

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Friday, January 20, 2017-8:30am
Indiana Convention Center Boardroom

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on January 20, 2017 in the Indiana Convention Center's Boardroom.

Board Members present included Melina Kennedy, David E. Corbitt, Mary Ann Fagan, Douglas R. Brown, Maggie A. Lewis, Brenda Myers, David Ruhmkorff, and Michael C. Terrell as well as Ex-Officio, Leonard Hoops. Board member Jim Dora Jr. was absent. Others in attendance included Barney Levensgood, Executive Director, Mary Solada, General Counsel, Bingham Greenebaum Doll LLP, Bart Brown, City Council, James Wallis, Visit Indy ("VI") Daren Kingi, VI, Chris Gahl, 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, December 09, 2016 meeting. Upon a motion by Mr. Ruhmkorff and seconded by Mr. Brown, the Minutes were unanimously approved as presented.

Mr. Levensgood presented the **Election of Officers** Agenda item. He explained to the Board that in accordance with state statute, a yearly Election of Officers is necessary after January 15th each year. Upon a motion by Ms. Lewis, to which motion was seconded by Mr. Terrell, and on a vote of 8 to 0 in favor of that motion, the following individuals were elected to serve:

Melina Kennedy, **President**
David E. Corbitt, **Vice President**
Mary Ann Fagan, **Treasurer**
Douglas R. Brown, **Secretary**

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 with the Board members explaining variances from budget and answering questions as necessary. 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 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. He noted Indianapolis and the counties around us are performing better than the United States year to date for both demand and revenue for

the last eleven months, which was very impressive. Mr. Hoops highlighted the year end data, noting Visit Indy had the 2nd best year in its history with 883,867 booked room nights, which is 114% of its goal. Mr. Hoops thanked Daren Kingi in Sales, Chris Gahl in Marketing, Susie Townsend in Services, James Wallis, Visit Indy's Executive Vice President, Barney Levengood and his team and all the CIB's hotel partners who all play a large role in this success. Ms. Kennedy thanked him for his report and asked if there were any further questions for Mr. Hoops from the Board and there were none at this time.

Mr. Levengood presented the **ICCLoS Sales Report**, which is attached to and made a part of these Minutes. Mr. Levengood informed the Board the occupancy for the year was 58.7% in the Exhibit Halls, 46.7% in the Ballrooms and 33.4% in the Stadium. He asked the Board to focus on the first quarter of the year in Indianapolis explaining this amount of business was just amazing. Mr. Levengood explained things were going so well that the next step is for us to figure out how we can sell the areas that are not considered prime real estate. Mr. Hoops reminded the Board that 70% is considered the industry standard for maximum occupancy adding that 58% occupancy is an incredible amount of business for our building. Ms. Kennedy asked if there were any questions for Mr. Levengood and there were none at this time.

Renewal of the Board of Directors & Officers ("D & O") Insurance Policy

Mr. Levengood introduced Mary Solada, General Counsel from Bingham Greenebaum Doll LLP, to present the Renewal of the D & O Policy. Ms. Solada explained the Board has enjoyed the benefit of this policy since the mid 90's. She explained the current amount of coverage is \$5M. Based on conversation with the CIB's insurance consultant, Steve Pickett and, given the amount of revenue and value of the CIB's assets, Ms. Solada suggested the coverage be increased to \$10M, with a \$50,000 deductible. Because the Board meeting this month had been moved back a week, Ms. Solada noted this policy needed to be renewed earlier in the week and that Barney was authorized by Ms. Kennedy, at Ms. Solada's recommendation, to bind the coverage. Ms. Solada explained we can always terminate the coverage, if the Board does not want to go in that direction, but we wanted to make sure we had continuous coverage. It is the recommendation of Ms. Solada, Mr. Pickett, Mr. Levengood and staff that we stay with AIG for our D & O policy. The annual premium will be \$104,221, which is about \$21,000 more than if the CIB stayed with \$5 million in coverage. Mr. Levengood added that all advisors to the Board make this recommendation, and added he looks forward to questions and a motion. Upon a motion by Mr. Ruhmkorff and a second by Mr. Terrell, the renewal of the D & O policy (at the \$10M level) was unanimously approved by the Board.

Mr. Levengood introduced Mr. Kuehr to present the **Resolution regarding Internal Control Standards** to the Board, which is attached to and made a part of these Minutes. Mr. Kuehr explained Indiana Code 5-11-1-27 states that the CIB must adopt a minimum level of internal control standards and train personnel as defined by the State Board of Accounts ("SBOA"). Mr. Kuehr then explained the definition of Internal Controls and gave the Board some examples of these control measures to consider. Mr. Levengood clarified that the staff is already doing these things as part of its normal Accounting process, but

explained this Resolution memorializes these actions and documents accountability. The last step in this process is for the Board to approve this Resolution. There were no questions from the Board. Upon a motion by Ms. Lewis and seconded by Mr. Terrell the **Resolution regarding Internal Control Standards** was unanimously approved as presented.

Mr. Levensgood again introduced Mr. Kuehr to present the **Resolution regarding the Materiality Policy** which is attached to and made a part of these Minutes. Mr. Kuehr explained the purpose of this statute is to give the SBOA immediate awareness of possible internal control weaknesses. The quicker they know, the quicker they can take any necessary action. He explained this policy had two parts.

- The CIB must report to the SBOA irregular variances, losses, shortages, and theft. The focus is on the word irregular, which is determined by the CIB.
- The CIB must give the SBOA and Marion County prosecuting attorney notice of any misappropriation of public funds by an officer or employee.

Neither of these would change how the staff handles an issue internally. The CIB would investigate and then design and implement new procedures and controls to prevent reoccurrences and would take disciplinary action. The only change for staff per the statute is that it has to report the issue to the SBOA and prosecuting attorney immediately. There was discussion amongst the Board members regarding the frequency and amounts of variances and the thresholds for reporting activity to the SBOA, with Mr. Levensgood explaining and answering all questions. On a motion by Mr. Brown, which was seconded by Mr. Ruhmkorff, the **Resolution regarding the Materiality Policy** was unanimously approved by the Board as presented.

Mr. Levensgood next presented the **Supply Contract for BLFH Portable Folding Chairs** which is attached to and made a part of these Minutes. He explained this project involves the supply contract to purchase 3,220 portable chairs to replace existing units along with stacking storage racks for each type of chair. The project is being undertaken consistent with the amended Operating Agreement between the CIB and the Pacers. He explained the project was estimated at \$400,000.00, so consistent with Indiana's Public Procurement Laws, the CIB published Invitations to bid. The low bid was submitted by Hussey Seating Company in the amount of \$270,900.00. Staff and counsel recommend the contract be awarded to Hussey Seating Company in the amount of \$270,900.00 as the most responsive and responsible bidder. There were no questions from the Board. Upon a motion by Ms. Fagan, and a second by Mr. Terrell, a supply contract with Hussey Seating Company for the Bankers Life Fieldhouse portable folding chairs, was unanimously approved as presented.

2016 Bad Debt Write-Off

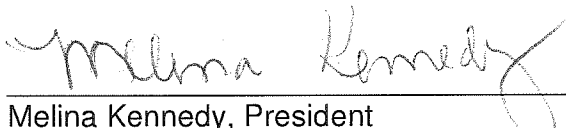
Mr. Levensgood explained to the Board that in the last 5 years, the CIB has written off a total of \$3,621.06 from bad debt, which averages \$724.21 per year. He explained this was an extremely low amount considering the large amount of business done by the CIB. Mr. Levensgood added that for 2016 the CIB had no write-offs for bad debt and shared this was the first time that has happened in his 26 years with the CIB. Mr. Levensgood stated

how proud he is of the CIB Accounting Department on this job well done and wanted the Board to be aware of this achievement. Ms. Kennedy congratulated Mr. Levengood, Mr. Kuehr and the Accounting department on this job well done.

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 64 on voucher 2821 G regarding Bingham Greenebaum Doll LLP. Ms. Kennedy recused herself from line item 72 through 80 on Voucher 2849C regarding Indianapolis Power and Light. There were no questions from the Board and upon a motion by Ms. Lewis and seconded by Mr. Ruhmkorff, Claims 2821G, and 2849C were unanimously approved by the Board taking into account the aforementioned recusals.

With regard to **Other Business**, Mr. Levengood informed the Board that Lucas Oil Stadium had obtained a top tier 1 rating for security. He explained this was a big honor and a huge team effort between many organizations including the Indianapolis Metropolitan Police Department ("IMPD"), the State Police, the FBI, Department of Homeland Security, the Sheriff's office, CSC and Protection Plus. He added the Colts play a huge part in this achievement as well. Also, Ms. Kennedy shared with the Board that Indy Pride had awarded Visit Indy with the Business of the Year award and congratulated Mr. Hoops and his staff on receiving that honor.

There being no **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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