

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Monday, March 14, 2011
Administrative Board Room

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on Monday, March 14, 2011 in the Administrative Board Room of the Indiana Convention Center.

Board Members present included Ann Lathrop, Jim Dora, Jr., David Shane, Douglas R. Brown, Carolene Mays, and Michael J. McQuillen. Member(s) absent: Brenda Myers and Jay K. Potesta.

Others in attendance included Barney Levensgood, Executive Director, Dan Huges, CFO, W. Tobin McClamroch, General Counsel, Bingham McHale LLP, Don Graham, Bingham McHale LLP, Michael Brink, Independent Security Services Consultant, James Wallis, ICVA, Michelle Travis, ICVA, Chris Gahl, ICVA, and members of the media. A copy of the list of those who signed in upon arrival is also attached hereto.

Minutes of the Monday, February 14, 2011 meeting were presented, and upon a motion by Mr. McQuillen, which was seconded by Mr. Shane, these Minutes were approved.

In a slight reordering of the Agenda, the second matter to come before the Board was that of Legislative Update. Counsel advised the Board that on the issue of Indiana SB No. 292 and Indiana HB No. 1540, which were presented in the February 14th meeting, there were no further updates to bring to the Board on this issue at this time.

The next matter to come before the Board was that of Security Services – Recommendation and Consideration of Award of Contract. Michael Brink, CIB's Independent Consultant for Security Services, spoke about the process by which the CIB has reached a decision regarding Security Services for the ICCLOS. In this regard, and in order to detail the timeline and the process, Mr. Brink presented the "CIB ICCLOS Security Services Procurement Summary and Recommendation," a copy of which is attached hereto as a part of these Minutes. Describing the process as "a robust competition," Mr. Brink advised the Board that respondents had been both national and international. Fifteen RFP's ("Proposals") were received. Of those, eight companies were invited to make a presentation and to be interviewed with the percentages of their scores broken out as 50% for Technical Proposal, 25% for Business Proposal, and 25% for Pricing Proposal (Billable Rates). Key elements of the of the RFP's included that Respondents had the opportunity to bid on one, two, or all three of the service categories, which included the following:

1. 24/7 Building Security at the Indiana Convention Center
2. 24/7 Building Security at Lucas Oil Stadium
3. Armed Security Services at Lucas Oil Stadium

Also considered to be key elements of their evaluation criteria were those elements pertaining to the quality of the management plan and of their leadership personnel, experience at facilities comparable to those of the ICCLOS, **Minority, Women's and Veterans Business Enterprise** participation, and price. At the conclusion of the presentations, and after an evaluation of the respondents by the committee, the decision was that a recommendation would be made to the Board that the incumbent providers be retained, as follows:

- ICC – ESG Security (using subcontractor Advance Tactics Security)
- LOS – Contemporary Services Corporation
- Armed Security Services – Protection Plus

Cost savings to the CIB was estimated at \$305,000 annually or \$915,000 over the three-year base Agreement. Board approval on this matter was then sought, and upon a motion by Ms. May, which was seconded by Mr. Shane, as it pertained to the matter of Award of Contract for Security Services for ICCLOS, approval to retain the incumbent providers, as described above by Mr. Brink, was granted. Also, Mr. Levensgood was reminded of the importance of utilizing local companies, whenever it is possible to do so. Ms. Lathrop thanked Mr. Brink for his presentation and for his leadership throughout the process.

In a brief Financial Update by Mr. Huge, he advised that the CIB had closed out the year, with Total Revenues of \$105,738,720. Operating Expenses were \$59 million, \$4.1 million under budget, and a \$17.1 million positive cash flow. Highlights he mentioned included Revenues of \$7.8 million from the new PSDA, \$3.4 million from the new Hotel/Motel Taxes, \$8 million from the Interlocal Agreement Funding, and \$9 million from the State Loan which closed on December 15, 2010. The State Board of Accounts will be on site beginning next week. Mr. Huge was asked whether he thought cuts in the budget were sustainable. Mr. Levensgood interjected that he thought they were, but suggested the staff will be sensitive to spending funds, yet maintaining the current budgeted savings when possible.

Also, Mr. Huge shared an independent review by Moody's Investors Service rating the CIB AA3 (or AA-.) A copy of this review is attached hereto as a part of these Minutes.

Next, James Wallis and Michelle Travis, on behalf of the Indianapolis Convention & Visitors Association (ICVA), presented a brief update on the ICVA's 2011 "Definite Room-Night Production by Year, Venue and Market Segment Report, as of February

28, 2011.” A copy of this report is attached hereto as a part of these minutes. Michelle reported total room-night production by Venue was 21,034, of which 20,685 were other venues in 2012. Furthermore, they noted significant sales bookings of Family Motor Coach (2012), United States Bowling Congress (2012), USA Swimming “U.S. Open Nationals” (2012), and the USA Swimming “Junior National Championships” (2012). These four bookings represent over 20,000 room-nights. And lastly, some of the Major Groups in March, 2011 were highlighted. For example, Big Ten Men’s and Women’s Basketball, the National Truck Equipment Association, M-PACT 2011, Music For All National Festival, and Fire Department Instructors Conference.

Don Graham, Bingham McHale LLP, spoke to the Board about certain LOS Concession issues which exist as between the CIB and the Indianapolis Colts, Inc. (“Colts”). He explained that there is a difference of opinion between the CIB and Colts regarding how certain concession expenses should be allocated between Colts events and non-Colts events held in LOS. While these issues have been under discussion for a number of months, an agreement has not been reached. A proposed Resolution was provided to the Board for consideration, which would authorize the Board President to continue discussions on these issues and, if necessary, to commence formal dispute resolution.

Three Sections of the proposed Resolution are as follows:

Section 1. It is in the best interests of the CIB, City of Indianapolis, Marion County, the State of Indiana and citizens thereof, that the CIB delegate its authority to an officer of the Board for the limited and express purpose of resolving the Outstanding Issues in an expedient, efficient, and cost-effective manner.

Section 2. The President is hereby authorized to take such actions that she deems desirable, appropriate and in the best interests of the CIB to resolve the Outstanding Issues, including continuation of direct communications, negotiations and/or mediations with the Colts and, if necessary, commencement of arbitration, litigation and/or any other form of dispute resolution, consistent with the applicable terms of the Lease Agreement, Operative Documents and governing law.

Section 3. The President is hereby further authorized on behalf of the CIB to explore and negotiate possible settlement agreements to resolve the Outstanding Issues and, if and to the extent any such agreement is reached which the President deems to be proper, appropriate and in the best interests of the CIB, to present such proposed settlement to the Board for consideration, with any settlement to be conclusively evidenced by the execution of a written settlement agreement in a form as reviewed and approved by the Board.

Board approval was sought. Upon a motion by Mr. Shane to adopt the Resolution as presented by Mr. Graham, which motion was seconded by Mr. Dora, the Resolution was

adopted by the Board, with **Mr. Brown advising that he was abstaining on this matter**. A copy of the Resolution is attached as part of these minutes.

Next, Mr. Levensgood presented the Indiana Convention Center ATM Machine Contract Approval to the Board. "We currently have two ATM's, and we need a third." he said. The amount, which he described as 'nominal,' would be \$100.00 per unit, per month. He advised the Board that staff was working with PNC Bank on this matter, and he asked for Board approval to proceed. Upon a motion by Mr. Brown, which was seconded by Ms. May, approval of the contract with PNC, a copy of which is attached hereto as a part of these Minutes, was granted.

Claims for the month of March included the following:

Capital Improvement Board of Managers:

Operating Expense Voucher #494G	\$ 2,045,762.53
Confirming Operating Expense Voucher #439B	455,472.34
Confirming Operating Expense Voucher #439C	<u>15,315.00</u>
Total:	\$ <u>2,516,549.87</u>

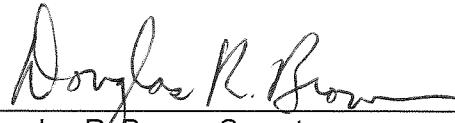
Upon a motion by Mr. Shane, which was seconded by Mr. McQuillen, the Board approved the Vouchers.

Ms. Lathrop asked if there were any other matters to be brought before the Board at this time. Mr. Levensgood said he wanted the Board to know that Centerplate had received an award for Operational Excellence.

There being no further business to be conducted or any public comments to be heard, and upon a motion by Mr. McQuillen, which was seconded by Mr. Dora, 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
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