

CAPITAL IMPROVEMENT BOARD OF MANAGERS  
OF MARION COUNTY, INDIANA  
Minutes of Meeting  
Friday, July 8, 2016-8:30am  
Indiana Convention Center Boardroom

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on July 8, 2016 in the Indiana Convention Center's Boardroom.

Board Members present included Melina Kennedy, David E. Corbitt, Mary Ann Fagan, Jim Dora Jr., Brenda Myers, David Ruhmkorff, and Michael C. Terrell. Board members Douglas R. Brown and Maggie A. Lewis was absent, as well as Ex-Officio, Leonard Hoops. Others in attendance included Barney Levengood, Executive Director, Mary Solada, General Counsel, Bingham Greenebaum Doll LLP, Bart Brown, City County Council, Daren Kingi, Visit Indy ("VI"), David Sease, SGA and members of the media. A copy of the list of those who signed in upon arrival is also attached hereto.

Ms. Kennedy introduced the **Approval of Minutes** for the Friday, June 10, 2016 meeting. Upon a motion by Mr. Ruhmkorff and seconded by Mr. Corbitt, the Minutes were unanimously approved as presented.

Mr. Kuehr presented the **Financial Update** to the Board as per the supporting documentation, which is attached and made a part of these minutes. Mr. Kuehr reviewed the financial statements for the month and year to date with the Board members explaining variances from budget and answering questions as necessary. Mr. Levengood cautioned the Board that the amount in the Capital Outlays would change as the year progressed and as more of the projects currently in the pipeline take place. Mr. Ruhmkorff inquired as to why there were two health insurance payments for this month. Mr. Levengood explained that the CIB is part of the City of Indianapolis policy and it recently changed insurance carriers from Advantage Health to Anthem. As part of this transition there were some delays in invoicing and processing as Advantage's coverage ended and Anthem's coverage began. This resulted in the premiums for April and May occurring in the same month. Mr. Levengood stressed that there was no lapse in coverage during this time. Ms. Kennedy asked if there were any additional questions for Mr. Kuehr regarding the Financial Update and there were none at this time.

Ms. Kennedy introduced Daren Kingi who presented the **Visit Indy Update** with the Market Share Performance report and Room-Night Production documents attached to and made a part of these Minutes. Mr. Kingi reviewed the Visit Indy Sales reports with the Board explaining trends and variances in the main areas of Downtown, Marion County and outside Marion County. Mr. Kingi informed the Board Visit Indy is off to a strong pace with 438,000 room nights booked, which is 130% of their goal for the year at this time. He also mentioned the pipeline report had a YTD total of 437,000 Room Nights, which is 135% of that goal for the year, adding VI is on track to reach their YTD goals. He highlighted some notable events booked in upcoming years. These future events include Primerica Life Insurance convention, with an estimated attendance of

50,000 coming next year, Game Stop, with an estimated attendance of 6,800 will be held in August of 2020, and Southern Baptist Church is booked for June of 2024 with an estimated attendance of 16,000. Ms. Kennedy thanked him for his report and asked if there were any questions for Mr. Kingi from the Board and there were none at this time.

Ms. Hennessey presented the **ICCLoS Sales Report**, which is attached to and made a part of these Minutes. Ms. Hennessey informed the Board the occupancy for June was 73.9% in the Convention Center and 30.3% at the Stadium. She informed the Board the monumental weekend of June 24<sup>th</sup>-26<sup>th</sup> went very well with the USA Volleyball tournament occupying the majority of the Convention Center. Mr. Levengood recognized Susie Townsend of Visit Indy for a job well done coordinating all the various events of the weekend. Ms. Hennessey mentioned this month that the Convention Center hosted events for both the Indiana Democratic Party and Indiana Republican Party, as well as hosting Indy PopCon with attendance of 15,000. She added going forward the Indiana Black Expo is currently moving into the building, the National Train Show is currently in the facility, and the Antique Roadshow is coming this weekend. Mr. Levengood noted this was the first time that the Convention Center is hosting the Antique Roadshow adding there were many contractual issues to resolve as part of the booking process. He recommended the Board members attend this very unique and interesting show if they have the opportunity. Ms. Kennedy asked if there were any questions for Ms. Hennessey and there were none at this time.

Ms. Kennedy introduced Mary Solada, the CIB's General Counsel, to present the **Approval of Landlord Agreement and Estoppel-Marriott Indianapolis** agenda item, which is attached to and made a part of these Minutes. Ms. Solada informed the Board that the land upon which the Downtown Marriott is built is actually owned by the CIB. She explained in 1999, then Mayor Steve Goldsmith asked the CIB to transfer the land via a ninety-nine (99) year lease to the Department of Metropolitan Development to a joint venture between White Lodging (out of Merrillville) and REI a local developer.

Ms. Solada explained currently the Hotel is in the process of being sold. We have been requested by the lender to sign the estoppel certificate, a relatively typical document in a commercial real estate transaction, which essentially states that we are not aware of any defaults and our rent is current, to the best of our knowledge.

The Lender and the owner believe that the Board need not pass a formal resolution regarding approval of the Landlord Agreement and Estoppel Certificate, but would like to be provided a copy of the Minutes from this meeting for their records evidencing that the Board is authorizing Mr. Levengood to execute two (2) documents: the Estoppel document and the Landlord Agreement as recommended by legal counsel and reflecting these actions in the Minutes

Mr. Corbitt inquired whether the Department of Metropolitan Development ("DMD") had approved a similar document. He asked, in particular, whether DMD had indicated whether there were any defaults under the existing lease arrangements. It was decided Ms. Solada would confirm with Kobi Wright (Special Counsel for Economic Development, Office of Corporation Counsel) representing the City in this matter that the City has done its due diligence and confirm there is no further obligation or

responsibility of the CIB before proceeding with the execution of these documents. If the results of due diligence are not satisfactory, Ms. Solada will bring the matter back before the Board. Upon a motion by Mr. Corbitt and a second by Mr. Ruhmkorff the Approval of Landlord Agreement and Estoppel-Marriott Indianapolis was unanimously approved by the Board.

Mr. Levengood presented the **Insurance Procurement** agenda item, which did not have an attachment. Mr. Levengood introduced Mr. Steve Pickett of McGowan Insurance, who has served as the CIB's independent insurance consultant for many years, and Don Graham, Counsel from Bingham Greenebaum Doll LLP. He explained they were part of a group also including Business Operations Director, Christina Kelley and Director of Operations, Tom Boyle as well as Mr. Levengood, who put together a Request for Proposal ("RFP") for Insurance Brokerage and Advisory Services, including Cost Proposals for Specified Lines of Insurance, Coverages and Limits. Mr. Levengood highlighted several points regarding this process listed below:

The CIB's insurance for the following coverage are up for renewal as of August 1, 2016.

- a. Property--\$2 billion loss limit
- b. Commercial General Liability
- c. Umbrella / Excess--\$55 million combined limits
- d. Auto / Garage Keepers
- e. Workers Compensation

Mr. Levengood indicated that he was pleased to make a recommendation to the Board that will provide the CIB with approximately \$330,000 in annual savings on the base premiums for these coverages, as compared to the base premiums for the preceding annual policy term.

Mr. Levengood explained that earlier this year the CIB elected to issue a Request for Proposal ("RFP") to select insurance brokers. This group consisted of the following:

- Gregory and Appel
- City Securities Insurance
- Old National Insurance
- M-J Insurance (M-J chose not to participate)

Mr. Levengood explained that Mr. Pickett was involved throughout the process to both:

- a. Ensure that the RFP properly identified all insurance coverages, limits and services required to adequately protect and promote the CIB's interests; and
- b. To review and evaluate the proposals once received.

Counsel for the CIB was also involved in implementing and managing the RFP process.

By utilizing this process (which is not statutorily required), the CIB was able to obtain multiple proposals, including quotes from various underwriters, which:

- a. Brought competition as to the premium pricing;

- b. Ensured that required insurance coverages and services will continue; and
- c. Provided certain proposed enhancements to coverages as compared to the CIB's existing policies.

Based on the review and evaluation of the submitted Proposals consistent with the RFP, the recommendation to the Board is that Gregory & Appel continue as the CIB's broker for these insurance coverages.

- a. In addition to the renewal for the policy period August 1, 2016 to July 31, 2017, it is anticipated that the brokerage relationship with Gregory & Appel will continue for an additional two years – to July 31, 2019- for a total of 3 years.
- b. However, the brokerage contract between the CIB and Gregory and Appel will specifically provide that the CIB can terminate the relationship at any time within the 3 year period should:
  - i. Gregory & Appel fail to properly perform; or
  - ii. Should the CIB otherwise determine that such a termination is in the CIB's best interest.

Ms. Kennedy asked what factors determined that Gregory and Appel had the best proposal. Mr. Levengood explained this decision was based on Gregory and Appel's presentation, organization and strength of its overall proposal, as compared to the other proposals. In particular, the property quote provided by Gregory and Appel will be fixed and Gregory and Appel offered to reduce the deductible from \$250,000 to \$100,000, which was an important factor in the decision. Mr. Levengood asked the Board if there were any further questions regarding this process. Mr. Corbitt inquired whether or not this proposal included any protection against cyber terrorism or physical threat. Mr. Pickett explained that the CIB has a separate cyber policy and that terrorism coverage is included in both the \$2 billion property policy and the commercial general liability, umbrella and excess policies, which collectively provide limits of \$55 million. With no further questions from the Board, Mr. Levengood recommended to the Board to approve the award of the Insurance contract to Gregory and Appel in the amount of \$1,186,746 (not including a premium of \$5,673 for an Inland Marine policy providing coverage for certain statues owned by the CIB) consistent with its Proposal submitted in response to the RFP. Mr. Terrell recused himself from the vote. Upon a motion by Ms. Fagan and a second by Mr. Dora, the **Insurance Procurement** was unanimously approved by the Board taking into account Mr. Terrell's recusal. Mr. Levengood thanked Mr. Pickett, Mr. Graham, Ms. Kelley, Mr. Boyle and the staff for all the time, effort and hard work that went into this process.

Mr. Levengood presented the **LOS – Video Board / Ribbon Board Maintenance Agreement (Daktronics)**, which is attached to and made a part of these Minutes. He explained this is a three year agreement to service the video boards and ribbon boards at Lucas Oil Stadium for \$591,930, which is an average of \$197,310 cost per year. These boards were installed in 2008 and are currently eight years old. Daktronics, located in South Dakota, is the manufacturer as well as the company providing the service. Mr. Levengood informed the Board that Daktronics has given the CIB notice it

will no longer supply the CIB with a service agreement after this three year term ends. At that time we will be on a time and material basis for individual service calls. Ms. Kennedy asked if there were further questions from the Board for Mr. Levengood. Mr. Corbitt asked if there was any concern the boards would become obsolete because of their age and Mr. Levengood replied that was a concern and planning toward the eventual replacement cost of new boards is something that needs to be considered going forward. With no further questions and upon a motion by Mr. Dora, and a second by Mr. Ruhmkorff, the LOS – Video Board / Ribbon Board Maintenance Agreement (Daktronics) was unanimously approved as presented.

Mr. Levengood presented the **LOS – Trivision Sign Replacement**, which is attached to and made a part of these Minutes. He explained this project involves the replacement of two trivision signs in the Stadium. The project was estimated at \$65,000, so consistent with Indiana's Public Procurement Laws, the CIB solicited Quotations from four (4) contractors for base quote. There was only one quote submitted by Sign Craft in the amount of \$73,496. Staff and counsel have determined the quote is both responsive and responsible. Mr. Levengood asks for the Board's approval to award the contract to Sign Craft in the amount of \$73,496 as the most responsive and responsible quote. Ms. Kennedy asked if there were any further questions from the Board for Mr. Levengood. There were none. Upon a motion by Mr. Dora, and a second by Mr. Terrell, a contract with Sign Craft for **LOS Trivision Sign Replacement**, was unanimously approved as presented.

The next topic on the agenda was the **Claims**. Mr. Levengood presented these to the Board as per the supporting documentation, which is attached to and made a part of these Minutes. Ms. Fagan recused herself from line item 57 on voucher 2106G regarding Bingham Greenebaum Doll LLP. Ms. Kennedy recused herself from line items 5 on Voucher 2111C regarding Indianapolis Power and Light. There were no questions from the Board and upon a motion by Ms. Fagan and seconded by Mr. Ruhmkorff, Claims 2106G and 2111C were unanimously approved by the Board taking into account the aforementioned recusals.

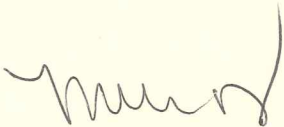
Ms. Kennedy asked if there were any **Other Business** items from the Board. Mr. Levengood reminded the Board that the date of the August CIB Meeting was changing from August 12<sup>th</sup> to August 19<sup>th</sup>, and thanked the Board for being flexible with the rescheduling process. Mr. Levengood mentioned that the 2017 CIB Budget will be presented at this meeting as well, noting the President and the Treasurer of the Board would be reviewing the budget prior to this meeting. The budget will then go to the City County Council for approval.

Mr. Levengood shared some sad news to the Board informing them that fellow Board member Jim Dora Jr. had buried his father and former CIB President, Jim Dora Sr. the previous day. Mr. Dora Sr. passed away on June 27<sup>th</sup> at the age of 80. Jim Dora Sr. was on the CIB Board from 1971-1993 and was the president of the Board from 1985 to 1993. On a personal note, Mr. Levengood also shared with the Board that Jim Dora Sr. was the person who originally hired Mr. Levengood, along with David Frick and Maribeth Smith, some 25 years ago. He added Mr. Dora Sr. was a tough boss but that

he always treated him very well and offered his condolences to Jim Dora Jr. Mr. Levensgood thought Mr. Dora Sr. was an amazing man. Mr. Levensgood, Ms. Kennedy and the other Board members offered their condolences to Jim Dora Jr.

On a lighter note, Mr. Levensgood informed the Board Victory Field originally opened on July 11<sup>th</sup>, 1996 and will celebrate the 20<sup>th</sup> anniversary of the ballpark on July 8, 2016. Mr. Levensgood also shared he was asked to throw out the first pitch at that celebratory Indians game that evening, which he considered a great honor.

There being no further Other Business to address and no **Public Comment**, the meeting was adjourned.



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Melina Kennedy, President  
THE CAPITAL IMPROVEMENT BOARD  
OF MANAGERS  
OF MARION COUNTY, INDIANA



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Douglas R. Brown, Secretary  
THE CAPITAL IMPROVEMENT BOARD  
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