

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Friday, July 12, 2019-8:30 am
Indiana Convention Center Boardroom

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on July 12, 2019 in the Indiana Convention Center's Boardroom.

Board Members present included David E. Corbitt, Michael C. Terrell, David Ruhmkorff, Jim Dora Jr., Brenda Myers, Maggie A. Lewis, Earl Goode, Sarah Fisher, as well as Ex-Officio Leonard Hoops. Board President Melina Kennedy was not able to attend and accordingly Vice President Mr. Corbitt chaired the meeting. Others in attendance included Andy Mallon, Executive Director, Mary Solada, General Counsel, Bingham Greenebaum Doll LLP ("BGD"), Don Graham, General Counsel, BGD, Kobi Wright, Business Operations Director and Senior Staff Counsel, Debbie Hennessey, Convention Center Director, Tim Kuehr, Chief Financial Officer, Eric Neuburger, Lucas Oil Stadium Director, Daren Kingi, Visit Indy ("VI"), James Wallis, VI, Chris Gahl, VI, Lisa Vielee, Well-Done Marketing, David Sease, SGA, Akilah Darden, Smoot Construction and members of the media. (A copy of the list of those who signed in upon arrival is attached hereto.)

Mr. Corbitt introduced the **Approval of Minutes** for the Friday, June 14, 2019 meeting. Upon a motion by Mr. Dora and seconded by Ms. Lewis, 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. Corbitt asked if there were any additional questions for Mr. Kuehr regarding the Financial Update and there were none at this time.

Mr. Corbitt introduced Leonard Hoops who presented the **VI Update** with the Market Share Performance report and Room-Night Production documents and Convention Sales Booking Pace graphs attached to and made a part of these Minutes. Mr. Hoops stated this month set a record pace for Marion County revenue. He added that the YTD numbers were very good with the occupancy being led by downtown. He noted that currently the City is experiencing one of the longest upcycles with this good run lasting from 2010 to 2019 and reminded the Board to enjoy these prosperous times while VI and ICCLOS are fortunate to have them. Mr. Hoops noted VI's room night goal for the year is 826,000 and he and his staff are in good shape for mid-year and on pace to reach that goal. He shared an interesting booking with the Board explaining there is an event called Wizards Unite coming to the White River State Park over Labor Day weekend. This event is a Harry Potter themed show coming to VI by the same folks who brought the Pokemon Go augmented reality game to the Convention Center earlier. Mr. Hoops told the Board that they would be seeing a lot of national pop cultural publicity for Indianapolis during that

time. He explained this was a great example of entertaining clients over the Indianapolis 500 race weekend and using that opportunity to highlight the city and show them the site and then they chose Indianapolis for the event.

Mr. Hoops informed the Board that the NFL Combine is officially booked and will be returning to Indianapolis in 2020. He also noted that Indianapolis has been awarded the 1st and 2nd rounds in NCAA Men's Basketball Tournament in 2024 which sets up the following schedule of events for the City and ICCLOS:

- **NCAA Convention in 2023**
- **NCAA Men's Basketball Tournament 1st and 2nd rounds in 2024**
- **NCAA Men's Basketball Tournament Regionals in 2025**
- **NCAA Men's Basketball Tournament Finals in 2026**

Mr. Hoops remarked that currently ICCLOS is hosting Beach Body and explained this conference is for fitness instructors and coaches who aide in making the customer accountable. He said this was a great group returning for a 2nd consecutive year and explained the group loved having the event here. However, due to the group's policy to only stay in a city for 2 years and then move to experience the conference in a different city for 2 years, Indianapolis would not have them back to host this particular convention for quite a while. Mr. Hoops noted that currently Indiana Black Expo is moving its event into the building and noted that later in the month the National Urban League would be holding its conference here for the first time in 20 years. Mr. Corbitt thanked him for his report and remarked that Mr. Hoops and his staff never cease to amaze him and asked if there were any questions for Mr. Hoops from the Board and there were none at this time.

Mr. Corbitt introduced the next agenda item **ICCLOS Sales Report** which is attached to and made a part of these Minutes and introduced Debbie Hennessey to present the ICC portion of the report. Ms. Hennessey stated that June was a great month for the ICCLOS noting there was 73% occupancy. She mentioned some of the recent notable events with the Board including Coffee Fest which ran from May 30 through June 2, the Electronic Security Expo, POPCON 2019 with approximately 3,700 attendees, Indiana Democratic Party Hoosier Hospitality Dinner, Indiana Methodist Church Annual conference with approximately 2,000 attendees and the American Association of Nurse Practitioners 2019 National Conference with approximately 4,500 attendees. Ms. Hennessey also highlighted the USA Volleyball Association Girl's Jr. National Championship which she explained is a 2 week event overlapping both June and July having approximately 48,000 attendees. She explained that there was one event coordinator who worked diligently managing this 2 week event and joked she is exhausted and taking a few days off to recover. She explained that Indiana Black Expo would be moving into ICCLOS the following week and the National Urban League would be arriving later in the month. In closing, Ms. Hennessey noted that the Matilda Jane Convention would be coming to ICCLOS for the first time saying it is a great event featuring specialty clothing for young girls and saying there was a lot of excitement and anticipation surrounding the event. Mr. Corbitt thanked her for her report and asked the Board if there were any questions for her and there were none.

Mr. Corbitt introduced Mr. Neuburger to present the Lucas Oil Stadium (“LOS”) portion of the report. Mr. Neuburger shared with the Board that LOS has conducted a total of 2,221 tours this summer thus far. He informed the Board that he and his staff are preparing for the start of the football season and they have been working with the Colts getting LOS ready and preparing for the upcoming season by adding to their staff hiring ushers, guest services employees, food service workers and security personnel. He noted that there will be an Indy Eleven game on July 20th which will feature full production and will give his staff the opportunity to test out all the equipment and training to ensure everything runs smoothly going into the Colts football season. He noted that in the month of June LOS hosted 3 Indy Eleven games, an IMPD Canine training session, the Indiana Sports Corporation’s Indy Ultimate event, which gave guests an opportunity to kick a field goal at LOS and currently the Beach Body convention. Mr. Neuburger stated this was an exciting and busy time and remarked that by the time the Board meets in August, there will already have been a Colts game played at LOS, another Indy Eleven game, the gaming conference Gen Con will have come and gone and Drum Core International will have taken place. In closing, Mr. Neuburger informed the Board members that employees of the convenience store GetGo would be attempting to set a World Record in sandwich making later this month at LOS and promised to update the Board on this record at the August meeting. Mr. Corbitt thanked Mr. Neuburger and asked the Board if there were any questions for him regarding his report and there were none at this time.

Mr. Corbitt introduced Mr. Mallon to present the **Insurance Procurement** agenda item which is attached to and made a part of these Minutes. Mr. Mallon began his presentation by providing some background information to the Board, explaining that the CIB since 2001 has periodically conducted an RFP Process to select the insurance broker responsible to procure and deliver the CIB’s insurance. He noted the CIB’s policy renewals typically run from August to August and in the most recent history of the CIB the broker has been selected for a period of 3 years, with an option to extend. He clarified that the current process began before he came to the CIB and explained that the process was initiated in March of this year by Don Graham of BGD, who was present to assist in answering any questions pertaining to the RFP process and ultimate proposal. Steve Pickett of McGowan Insurance, who has been the CIB’s insurance consultant for many years and former Executive Director, Barney Levengood also assisted in the process. Mr. Mallon explained that the proposals for the RFP were received Monday, July 1st and opened Tuesday, July 2nd. He explained that what is being presented today is a proposal for the Board’s consideration regarding award of the broker contract to provide the CIB’s required insurance which is the result of the findings of the RFP process. He explained that there were three (3) participants in the RFP process which are listed below:

- **Gregory and Appel**- the incumbent carrier who has held the coverage for the CIB for the last 10 years.
- **Gallagher** –National company with an Indianapolis office.
- **NFP**- a National company with an office in Indianapolis.

Before proceeding with the results of the RFP, Mr. Mallon went on record to publically thank Gregory and Appel for its stellar service to the CIB in the past, saying the partnership was appreciated and valued by the Board both past and present.

Mr. Mallon then explained that the CIB and those involved with the RFP learned that there has been a hardening of the property insurance market, which led to a spike in insurance premiums in the last 45 days. Mr. Pickett, who was out of town and unable to be present for this meeting, had explained to Mr. Mallon and Mr. Graham this premium increase is due in part to a tightening of the property reinsurance market due to recent fire and weather related losses and other potential losses given current conditions and the increased need for heightened security measures to ensure the safety of all patrons of all events held in buildings that the CIB owns and manages. Another factor adding to the increase in premiums is the fact that the CIB had been the recipient of a three (3) year price freeze, as a clause of its previous agreement with Gregory and Appel. The combination of this price freeze ending, along with the recent shift in the insurance market, caused the premium increase to be more apparent and extreme.

Mr. Mallon introduced Mr. Graham of BGD to elaborate on the RFP Process and its results. Mr. Graham stressed that the proposed insurance coverage is the exact same as the coverage the CIB has held in the past. He noted the schedule of values is essentially the same and noted the amounts of coverage are listed in the RFP and are based on the contractual obligations of the various leases on the buildings owned and managed by the CIB. He emphasized these amounts listed are the amounts the CIB is contractually required to hold, which on the property side is \$2 billion.

Mr. Mallon continued sharing the results of the RFP with the Board in great detail. In summary, he explained that Gregory and Appel was unable to reach the required level of property insurance coverage. G&A proposed that the CIB decrease its insurance coverage and offered several scenarios they could provide, but ultimately it was not consistent with the CIB's specified limits required by the RFP and could result in potential breach of contract claims and leave the CIB and its properties vulnerable. Mr. Mallon explained that Gallagher Insurance was unable to offer the Business Interruption coverage which is required by the CIB's contractual obligations. Mr. Mallon informed the Board that NFP was the only candidate that was able to meet all of the CIB's various specified requirements and was able to provide a quote that was \$300K lower than the amount quoted by Gallagher. He did note that NFP needed to stack several insurers to reach the CIB's \$2 billion amount in coverage on the property side, but they were able to attain this requirement.

Mr. Mallon proposed to the Board that it move forward with the insurance procurement and engage in a contract with NFP for a period of three (3) years, with the option to opt out after a year and revisit the process. He explained that the insurance coverage was set to expire at the end of the month and thus it was critical that this matter be addressed at this meeting or there could be a risk of lapsed coverage.

Mr. Goode proposed that the Board table the agenda item until Mr. Pickett was present to answer specific questions related to the increase in the premium amount on the property coverage. He stressed that in no way did he wish to delay the process and did not have vested interest or preference in which company was awarded the contract, but he felt the Board should wait to proceed with this agenda item until more information could be determined as to the reason for the increase in premium. There was a lengthy discussion amongst the Board members with regard to the insurance RFP with questions and concerns voiced by Board members and with those questions being answered in detail by Mr. Graham and Mr. Mallon. There were many topics covered but the main concern voiced by Board members was that despite the increase in premium cost, other factors at play, including the timeframe of the contract renewal and potential lapse of coverage, the inability of the other RFP respondents to be able to offer the necessary coverage and the Board members' overwhelming position to not reduce any coverages required of the CIB, lead the majority of the Board to support proceeding with a vote on the proposed contract with NFP and moving forward in the procurement process. Board members voiced their opinion to trust the recommendation of the CIB staff and the experts involved in the RFP process and support the recommendation of Mr. Pickett, with the understanding that the matter of the premium increase would continue to be addressed and looked into and that CIB leadership would continue to work with NFP to obtain the most competitive proposal until the end of the month, when the current insurance contract expires, as well as to work closely with NFP going forward to monitor rates and seek potential reductions. Mr. Corbitt remarked this discussion was very helpful with regard to understanding of the intricacies of the policy coverages required by the CIB and a good conversation to have as it moves forward with the insurance procurement process. He asked the Board to consider the proposal set forth by Mr. Mallon and the RFP committee. Pursuant to a motion by Mr. Dora and seconded by Ms. Lewis the **Insurance Procurement** was approved by the Board in a vote of 7-0 with Mr. Goode abstaining from the vote. Mr. Mallon thanked all of the Board members for supporting this decision and reassured Mr. Goode that when Mr. Pickett was available the following week he would schedule a meeting with Mr. Goode and those involved with the RFP process so that he would be able to ask the specific questions he had for Mr. Pickett and to alleviate any concerns he may have about moving forward with the agreement with NFP.

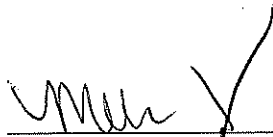
BLF Retractable Seating System

Mr. Mallon next presented the **BLF Retractable Seating System** which is attached to and made a part of these Minutes. He explained to the Board that Don Graham with BGD had also been working on this project and could assist in answering any specific questions pertaining to the agenda item. Mr. Mallon explained to the Board as part of the Second Amended Fieldhouse Operating Agreement, the CIB will undertake a renovation project of the Fieldhouse to be completed in three phases. He explained that included in Phase One of the project is the Replacement/Redesign of the Retractable Seating System which involves the first level seating in Bankers Life Fieldhouse. To be consistent with Indiana's Public Procurement Laws, the CIB published Requests for Proposals for the Base Proposal, as well as two (2) alternates and seven (7) unit costs. The CIB received a total of three (3) proposals and two (2) vendors were invited to interview. At the conclusion of

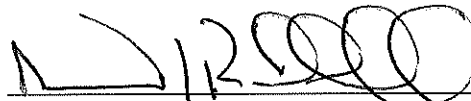
the first round interviews both vendors were requested to submit Best and Final Offers. The most advantageous proposal was submitted by SEDA Seating, Ltd. in the amount of \$2,068,467 which included alternates and unit costs in the total. This proposal was approximately 30% lower than the other vendor. Mr. Mallon explained that staff and counsel have reviewed all the documents and recommend to the Board that it award the contract to SEDA Seating Ltd. in the amount of \$2,068,467. Upon a motion by Mr. Terrell and seconded by Mr. Goode, a contract with SEDA Seating Ltd. was unanimously approved as presented.

The next topic on the agenda was the **Claims**. Mr. Mallon presented these to the Board as per the supporting documentation, which is attached to and made a part of these Minutes. There were no questions from the Board and upon a motion by Mr. Dora and seconded by Mr. Ruhmkorff Claims 7258G, and 7358C were unanimously approved by the Board. Mr. Mallon wanted the Board members to be aware that because the August meeting will be a week later than the typically scheduled CIB meeting, they should anticipate the Confirming Operating Expenses voucher to be larger than usual amount due to the Accounting department continuing to pay vendors in a timely manner despite the later meeting date.

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



David Ruhmkorff, Secretary
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