douglas R. Brown, Jay K. Potesta, David N. Shane, Carolene Mays, Paul Okeson, Jim Dora, Jr., Brenda Myers, Michael J. McQuillen, and Donald P. Welsh, Ex-Officio.

Others in attendance included Barney Levensgood, Executive Director, W. Tobin McClamroch, General Counsel, Bingham McHale LLP, Jeffrey H. Billig, CFO, ICCLOS, Patti Dean, Financial Consultant, ICCLOS, Jack Woodside, Special Projects Consultant, ICCLOS, Jerry Semler, ICVA Board Chair, James Wallis, ICVA Senior Vice President, Finance, Administration & Technology, Melissa Thompson, Clerk, City-County Council, Doug Clements, General Manager of Operations, Centerplate, and members of the media. A copy of the list of those who signed in upon arrival is also attached hereto.

Melissa Thompson, Clerk of the City-County Council was welcomed. She explained that she was present to swear in the new CIB appointees, and thus proceeded to ask all of the following individuals to stand, and to be duly sworn in, en masse:

Jim Dora, Jr.
Carolene Mays
Michael McQuillen
Brenda Myers
Paul Okeson
David Shane

The next matter of business was the election of Officers. Upon a motion by Mr. McQuillen, which was seconded by Mr. Potesta, the following slate was presented, and unanimously elected to serve as officers of the Capital Improvement Board for 2010.

Ann Lathrop, President
David Shane, Vice President
Paul Okeson, Treasurer
Douglas Brown, Secretary

The new officers were then congratulated, and applauded by those in attendance:

Minutes of the December 14, 2009 meeting of the Capital Improvement Board were presented. Mr. Potesta moved that these Minutes be approved, and upon a second to his motion by Mr. Brown, and a vote by the Board, the Minutes were approved.

At this time, Ms. Lathrop presented a brief Financial Update. Some of her comments included these:

- The actual expenses for year-end 2009 will be (approximately) \$44 million dollars against the appropriation budget of \$78 million dollars, and actual expenses of \$57 million dollars in 2008. Ms. Lathrop thanked Barney and staff, for "*whittling this budget down.*"
- Revenues from taxes, etc., were down approximately \$11 million dollars for the year.
- The first state loan, taken out in 2008, in the amount of \$16 million dollars was repaid in April, in accordance with the terms of the (original) Agreement.
- A Debt Service Reserve problem of \$26.3 million dollars was resolved with the assistance of City and State. This problem will not recur in 2010, Ms. Lathrop said.
- The Loan with the Treasurer of State closed on December 15, 2009, at a rate of 5.25%.
- 2009 PSDA collected may approximate \$2.9 million, as opposed to the \$8 million which was anticipated. Full \$8 million dollars to be collected in 2010, and beyond.
- Collection of additional hotel taxes are forecast at \$277 k in 2009; \$3.3 million dollars in 2010.
- With regard to Request for Information ("RFI") responses, twelve were received.
- Ms. Lathrop will ask for volunteer(s) to work with the City over a period of sixty to ninety days, to review responses received and ideas presented, and to determine if a full Request for Proposal ("RFP") is appropriate.

A copy of Ms. Lathrop's update is attached hereto as a part of these Minutes.

Once again, Mr. Levengood updated the Board on the Trades' Collective Bargaining Agreement, which includes the Indiana/Kentucky Regional Council of **Carpenters**, International Brotherhood of **Electrical Workers**, Local No. 481, and **Painters** Local No. 47. This time, he said he had "good news to report". On December 24, 2009, the union membership had "ratified by body," the Collective Bargaining Agreement, the term of which is from November 1, 2009 through December 31, 2011, and that action had been ratified on this day, January 19, 2010. Referring to certain language in the Agreement, he mentioned several points, including the fact that there would be no wage increases in the first year, that step-children had been added to the Bereavement/Death Leave language, and that percentages for the employee portion of Health Care, including a single coverage, would be going from 10% to 20% in January, 2010 and 20% to 30% in January, 2011. With regard to overtime, Mr. Levengood told the Board there would be no automatic double time on Sundays, with time and a half over 8 hours and double time only on holidays. The savings to the CIB is anticipated to be between \$38,000 to \$45,000 per year, based upon the 2008-2009 figures. With regard to

Renewal, Termination, etc., of the Agreement, the terms will remain in full force and effect until such time as the parties reach a resolution pertaining to negotiations for a new Agreement, or, until October 31, 2010, whichever comes first. Lastly, he told the Board that staff was "strongly recommending" the Board's approval in this matter. Board approval was sought, and upon a motion by Mr. Potesta, which was seconded by Ms. Mays, Board approval was granted. Mr. Levengood thanked the Board, calling this action, "a major move for the CIB."

Mr. Welsh, President & CEO of the Indianapolis Convention & Visitors Association, ("ICVA") gave a brief update on matters pertaining to the ICVA. He began by thanking Bob Grand, Ann Lathrop, the CIB, and the ICVA's hospitality partners for their help in going through "last year's uncharted waters". He introduced James Wallis, ICVA's CFO, and Jerry Semler, Board Chair for the ICVA, who has agreed to stay on another year. Mr. Welsh then referenced the ICVA's Annual Meeting, which is to be held at Conseco Fieldhouse on Thursday, January 28th. He cordially invited the CIB Board members to attend, and to hear about the ICVA's mission and core objectives. Then began Mr. Welsh's brief update, telling the Board that 2009 was a fairly robust year for the ICVA. Among his comments, pertaining mostly to Convention Sales and Public Relations & Marketing, he called the Board's attention to the backup he had given them, which was entitled, "*Indianapolis Convention & Visitors Association 2009 Summary.*" Some of the points he mentioned were these:

Convention Sales side ~

- Ronnie Burt, ICVA Sr. VP of Sales from Baltimore, has been with the ICVA for nearly a year, and "has built a great team on the convention services side."
- In 2010, the ICVA has "booked against the goal" of in excess of 650,000 Room-Nights.
- Year end Room-Nights are approximately 687,000, with an economic impact of \$550 million dollars.
- The Tentative Room-Nights figure was most encouraging, due to backlog catch up.
- The 67.4% Hotel Occupancy in greater downtown Indianapolis, at an average daily rate of \$129.28, was better than some other major cities, nationwide.
- An economic impact of \$550 million is anticipated.
- The ICVA books events 14 months and further out.

Public Relations & Marketing side ~

- Mr. Welsh praised the ICVA's PR team, mentioning Bill Benner, Chris Gahl, and Kim Harms by name.
- "We track revenues, and what we spend," and the economic value of editorials, articles, etc., which support the City, the work of ICVA, etc. Last year's public relations value was \$36 million dollars, and PR Impressions 306 million. "People are talking about our City."
- Summer Campaign economic impact was \$145 million dollars.

- There were over a million visits to the ICVA website in 2009, and the ICVA is “totally redoing our website,” Mr. Welsh told the Board.
- Membership is second largest income source. Membership is from both large and small groups. Membership “retention” rate is at 99%.
- Regarding Citywide Groups, there are 35 for the period January to June, 2010, but still surpassing the Room-Nights goal.
- One-day Attendance – 307,900 and 190,947 Room-Nights in the first six months of 2010, with an economic impact “close to \$200 million,” at \$199,722,300.

Mr. Welsh mentioned how great it was to be downtown this past week end, when Indianapolis welcomed approximately 130,000 visitors and guests, including Jam Fest’s Super Nationals Cheer Leaders, and Colts fans for the game. He said he wanted the Board to know how thrilled customers are when coming to Indianapolis for the first time, or upon returning, after they have not been here for awhile. “They are thrilled with this City, and with the facilities,” he said. He thanked Ann Lathrop for the opportunity the ICVA will have to make monthly updates. Mr. Lathrop thanked Mr. Welsh for his comments, and told the Board that both she and Mr. Welsh would speak in February about some of the objectives in 2010 that align the CIB and ICVA. A copy of Mr. Welsh’s presentation is attached hereto as a part of these Minutes.

Mr. Levengood also spoke to the Board regarding Cancellation of the CIB’s Past Due Accounts, or “Bad Debt Write-Offs”. He explained to the newer members of the Board that this was an annual accounting function, which requires Board action. This year, these debts totaled \$13,978.95, as compared to \$54,742.00 at this time last year. Mr. Levengood said this was, “very good, particularly in a tough economy.” A list of these debts had been sent to the Board for review prior to the meeting. Mr. Levengood said staff does not believe these particular debts are “collectible,” however, they will be turned over to a collection agency. Upon a motion by Mr. Brown, which was seconded by Mr. McQuillen, the Board approved the cancellation of these Past Due Accounts, as presented by Mr. Levengood.

Claims for the month of January included the following:

Capital Improvement Board of Managers:

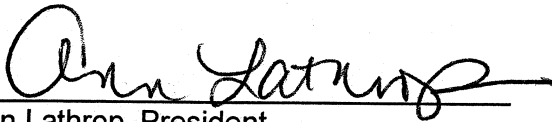
Operating Expense Voucher #480G	\$ 1,315,406.08
Confirming Expense Voucher #479B	<u>396,301.03</u>
Total:	\$ 1,711,707.11

Mr. Lathrop called for approval of these Vouchers, and upon a motion by Mr. Potesta, which was seconded by Ms. Mays, the Vouchers were approved.

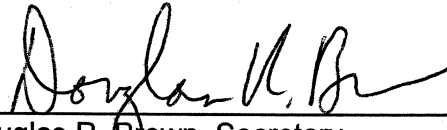
Under Other Business, Mr. Levengood introduced Doug Clements, who is the General Manager of Operations for Centerplate. He would speak to the Board, in part, about year-end matters involving Centerplate. Mr. Clements thanked the Board for inviting

him to speak to them, and offered brief historical remarks about Centerplate and then speaking of "today," when Centerplate now has 250 contracts. He mentioned recent health service issues at Lucas Oil Stadium that Centerplate had addressed immediately after these matters were brought to their attention by the Marion County Health Department ("MCHD") in November of 2009. Among measures taken during this time was a strict stand-to-stand internal audit, for which they were given a "thumbs up" from the MCHD. He told the Board that concessions at the first game after this matter were the second largest concessions amount ever, second only to the stadium's opening day event. A copy of information regarding Centerplate, and which was handed out at this meeting, is attached hereto. No action was necessary on this matter, and none was taken, but Ms. Lathrop thanked Mr. Clements for coming and for sharing this update with the Board at this time.

There being no further business to come before the Board at this time, nor any public comments to be heard, and upon a motion by Mr. Potesta, which was seconded by Mr. Okeson, Ms. Lathrop thanked those in attendance for coming, and declared that the meeting was adjourned.



Ann Lathrop, President
THE CAPITAL IMPROVEMENT BOARD
OF MANAGERS
OF MARION COUNTY, INDIANA



Douglas R. Brown, Secretary
THE CAPITAL IMPROVEMENT BOARD
OF MANAGERS
OF MARION COUNTY, INDIANA