

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Monday, April 11, 2011
Administrative Board Room

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on Monday, April 11, 2011 in the Administrative Board Room of the Indiana Convention Center.

Board Members present included Ann Lathrop, David N. Shane, Jay K. Potesta, Carolene Mays, Jim Dora, Jr., Brenda Myers, Douglas R. Brown, and Michael J. McQuillen.

Others in attendance included Barney Levensgood, Executive Director, Dan Huges, CFO, Jack Woodside, Special Projects Consultant, W. Tobin McClamroch, General Counsel, Bingham McHale LLP, James Wallis, Indianapolis Convention & Visitors Association ("ICVA"), Michelle Travis, ICVA, Terry Leffew, Raymond James, Randy Ruhl, City Securities Corporation, Mike Schumaker, City Securities Corporation, David Sease, Sease Gerig & Associates, 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, March 14, 2011 meeting were presented, and upon a motion by Mr. McQuillen, which was seconded by Ms. Mays, these Minutes were approved.

Mr. Huges presented a Financial Update, informing the Board that February financials would be sent out next week, with March figures presented at the May board meeting. In January, Total Revenues were ahead of our budget by \$581,813.00. Under Expenses, Utility Services were \$217,073.00 under budget. However, that does not reflect the newly expanded space at the Convention Center, which is now fully online, so these figures will be monitored closely. With the increase of Convention Center space, we can expect utility costs to increase, as well. Capital Outlays at \$986,239.00 were also under budget, as a result of \$3.5 million of capital improvements for Conseco Fieldhouse "front-loaded" in the first quarter of the budget so those improvements are budgeted, and should be completed, this year. In the first month, the Net Cash Flow is ahead of budget by \$2,088,091.00. January did include the second Pacer's loan of \$10 million dollars and payments to the Colts of \$3.5 million.

Next, Mr. Huges gave a summary of the Savings Report by City Securities Corporation, attached hereto as a part of the Minutes, with regard to the Marion County Convention and Recreational Facilities Authority ("MCCRFA") Excise Taxes Lease Rental Revenue Refunding Senior Bonds, Series 2011A. Total savings resulted in \$3,198,079.03, with \$3,145,354.03 of that amount realized in the 6/1/2012 bond payment to MCCRFA, and

\$2.2 million realized in 2011 with \$926,695.97 of that on 12/1/2011. Overall, it resulted in 8.78% of net present value savings. Mr. Huge stated he was pleased with the savings realized with this refinancing. He also noted that at this time, we did not refinance the MCCRFA Excise Taxes Lease Rental Revenue Subordinate Bonds, Series 1997A, as there was not enough of a savings. Lastly, he wanted to recognize the hard work by City Securities, Raymond James, Loop Capital, and Wells Fargo. He asked if anyone had questions for Messrs. Ruhl or Schumaker. There being none, Ms. Lathrop thanked everyone involved for their "good work on the savings".

Next, James Wallis and Michelle Travis, on behalf of the ICVA presented a brief update on the ICVA's 2011 "Definite Room-Night Production by Year, Venue and Market Segment Report", as of March 31, 2011. A copy of this report is attached hereto as a part of these minutes. First, Mr. Wallis was happy to announce that the ICVA's new president and CEO, Leonard Hoops, will officially start on May 31, 2011. He hoped everyone had a chance to meet Mr. Hoops at an ICVA welcome reception on April 6th. Moving on, he reported there was a 6.3% increase in hotel rooms sold in Marion County over this same time period in 2010, with the trend continuing through March. Ms. Travis, referring to direct bookings, went on to report that wrapping up the first quarter they ended with 128,601 room nights. Fifty-seven percent (57%) was short term for 2011-12-13. Initially, it was 79% but three groups had to be moved due to space issues, which will be reflected in the 2nd quarter. Room nights, broken down by venue, follows: 61% at the Indiana Convention Center & Lucas Oil Stadium ("ICCLOS"), 20% is hotel in-house business, with 19% to other venues. Ms. Travis pointed out city-wide we have a good mix of business. Focusing on the ICCLOS, engineering-scientific is 28% of the segment with medical at 29%. The ICVA continues to try and grow corporate, which currently is at 2% (32% city-wide), and is making some headway with the launch of new products. She also noted that in the first quarter, the Indiana Convention Center hosted three major groups: Dealer Expo, National Truck Equipment and FDIC, all of which used the entire Convention Center. And, the National Council of Teachers of Mathematics, which is currently moving-in, is the first **non-repeat** business to use the entire Convention Center space including the new expansion. Finally, Ms. Travis mentioned some new bookings, including the American Society of Mass Spectrometry, the National Federation for Catholic Youth Ministry, which is also looking at us as their long-term home during odd years (16,000 room nights), and the American Dietetic Association (16,000 room nights). No questions were forthcoming from the Board but Mr. Brown did comment on the excellent CEO search, which resulted in the hiring of Mr. Hoops, a "dynamic fellow".

In a Legislative Update, Mr. McClamroch briefly updated the Board on the issue of Indiana SB No. 292 and Indiana HB No. 1540. As originally written, the legislation would prevent local government entities from enforcing firearm limitations, which would result in allowing patrons and clients to bring firearms into CIB facilities. Mr.

McClamroch and others have been working on an exception to the House bill and have made “significant” progress with regard to language pertaining to leasing space from governmental entities, which would still empower patrons to set their own firearm rules but would allow the CIB to “enforce” those rules established by our patrons. He believes we can operate within this restriction and is optimistic an amendment will be adopted when the House bill is brought before the Public Policy Committee this week, along with the immigration bill, and will continue to keep an eye on the situation. Mr. Shane asked if Mr. McClamroch thought the ICVA would be impaired with regard to recruiting new businesses to Indianapolis as a result of this firearm legislation. Although Mr. McClamroch has not specifically spoken with the ICVA on this matter, he does not think it will interfere with us enforcing our licensees’ firearm rules. As Mr. Levengood interjected, firearms would be restricted to the leased space, not the common areas. Ms. Myers had an inquiry with regard to the immigration bill, asking if it could have an effect on our attracting new groups. Mr. Wallis was asked to address this question. He stated it could have an adverse effect as currently written. Future clients are very concerned with any legislation that might be considered exclusionary to some or non-welcoming. These concerns have been expressed from a wide spectrum of clients. With no other questions, Ms. Lathrop thanked Mr. McClamroch for his time spent monitoring this important firearm legislation and for keeping the Board apprised of its development.

Mr. Levengood addressed the Board with regard to the Teamsters and Expo Workers (a/k/a I&D Workers) Collective Bargaining Agreement and was pleased to announce that as a result of multiple sessions, and a positive vote by the members of the bargaining unit, staff is strongly recommending to the Board that the proposed settlement be approved, as follows, for the following term July 1, 2010 through June 30, 2013:

	<u>F/T Teamsters</u>	<u>P/T Teamsters</u>	<u>P/T Expo Workers</u>
7/1/2010	\$16.15	\$10.27*	\$18.37*
7/1/2011	\$16.48	\$10.37	\$18.57
7/1/2012	\$16.81	\$10.47	\$18.77

*Rate effective at beginning of next regular payroll period following approval by CIB Board.

Rates will be retroactive to July 1, 2010, for Full Time Teamsters. Ms. Myers asked if the retroactive pay would offset our cash outlays and was assured by Messrs. Huge and Levengood that it amounted to only \$125,000.00 and was budgeted, as well as reasonably absorbed. Board approval on this matter was sought, and upon a motion by Mr. Potesta, which was seconded by Mr. Shane, the Board approved the Agreement between the Indiana Convention Center & Lucas Oil Stadium and the Chauffeurs, Teamsters, Warehousemen and Helpers Local Union No. 135.

The next item Mr. Levensgood brought before the board was Disposal of Obsolete Equipment. With the items having no book value, board approval was sought to auction, donate, trash or otherwise dispose of the items. Upon a motion by Mr. Dora, and seconded by Mr. Potesta, the Board approved the disposal of said items, a description of which is hereby attached to and made a part of these minutes.

Claims for the month of April included the following:

Capital Improvement Board of Managers:

Operating Expense Voucher No. 495G	\$ 1,955,397.63
Additional Operating Expense Voucher No. 494B	<u>409,321.73</u>
Total: \$	2,364,719.36

Upon a motion by Mr. McQuillen, which was seconded by Ms. Myers, 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 mentioned KONE Corporation, a global leader in the elevator and escalator industry, had a "nice piece" in their international magazine about the ICCLOS.

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. Shane, 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