

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY
Minutes of Meeting
Friday, August 26, 2022-8:30 am
Indiana Convention Center Meeting Room 130
and Via Teleconference

A Meeting of the Capital Improvement Board of Managers of Marion County, ("Board") was held on August 26, 2022. Per Indiana law, this meeting took place in person as well as via teleconference. Board members in attendance included Melina Kennedy, David E. Corbitt, Mick Terrell, David Ruhmkorff, Jim Dora Jr., Maggie A. Lewis, Earl Goode, Sarah Fisher and Jaime Bohler Smith. Ex-Officio Leonard Hoops was also in attendance. Others in attendance included Andy Mallon, Executive Director, Mary Solada, General Counsel, Dentons Bingham Greenebaum LLP ("DBG"), Tom Boyle, Director of Operations, Kobi Wright, Chief Legal Officer and Business Operations Director, Tim Kuehr, Chief Financial Officer, Monique Wise, Director of Sales and Marketing, Chad Wilke, Director of Event Services, Art Kodroff, Controller, Monica Brase, Public Information Marketing Manager, Daren Kingi, Visit Indy ("VI"), Kyle Heidelberger, Senior Director of Accounting from Pacers Sports and Entertainment ("PS&E"), David Sease, SGA, Scott Berghoff, Indiana House of Representatives, and members of the media. (A copy of the list of those who were in attendance is attached hereto.)

Ms. Kennedy introduced the **Approval of Minutes** for the July 25, 2022, CIB Meeting which are attached to and made a part of these Minutes. Upon a motion by Mr. Corbitt and seconded by Ms. Fisher, the Minutes were unanimously approved as presented.

2023 Budget and Resolution

Ms. Kennedy introduced Mr Mallon and Mr. Kuehr to present the **2023 CIB Budget and Resolution**. Mr. Mallon addressed the Board briefly before to let them know that as far as the financial numbers the CIB is back to where things were pre-pandemic but was quick to add that while this current status is very encouraging, it does not negate the losses that the CIB has endured the last few years and informed the Board that the overall recovery from the pandemic is ongoing. He turned the floor over to Mr. Kuehr to present the 2023 CIB Budget and Resolution. Mr. Kuehr began his presentation of the 2023 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, explaining the main points and assumptions as listed below:

- Total Revenues are \$155.6M, which is down from the 2022 Budget by \$17.3M or 10%.
- Operating Revenues decreased by \$32.4M or 52% from the 2022 Budget.
- Tax Revenues are budgeted at 3% over Forecasted 2022 amounts. This total is also an increase of \$15.1M or 22% over the 2022 Budget.
- Personal Services is budgeted to increase 14% or \$2.9M from the 2022 Budget.
- Other Services expenses have decreased \$15.9M or 16% from the 2022 Budget.
- Capital Outlays are \$19.5M, which have been decreased \$32.1M or 62% from the 2022 Budget.
- Debt Service is in-line with the 2022 Budget per the bond payment schedules.
- Net Amount for 2023 Budget is (\$2.4M).
- This negative net amount will be covered by utilizing funds from CIB operating reserves.

- As of June 30, 2022, the CIB had approximately \$117M in unrestricted reserves. It is anticipated that the unrestricted reserves will be \$106M at the end of 2022.
- The 2023 Budget has a Net Amount of (\$2.4M), \$27.9M or 92% higher than the 2022 Budget.

There was discussion throughout the presentation with questions answered by Mr. Kuehr and Mr. Mallon. Mr. Mallon expounded on the topic of the CIB Reserves defining the role the reserves have in the Budget process and acknowledging the decrease in balance from the previous year. He pointed out that he and Mr. Kuehr had focused on the issue for the last three years as they navigated through the pandemic and recovery. He emphasized that over this time period the overall hit to the Reserves was less than a third of the estimated loss in total revenue growth over that same time period with the estimated loss in revenue growth \$173 Million and the amount of reserves used just at \$50 Million, and he noted this offset was actually good when looking at the big picture. He also noted that he was especially proud of the job that has been done with regard to utilizing XBE companies in all phases of the CIB's operation, but particularly with regard to the Fieldhouse of the Future project. He highlighted the efforts of Mr. Wright, Mr. Boyle and Mr. Kuehr in being vigilant in this area and noting the stark improvement in these statistics from just a year ago. Mr. Mallon stressed that he and his team are focused on how they can continue to do things for the better with regard to XBE participation. After the Board discussion was complete, Ms. Kennedy asked if there were any further questions from the Board and there were none. Ms. Kennedy asked the Board to entertain a motion to approve the Budget Resolution. Mr. Terrell moved and Mr. Corbitt seconded that the Board approve the Resolution as stated and the 2023 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. Mallon thanked the Board members for their support and for approving the 2023 Budget. He also thanked Mr. Kuehr and the Accounting team for their hard work throughout the budget process. Mr. Mallon informed the Board that the next step was to present this proposed Budget to the City County Council's Municipal Corporation Committee and then to the full Council for final approval. Ms. Kennedy expressed thanks to Mr. Kuehr, Mr. Mallon and the entire staff for a job well done again this year.

Mr. Kuehr presented the **Financial Update** to the Board as per the supporting documentation, which is attached hereto 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. 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 Kyle Heidelberger, Senior Director of Accounting from Pacers Sports and Entertainment to present the **Fieldhouse Management Report**. Mr. Heidelberger 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 Operating Agreement with the Pacers and explained this is the Statement of Revenue and Expenses for the 12-month period ending June 30, 2022. Mr. Heidelberger explained the Fieldhouse hosted a total of 124 ticketed events including the Men's and Women's Big Ten Basketball tournaments and the 1st and 2nd rounds of the NCAA tournament. Mr. Heidelberger noted that despite the building being closed for five months the F&B and Admission taxes were the 3rd highest they have been in PS&E's history and the State & Local and Payroll taxes were the highest they have ever been. He concluded his presentation informing the Board that the building would open back up with a concert on October 2nd and the Pacers would be tipping off

the new season at the Fieldhouse on October 19th. Ms. Kennedy thanked Mr. Heidelberger for his report and asked if there were any questions from the Board. There were no questions for Mr. Heidelberger at this time.

Ms. Kennedy then introduced the **Visit Indy Updates** agenda item as attached hereto and made a part of these Minutes and presented by Leonard Hoops. Mr. Hoops began by referencing Visit Indy's portion of the just approved 2023 CIB Budget and thanking the Board for their continued support. Mr. Hoops updated the Board on the Hotel Market Share Performance for the previous month and explained the VI Room-Night Production by Year, Venue and Market Segment, comparing this year's results to past years' results using data and graphs. Mr. Hoops informed the Board that June was a record month for overall revenue for Marion County hotel rooms at 116% of the 2019 numbers. YTD Visit Indy was at 99% of their goal for booking and at 110% of their goal for leads which were very encouraging. Mr. Hoops noted that the YTD Occupancy for downtown was 60.8% and explained that while the leisure travel and group travel numbers are coming back strong the business transient portion of travelers has been slower to bounce back to their pre-pandemic levels that is the biggest gap to fill. Mr. Hoops concluded his presentation by informing the Board that he, Mr. Mallon and Mr. Kingi recently attended the ASAE convention in Nashville, Tennessee and the Indy Car two-seater also made the trip and was a big hit with VI's customers making runs back and forth on Broadway passing through the entertainment district. Ms. Kennedy asked the Board if there were any questions for Mr. Hoops. Mr. Terrell asked Mr. Hoops and Mr. Dora to share their thoughts with regard to the trends surrounding the business transient sector of travel, including a question from Mr. Goode concerning the marketing of activities at White River State Park. There was discussion among the Board with Mr. Dora sharing his thoughts from the hotel perspective as well as Ms. Bohler Smith sharing her experience in the surrounding counties as the Executive Director and CEO of Visit Hendricks County. Ms. Kennedy asked the Board if there were any further questions for Mr. Hoops and there were none at this time. She thanked Mr. Hoops for his presentation.

Ms. Kennedy introduced the next agenda item **ICCLOS Sales Report** as attached hereto and made a part of these Minutes. She introduced Monique Wise to present the ICC portion of the report. Ms. Wise informed the Board that the month of July brought a little over 93,000 visitors through the convention center which is the highest monthly attendance yet this year. Ms. Wise highlighted several significant events held at the Convention Center since the CIB meeting including Gen Con with over 50,000 attendees, Drum Core International ("DCI") and Sports, Inc. Ms. Wise informed the Board that the week prior to the meeting the American Trucking Association held their National Truck Driving Championship and occupied the entire south campus. She explained that this rescheduled event from August 2020 included 18 wheelers from FedEx, UPS and other large companies inside the exhibit halls for the annual contest of driving expertise with awards recognizing the safest drivers in the trucking industry. Ms. Wise mentioned some upcoming events including the Do-It-Best Fall market in early September, Revive Our Hearts and the return of the Circle City Cabaret which has not been in the building since 2016. Ms. Wise concluded by recognizing the exceptional job that Mr. Boyle and the Housekeeping staff do in keeping the building spotless as well as Mr. Wilke and his staff for their attention to detail in everything they do with regard to the events, noting that it does make a big difference when selling the space to potential clients. Ms. Kennedy thanked Ms. Wise for her presentation and asked the Board if there were any questions. There were no questions for Ms. Wise at this time. Ms. Kennedy introduced Mr. Neuburger to present the LOS portion of the Sales Report. Mr. Neuburger informed the Board that the Stadium has been very busy since the last meeting with the Big Ten Football Media Day set up just like a championship game with all fourteen head coaches in attendance. This was followed by the return of Gen Con to their

normal rotation and the DCI World Championships with high school bands from around the country filling the Stadium with activity and music. He reported that the Motley Crew and Def Leppard concert was sold successfully and followed by the annual Horseshoe Classic high school football doubleheader and the first Colts home game of the season against the Detroit Lions which went smoothly and as planned.

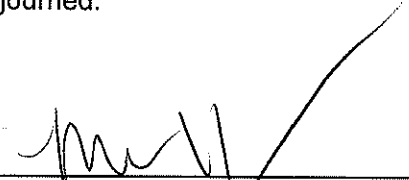
Mr. Neuburger highlighted several upcoming at the Stadium including the Colts 5K Run and the Recruit Military Job Fair which matches veterans with available positions. Mr. Neuburger shared that the Jim Irsay Collection would be coming to LOS on September 9th showcasing amazing artifacts that Mr. Irsay has collected over his lifetime. The exhibit will be coupled with a concert and the anticipated attendance is expected to rival that of a Colts game. Mr. Neuburger noted there is a lot of public interest and the fans are excited to get a glimpse of these rare pieces of pop culture memorabilia. He informed the Board that the admission is free and that tickets can be obtained through the Jim Irsay Collection website. Mr. Neuburger introduced Craig Yust, a new member of the LOS staff to the Board explaining he would be leading the events team at Stadium as a senior event planner. He explained Mr. Yust worked at the Indiana Sports Corporation ("ISC") for the last 6 years, managed a baseball venue in Michigan and has a background in college athletics as a result of working at IUPUI. Mr. Neuburger noted that Craig was an incredible talent and would be a great addition to the LOS team. Ms. Kennedy welcomed Mr. Yust and then asked the Board if there were any questions for Mr. Neuburger. There were none at this time. Ms. Kennedy thanked Mr. Neuburger for his report and moved on to the next agenda item.

Mr. Mallon presented the **ICC Exhibit Halls A, B, C Lighting Upgrade** agenda item which is attached to and made a part of these Minutes. Mr. Mallon explained that the scope of the project is to replace the existing metal halide fixtures in the convention center with LED fixtures. He noted that this is the second phase of the project with phase 1 being the completion of lighting upgrades in Exhibit Halls D, E, F and G. Mr. Mallon informed the Board that this project was publicly bid under Ind. Code 36-1-12 and that the low responsive and responsible bid was submitted by Sun Electric Inc. in the amount of \$1,100,000.00 with XBE participation of MBE 26.39% and WBE 1.40%. Staff and Counsel recommend awarding the project to Sun Electric Inc. in the amount of \$1,100,000.00. Ms. Kennedy asked the Board if there were any questions and there were none at this time. Mr. Corbitt motioned to approve the ICC Exhibit Halls A, B, C Lighting Upgrade agenda item and Mr. Ruhmkorff seconded said motion. The ICC Exhibit Halls A, B, C Lighting Upgrade agenda item was unanimously approved as presented and the contract awarded to Sun Electric Inc. in the amount of \$1,100,000.00.

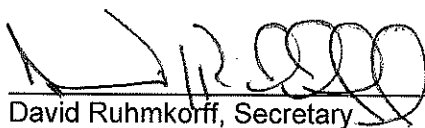
Ms. Kennedy introduced the **Claims** as attached hereto and made a part of these Minutes and presented by Andy Mallon. There were no questions from the Board and upon a motion by Mr. Terrell and seconded by Ms. Fisher, Claims 12043G, and 12038C were unanimously approved by the Board. Mr. Mallon next presented the BLF Confirming Construction Claims as attached hereto and made a part of these Minutes. There were no questions from the Board and upon a motion by Mr. Corbitt and seconded by Mr. Ruhmkorff the BLF Confirming Construction Claims B231 were unanimously approved as presented.

In **Other Business**, Mr. Mallon reminded the Board that due to the August meeting scheduled later in the month to accommodate the annual Budget process, the September CIB meeting would be taking place in just two weeks on September 9th. Mr. Hoops shared with the Board that Mr. Mallon and Mr. Boyle had received a 2022 ARTI Award earlier in the week from the Arts Council at the annual Start with Art luncheon recognizing the CIB for the art installation project at Gainbridge Fieldhouse as a part of the Fieldhouse of the Future.

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



David Ruhmkorff, Secretary
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