

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Friday, August 23, 2019-8:30am
Indiana Convention Center Boardroom

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on August 23, 2019 in the Indiana Convention Center's Boardroom. Board Members present included Melina Kennedy, David E. Corbitt, Michael C. Terrell, David Ruhmkorff, Jim Dora Jr., Brenda Myers, Maggie A. Lewis, Earl Goode and Sarah Fisher, as well as Ex-Officio, Leonard Hoops. Others in attendance included Andy Mallon, Executive Director, Mary Solada, General Counsel, Bingham Greenebaum Doll LLP, 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, Kevin Bower, Pacers Sports and Entertainment ("PS&E"), Daren Kingi, Visit Indy ("VI"), James Wallis, VI, Lisa Vielee, Well-Done Marketing, David Sease, SGA, Curt Fritch, CRF Group, Jackson Thomas, House of Representatives, and members of the media. (A copy of the list of those who signed in upon arrival is attached hereto.)

Ms. Kennedy introduced the **Approval of Minutes** for the Friday, July 12, 2019 meeting. Upon a motion by Ms. Lewis 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. Ms. Kennedy asked if there were any additional questions for Mr. Kuehr regarding the Financial Update and there were none at this time.

Fieldhouse 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 Operating 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, 2019. Mr. Bower addressed the Board members telling them this report represents the full fiscal year and added that with a total of 160 ticketed events in the building, this year topped the prior year. He noted that also included in the report are totals for Sales tax, Food and Beverage tax, Admissions tax as well as State and Local income tax paid by all those employees that work in the building and remarked all tax totals were up from the prior year as well. Ms. Kennedy expressed her appreciation on behalf of the Board to Mr. Bower and the Pacers Organization and

Mr. Bowers replied that the Pacers appreciate the opportunity to manage the CIB's building. 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, Room-Night Production and Convention Sales Booking Pace graphs (documents attached to and made a part of these Minutes). Mr. Hoops reviewed the VI Sales reports with the Board explaining trends and variances in the main areas of Downtown, Marion County and outside Marion County. Mr. Hoops noted that due to the timing of the meeting there was a bonus Hotel Market Share Performance report in the Board packet with one for both June and July adding there would not be one the next month. He noted both month's reports were favorable with June showing 70.6 % occupancy downtown and July at 76% occupancy downtown. He pointed out that July's numbers were an all-time record for Marion County. He also noted that Revenue was up 30% year over year for that particular month. Mr. Hoops explained these numbers translate to the tax revenues with the YTD revenues up 7.5% in Marion County and told the Board members to enjoy it while it lasts and noted this was the longest growth pattern in the hotel industry. Mr. Dora asked if VI was monitoring the effect of the Airbnb and how much it has grown in the downtown area. Mr. Hoops asked James Wallis to speak to the Board about this matter as he had just returned from a Smith Travel conference and this was a major discussion topic. Mr. Wallis stated this section of the industry has grown exponentially in the last three years and while they are starting to compile useful information with regard to this topic they are still struggling with gathering the data and determining the patterns for certain groups to be more attracted to the concept than others and the reasons behind those statistics. He did share the good news that as of July 1st the Airbnb's would be paying taxes on their sales just as the hotels do which would be beneficial to everyone in the industry. Mr. Hoops informed the Board that approximately 10,000 attendees are expected for the upcoming American Legion National Convention with the majority of that group comprised of Veterans. He stated this was a great event to show and share appreciation to them for serving our country. 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.

Ms. Kennedy 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 July was a great month for the ICCLOS noting there was 84.2% occupancy in the building which was incredible and higher than what was considered the standard full capacity of 70% occupancy. She mentioned some of the recent notable events including USA Volleyball, Indiana Black Expo ("IBE") Summer Celebration and the Indianapolis Urban League and National Urban League. Ms. Hennessey recognized two of her staff members, Desiree Edwards in the Events department and Monique Wise in the Sales Department as Superstars on her team noting that both women managed the IBE events and then went straight into the National Urban League Conference. She emphasized the shows were back to back and both large scale newsworthy events and wanted to give Ms. Edwards and Ms. Wise a shout out for doing such a great job. Ms. Hennessey stressed that without the two of them working side by side so tirelessly on everything from the contracts to the preparation and

the execution of the events, things would not have been able to run as smoothly and successfully as they did. Ms. Hennessey mentioned there was a little break after Gen Con and noted whenever there is an off time in the building and there is not an event taking place, Tom Boyle, the Director of Operations takes advantage of it and attends to maintenance issues. Ms. Hennessey noted the American Legion National Convention was coming to town the following week and mentioned that Vice President Pence and the 2nd lady would be coming to the Convention Center to speak at the event. She cautioned the Board to expect increased traffic during that time if they were in the downtown area due to that event. Ms. Kennedy thanked her for her report and asked the Board if there were any questions for her and there were none.

Ms. Kennedy introduced Mr. Neuburger to present the Lucas Oil Stadium ("LOS") portion of the report. Mr. Neuburger shared with the Board that LOS has had a lot of activity the last month with the Beach Bodies Convention entailing the most elaborate stage set up so far this year. He explained that when Gen Con came into town there was activity going on 24 hours of every day of the convention at LOS which was exciting for the attendees and staff. He shared that the first Colts game of the season took place and included a sleep over afterwards with guests being able to sleep on the field as part of the ticket package and promotion put together by the Colts, adding that everyone had a lot of fun with that event. Then the following day there was an Indy Eleven game and Mr. Neuburger noted the team continued their 19 games winning streak at LOS adding it has not lost a game at LOS since July of 2018. He explained there was a lot of work involved in turning these events over in such a short time period and applauded the staff on getting this done so smoothly. Also taking place at LOS were some important internal activities including training for Centerplate and CSC staff as well as Table-Top training to have a plan of action in the event of emergency situations all in preparation for the upcoming football season, mechanical and electrical upgrades made to the club portions of the Stadium, installation of blackout curtains in the North window as well as continued upgrades made to the wifi system in the Stadium. He noted some upcoming events included LOS hosting six (6) high school football games as well as the college match up of Ball State vs Indiana University on August 31st to close out the month. He mentioned that earlier in the week the IU team held a practice at LOS and former Colts player, Pat McAfee surprised the crowd by awarding a scholarship to a walk on player which was met with a great reception by everyone. Ms. Kennedy thanked Mr. Neuburger and asked the Board if there were any questions for him regarding his report. Mr. Corbitt inquired about the electronic ticket process going into the football season wondering if implementation of this new system will cause increased delays or issues for the wifi system. Mr. Mallon said that this will be a learning experience for everyone in the NFL and that there will be challenges that come along with it. He explained the electronic ticketing system will go live for the Preseason game on Saturday and hopefully many of the bugs would be worked out at that time before the first official game. He did suggest that fans could do things to assist in ensuring the process runs smoothly such as allowing more time and arriving at the Stadium earlier than usual rather than everyone showing up at the last minute as well as being patient with the new process, but he did not think it would be much of an issue. There were no further questions for Mr. Neuburger at this time.

2020 Budget

Mr. Mallon reminded the Board that it has always been the CIB and City's goal to ensure the public facilities managed and operated by the CIB remain competitive and relevant in this industry. He explained that the proposed budget includes maintenance, repair, and replacement projects to ensure that CIB facilities maintain their world class reputation noting that each year the CIB includes contingency funding in the event there is an unexpected repair or unanticipated need occurring in one or more of the CIB's facilities. Mr. Mallon reminded the Board members that historically the CIB has taken a conservative approach to estimating annual revenue and as a result of this approach, actual net revenue has exceeded the budgeted amount every year for the past five years. He also noted several years ago, the CIB board wisely established cash reserves to cover short-term losses, which are anticipated for FY2020.

Mr. Mallon informed the Board that Mr. Kuehr and the accounting staff spent a great deal of time working on this Budget and expressed his appreciation for all the time and effort that went into the process.

Mr. Kuehr began his presentation of the **2020 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 up over the 2019 Budget by \$9.5M or 7% overall.**
- **Tax Revenues are projected to increase \$4.1M or 4% in the 2020 Budget.**
- **Operating Revenues increased by \$5.4M or 15% over the 2019 Budget.**
- **Total Operating Expenses are down \$5.0M or 3% from the 2019 Budget.**
- **Capital Outlays are \$38.3M, which is \$8.1M down from the 2019 Budget.**
- **Personal Services is budgeted to increase 4% or \$883k over the 2019 Budget.**
- **Other Services and Charges are budgeted to increase \$2.2M or 3% over the 2019 Budget.**
- **Capital Outlay is budgeted to decrease \$8.1M or 18% from the 2019 Budget for needed and contractually obligated repairs and maintenance on all facilities.**
- **Debt Service is projected to decrease \$3.8M in the 2020 Budget.**
- **Net Amount for 2020 Budget is (\$32.8M).**
- **Negative Net Amount will be covered by utilizing funds from CIB operating reserves.**
- **Taking into account the 2020 budget, at the end of 2020, the CIB will have approximately \$65M in operating reserves.**

There was discussion throughout the presentation with questions answered by Mr. Kuehr and Mr. Mallon. Mr. Mallon asked if there were any additional questions from the Board and there were none. Ms. Kennedy asked the Board to entertain a motion to approve the Budget Resolution. Mr. Corbitt moved and Mr. Ruhmkorff seconded that the Board

approve the Resolution as stated and the 2020 Budget as presented. The Resolution is attached hereto. The motion by Mr. Corbitt to approve the CIB Budget and related matters as set forth in the Resolution was unanimously approved as presented. Ms. Kennedy expressed a huge thanks to the entire Accounting team for all their hard work these last several months putting the Budget together and also thanked the Board for their flexibility with their schedules with regard to the Board meetings. 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.

Mr. Mallon presented the **Virginia Avenue Parking Garage – 2019 Parking Facility Repairs** which is attached to and made a part of these Minutes. He explained this project involves horizontal and vertical/overhead repairs, safety knockdowns, repair precast spandrel connection, repair trip hazards in deck, and expansion joint replacement on Level 2, per assessment report prepared in 2018. He explained that consistent with Indiana's Public Procurement Laws, the CIB published Invitations to Bid for base bid. Mr. Mallon explained that the low bid was submitted by Ram Construction Services of Cincinnati, LLC, in the amount of \$289,000 and noted that both staff and counsel have determined that their bid is both responsive and responsible. Mr. Mallon asked the Board if there were any questions regarding this project and there were none. Upon a motion by Mr. Goode, and a second by Mr. Ruhmkorff, a contract with Ram Construction Services of Cincinnati, LLC in the amount of \$289,000 for the Virginia Avenue Parking Garage – 2019 Parking Facility Repairs was unanimously approved as presented.

Mr. Mallon presented the **Daktronics Video Board Service Agreement** which is attached to and made a part of these Minutes. He explained this is a one year agreement which will cover LOS video and ribbon boards along with all associated back end hardware and software. Mr. Mallon explained that Daktronics is the manufacture of the equipment and will utilize local preferred electrical contractor for any required electrical repairs. He explained that the annual cost for this service contract is \$212,395.00 and has been in place since the warranty period ended in 2009. Mr. Mallon asked the Board if there were any questions regarding this item and there were none. Upon a motion by Mr. Dora, and a second by Mr. Ruhmkorff, the Daktronics Video Board Service Agreement 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. The first claim to consider was the Operating Claims 7549G. Upon a motion by Ms. Lewis and seconded by Mr. Dora, Claims 7549G were unanimously approved by the Board. The second to consider was the Confirming Claims 7548C. Ms. Kennedy recused herself from line items 257 and 258 on Voucher 7548C regarding Indianapolis Power and Light. She also acknowledged line 243 regarding Indiana Conference for Women, LTD, explaining that the CIB was sponsoring a table for this event and a group of CIB employees would be attending. She informed the Board members that she serves on the Advisory Board for this organization and while she is not recusing herself from this item, she wanted to include this observation in the Minutes. There were no questions from the Board and upon a motion by Ms. Lewis and seconded by Mr. Ruhmkorff, Claims 7548C

were unanimously approved by the Board taking into account the aforementioned recusals.

In **Other Business**, Mr. Mallon informed the Board that he and Mr. Kuehr would be presenting the CIB's proposed Budget to the City County Council's Municipal Corporation Committee on September 12th at 5:30 pm, adding they were welcome to attend the meeting but were not required.

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



David Ruhmkorff, Secretary
THE CAPITAL IMPROVEMENT BOARD
OF MANAGERS
OF MARION COUNTY, INDIANA

RESOLUTION

**CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA**

WHEREAS, pursuant to Indiana Code § 36-10-9-8, the Capital Improvement Board of Managers of Marion County, Indiana (the "Board") must prepare a budget for each calendar year covering the projected operating expenses, projected expenditures for capital improvements or land acquisition, and estimated income to pay the operating expenses and capital expenditures, including amounts, if any, to be received from excise taxes and ad valorem property taxes.

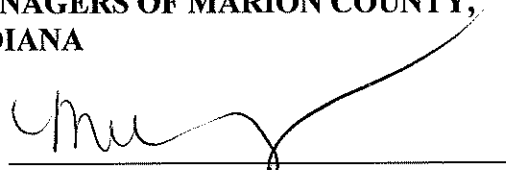
WHEREAS, a budget for the calendar year 2020 was presented and reviewed to the Board on August 23, 2019 ("2020 Budget") which budget includes among other items amounts to provide for payment of debt service and authorization for rent abatement and/or grants to or for the benefit of Visit Indy, the Indiana Black Expo and Other Partner Organizations.

BE IT RESOLVED that the Board now approves the 2020 Budget (as presented and discussed) and directs and authorizes the Board's President, Chief Financial Officer and Executive Director to take any and all actions necessary or appropriate to (a) cause the operating and capital portion of the 2020 Budget to be submitted to the City-County Council for its review, approval or rejection pursuant to Indiana Code § 36-10-9-8 and (b) implement the 2020 Budget when approved and to operate in conformity with it including any changes between characters in such budget as from time to time appropriate.

ADOPTED this 23rd day of August, 2019.

**CAPITAL IMPROVEMENT BOARD OF
MANAGERS OF MARION COUNTY,
INDIANA**

By: _____



Melina Kennedy, President