

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Friday, August 19, 2016-8:30am
Indiana Convention Center Boardroom

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on August 19, 2016 in the Indiana Convention Center's Boardroom.

Board Members present included Melina Kennedy, David E. Corbitt, Mary Ann Fagan, Douglas R. Brown, Jim Dora Jr., Maggie A. Lewis, Brenda Myers, David Ruhmkorff, and Michael C. Terrell, 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, Kevin Bower, Pacers Sports and Entertainment ("PS&E"), Daren Kingi, Visit Indy ("VI"), Chris Gahl, VI, Ty Gerig, 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, July 8, 2016 meeting, which is attached to and made a part of these Minutes. Upon a motion by Mr. Brown and seconded by Mr. Dora, 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 once again cautioned the Board that the amount in the Capital Outlays would change as more of the capital projects and repairs take place. Ms. Kennedy asked if there were any additional questions for Mr. Kuehr regarding the Financial Update and there were none at this time.

Field House Management Report

Mr. Kuehr directed the Board to an additional report in the packet, attached to and made a part of these Minutes, which includes financial information from Fieldhouse Management, LLC pursuant to Section 6(b) of the CIB agreement with the Pacers and explained this is the Statement of Revenue and Expenses for the quarter ending and 12 month period ending June 30, 2016. Mr. Kuehr informed the Board this information has been certified by Fieldhouse Management Treasurer, Kevin Bower. Mr. Bower explained the documents in the board packet included a full year summary of revenue and expenses as well as the yearly total of taxes collected and remitted to the State. He added there were a total of 197 events, 81 of which were Pacers and Fever games. Of the 116 events remaining, 90 were large scale events such as Men and Women's Big Ten Athletics, High School Basketball and Wrestling as well as concerts by Justin Bieber, Taylor Swift and others. Mr. Brown thanked Kevin, as well as Jim Morris and Rick Fuson for the outstanding job they do adding when the Fieldhouse originally

opened the positive economic impact it would have on the community was not fully anticipated. Mr. Bower thanked him for the recognition adding the Pacers organization takes its responsibility to the Downtown area and the City very seriously. There were no further questions for Mr. Bower at this time.

Ms. Kennedy introduced Leonard Hoops 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. Hoops 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. Hoops began by informing the Board the month of June was the best month in the history of Indianapolis hotels with 85.1% occupancy. He noted this number was higher than both New York City and San Diego's occupancy for the month of June.

Mr. Hoops then provided a brief history of the Tourism Master Plan for the benefit of the new Board members and shared some of Visit Indy's future plans and marketing strategies with regard to it. Ms. Kennedy expressed her support for the Plan emphasizing the importance of planning for the future adding great cities don't react, they look ahead and think of future needs. Mr. Corbett inquired if the information of this marketing research would be accessible to the Board members and Mr. Hoops replied the Board members would be able to receive that information. Mr. Hoops shared with the Board that Mr. Levensgood recently accompanied Visit Indy on a successful business trip. Ms. Kennedy thanked him for his report and asked if there were any questions for Mr. Hoops 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 shared with the Board, a new ICCLOS marketing campaign in the current issue of Trade Show Executive magazine and passed a copy around for review. Also, Ms. Hennessey noted an article in the magazine which listed January, March, June & October as the busiest months of the year for Trade Shows while noting July is not a big month for the convention business. Similarly, Convention Center occupancy was lower than in previous months. She informed the Board that staff has taken advantage of this time to take care of several capital projects and repairs at both facilities. She explained that LOS chilled water pipes are being reinsulated and such project is 85% complete. Furthermore, various sections of the carpet in many areas of LOS including suite corridors, the Club, press box, suite entryways and the meeting room areas have been replaced and this project is 100% complete. Most importantly, LOS is ready for the Colts' first home game on Saturday, August 20th. In addition, new televisions, which will be installed in December, have purchased noting this project was both on time and within budget. Some of the projects being done in the Convention Center include replacing the roof above halls D & E and Wabash Ballroom (which will be complete by the end of this month), refurbishing the 500 Ballroom women's restroom, updating meeting rooms 116-117, and converting the old kitchen into a storage room. She mentioned two high profile events that did occur in July: the Summer Celebration and Antiques Roadshow. Ms. Hennessey shared that the Director of Security for the Antiques Roadshow rated Indianapolis as the #1 city they have

worked in with regard to security. Ms. Hennessey also mentioned the Director of Production praised Jamie Light as the most professional Event Coordinator they have ever worked with adding that she and the staff are very proud of Jamie. Ms. Hennessey also mentioned the client gave high praise to John Baldwin and IATSE for the extra efforts made to accommodate both WFYI, the local Public Broadcasting Station which airs the television show, and the client. Lastly, Ms. Hennessey mentioned that the Sales Manager for the event, Diane Kestner, did a great job as well and summarized by saying this truly was a group effort which provided ICC national recognition. Mr. Levengood added ICC is the largest employer of stagehands in the state of Indiana and formally introduced and welcomed John Baldwin, great friend and partner. Mr. Hoops also thanked Mr. Baldwin and IATSE saying that he consistently hears from customers that our union partners in Indianapolis are far better than in the vast majority of other cities in which they have worked. Ms. Hennessey shared that upcoming events for August included the Colts games against the Ravens and the Eagles as well as Gen Con and the Drum Core International (“DCI”) World Championships. Ms. Kennedy asked if there were any questions for Ms. Hennessey and there were none at this time.

Mr. Levengood introduced the 2017 Budget agenda item to the Board reminding them this was part of the process we go through every year. He noted Mr. Kuehr and the accounting staff spent a great deal of time revising and reviewing this Budget. Mr. Levengood explained the CIB will be taking this proposed Budget to the City County Council’s Municipal Corporation Committee and then finally to the full Council for final approval.

Mr. Kuehr began his presentation of the **2017 Budget** to the Board; a detailed presentation and a copy of the proposed budget are attached to and made a part of these Minutes. Mr. Kuehr went through the entire budget presentation with the Board, the main points of which are listed below:

- **Tax Revenues are projected to increase \$1.0M or 1.0% in the 2017 Budget.**
- **Operating Revenues increased by \$1.2M or 4.6% over the 2016 Budget.**
- **Personal Services are budgeted to decrease \$664k or 2.3% from 2016 Budget.**
- **Other Services and Charges are budgeted to increase \$736k or 1.2% over the 2016 Budget**
- **Capital Outlay is budgeted to increase \$1.6M or 11.2% over the 2016 Budget for needed and contractually obligated repairs and maintenance on facilities.**
 - **Victory Field – Per Contract** **\$2.0M**
 - **Bankers Life Fieldhouse – Per Contract** **\$1.0M**
- **Debt Service increased over the 2016 Budget by \$26.3M or 70.2%. This is mainly due to a one-time payment for the Junior Subordinate Notes in the amount of \$33.3M. These funds were set aside in prior years but will be paid in 2017.**

- **The 2017 Budget has a Net Amount of (\$46.1M), largely due to the payment of the Junior Subordinate Notes.**
- **Deficit will be covered by utilizing funds from CIB reserves.**
- **At the end of 2017, the CIB will have approximately \$46M in reserves**

There was discussion throughout the presentation with questions concerning many topics including the following:

- Capital Outlays and Planning tools to assist with Budgeting
- Continued Future economic planning and forecasting
- The importance of telling the CIB's story so the public has a better understanding of the CIB's role and how it impacts so many different aspects of the City
- CIB Revenues pertaining to the Public Safety Support Agreement allotted to the City, the formula for how that figure is determined and factors that can affect the total
- Analysis on return of the CIB's financial investment in certain organizations.
- Clarification of the projected deficit and assurance to the Board that the CIB's Renewal and Replacement Reserve Funds will not be affected.

Ms. Kennedy, Mr. Kuehr, and Mr. Levensgood clarified these discussion points and answered these questions in the dialogue throughout the presentation, with Mr. Hoops adding to the discussion, assisting with real life examples when appropriate. Mr. Levensgood emphasized this is an appropriations budget. This budget will be submitted to City Council for the authority to spend CIB funds. Again, he thanked the Accounting staff for their time and efforts.

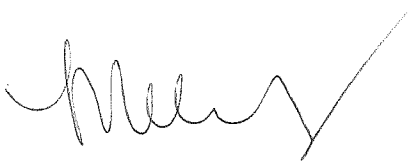
Ms. Kennedy agreed this is a healthy budget and thanked the Board members that served in the past for doing a good job being proactive about setting aside funds to pay off the Junior Subordinate Notes and emphasized how important it is that these things are planned for well in advance. Ms. Kennedy complimented Mr. Kuehr and Mr. Levensgood on doing a good job of presenting all information in a clear and concise way. Following the presentation by Mr. Kuehr and discussion amongst the Board members, Ms. Kennedy asked the Board to entertain a motion to approve the Budget Resolution. Mr. Terrell moved and Ms. Fagan seconded that the Board approve the Resolution as stated and the 2017 Budget as presented. The Resolution is attached hereto. The motion by Mr. Terrell to approve the CIB Budget and related matters as set forth in the Resolution was unanimously approved as presented. Mr. Levensgood expressed his appreciation especially to Ms. Kennedy and Ms. Fagan for their time and effort in editing and reviewing the Budget.

Mr. Levensgood presented the **Communication Service Renewal for PDX** which is attached to and made a part of these Minutes. He explained this agreement is for the phone system's Prime Rate Interface ("PRI") which provides hard phone lines for CIB, Visit Indy, Clients and Exhibitors, Centerplate, Contemporary Services and ESG. The other companies reimburse the CIB for their lines. This is a three year agreement and

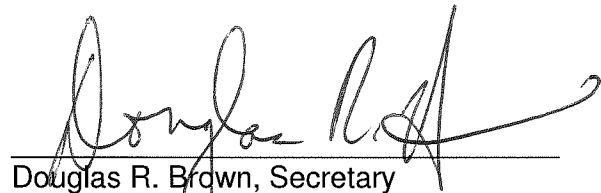
was secured through the GSA IT Schedule GS-35F-0426R. Mr. Levengood explained to the Board the **General Services Administration (GSA)** has pre-approved lists by the federal and state governments for services and products. The cost of the agreement is \$54,387.00 annually with a full term cost of \$163,161.00. Staff and Council have reviewed and recommend that the agreement be awarded to Level 3 Communications in the annual amount of \$54,387.00 and the full term cost of \$163,161.00. With no further questions and upon a motion by Mr. Dora, and a second by Ms. Lewis **Communication Service Renewal for PDX** was unanimously approved as presented.

The next topic on the agenda was **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. Kennedy recused herself from line item 29 on Voucher 2292C regarding Indianapolis Power and Light. Ms. Fagan recused herself from line item 82 on voucher 2127G regarding Bingham Greenebaum Doll LLP. There were no questions from the Board and upon a motion by Mr. Dora and seconded by Mr. Ruhmkorff, Claims 2127G and 2292C 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. There being no further Other Business to address and no **Public Comment**, the meeting was adjourned.



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



Douglas R. Brown, Secretary
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