

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Friday, April 10, 2020-8:30 am
Indiana Convention Center
Via Teleconference

A Meeting of the Capital Improvement Board of Managers of Marion County, Indiana ("Board") was held on April 10, 2020. Due to the Declaration of Public Health Emergency due to the COVID-19 virus and to ensure compliance with the social distancing guidelines and consistent with the Governor's Orders, this meeting took place via teleconference. Board Members in attendance included Melina Kennedy, David E. Corbitt, Michael C. Terrell, David Ruhmkorff, Jim Dora Jr., Maggie A. Lewis, Brenda Myers, Earl Goode and Sarah Fisher. Ex-Officio Leonard Hoops was also present on the teleconference. Others in attendance included Andy Mallon, Executive Director, Mary Solada, General Counsel, Dentons Bingham Greenebaum LLP ("DBG"), Bryan Collins, General Counsel, DBG, Tom Boyle, Director of Operations, Kobi Wright, Business Operations Director and Senior Staff Counsel, Eric Neuburger, Stadium Director, Debbie Hennessey, Convention Center Director, Tim Kuehr, Chief Financial Officer, Art Kodroff, Controller, David Sease, SGA, Lisa Vielle, Well Done Marketing and members of the media. (A copy of the list of those who were in attendance on the call is attached hereto.)

Ms. Kennedy introduced the **Approval of Minutes** for the Friday, March 13, 2020 meeting. Upon a motion by Mr. Corbitt and seconded by Mr. Ruhmkorff, the Minutes were unanimously approved as presented.

Ms. Kennedy then asked Mr. Mallon to update the Board on the current state of operations at ICCLOS with regard to the COVID-19 health crisis and share his perspective on things. Mr. Mallon began by recognizing that the Indianapolis community tragically lost a police officer in the line of duty the previous day and offered condolences on behalf of the CIB to the City of Indianapolis and the entire law enforcement community. Mr. Mallon then explained that the CIB was responding to the Coronavirus situation by concentrating on three objectives. He noted that the main priority remains the health and safety of the CIB staff and guests. He explained that those employees who are able to work from home have been doing that since mid-March. He mentioned the hourly staff that work in the building such as the stage hands and housekeeping staff have been given additional leave so that they can also remain at home and do their part in flattening the curve. He noted that no one is permitted in the building if they have any symptoms of the coronavirus and the small number of essential staff that has been working some shifts to ensure the building is running well and operating as it should. He added all staff was continuing to follow the guidelines of social distancing as well as washing hands frequently and using hand sanitizer to limit the spread of the virus. Mr. Mallon informed the Board that the CIB was also focused on engaging in whatever efforts can be done to help the community during this pandemic. He mentioned an example of this saying that that the LOS has offered space at the Stadium and partnered with several local food banks assisting in the

storing and packaging of food items for delivery to the many food pantries in the City and surrounding central Indiana counties. Mr. Mallon informed the Board the CIB has and will be contributing to the Rapid Response small business loan fund which has recently been initiated by the Indy Chamber in partnership with the City of Indianapolis and Mayor Hogsett as another opportunity to assist the Community during this situation. He mentioned there was an agenda item pertaining to this cause which he would present later in the meeting. Mr. Mallon stated the 3rd way that the CIB was focusing on with regard to responding to the Coronavirus was realizing, assessing and reacting to the potential financial impact of the virus to the CIB's revenue and trying to do things now to save expenses and keep fund balances as high as possible for the future. He noted that because the tax revenue lags about 45-60 days the exact amount of the hit to the CIB's revenue was not yet known but he and his Executive staff have already begun to implement cost saving measures. He explained these measures include looking at the CIB's Capital expenses and putting off anything that can be postponed to future years as well as looking at every line item in budget and considering if there are any savings to be made in that area. Mr. Mallon informed the Board that temporary salary and work hour reductions have been made to the CIB staff. He explained that the salary staff would have a 10% reduction of their salary for the remainder of the year and the hourly staff would have a 20% reduction in their hours until they can be staffed back up and utilized for events in the building. Mr. Mallon explained the Executive staff would have a salary reduction of up to 20% and that he personally would be reducing his salary by 25%. Mr. Mallon thanked Mr. Hoops for his cooperation, planning and good management in collaborating on a course of action that ensures their good work continues while retaining the cash balance of the CIB for the remainder of this year and into 2021 and reducing the liability to VI by 20%. Mr. Mallon also mentioned a Reimbursement Resolution on the meeting agenda that would also be beneficial in preserving the financial strength of the CIB by enabling them to retain the cash balance and explained he would present that agenda item a bit later in the meeting. Mr. Mallon thanked the Board for their continued support and acknowledged that everyone was working hard in navigating through this unprecedented situation in the entertainment and events industry and maintaining their optimism that the CIB would emerge from this experience stronger and prepared for a strong recovery and return to hosting events in the buildings. Ms. Kennedy thanked Mr. Mallon for the update and for his leadership during this challenging time.

Ms. Kennedy noted that Mr. Goode needed to leave for another meeting at 9:00 am and asked him if he had any comments he would like to share with the Board. Mr. Goode took this opportunity to thank the members of the CIB and VI and in particular Ms. Kennedy, Mr. Mallon, Mr. Hoops as well as fellow Board member Jim Dora for being most helpful during this health crisis. He stated that he was pleased by the collaboration and strong cooperation between the five hospital groups in Indianapolis as well as the other areas of the state working together on search planning and maintaining a strong capacity in hospitals of intensive care rooms and ventilators available. He stated it was a real credit to the people of Indiana and added he was very grateful for everyone working together and for the involvement of corporate community leadership. Ms. Kennedy thanked Mr. Goode for the update and all of his efforts as well of those of Governor Holcomb and his office.

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 the next agenda item **VI Updates** as attached hereto and made a part of these Minutes and presented by Leonard Hoops. 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, highlighting recent significant Sales Bookings and Sales Events and comparing this years' results to past years results using data and graphs. Mr. Hoops explained that the numbers on these reports are Pre-COVID and noted that the occupancy for February in the downtown area was one of the best at 70% occupancy adding the sales figures were quite strong going into March. He reminded the Board that this is the month the FDIC convention was originally scheduled to take place adding it has been rescheduled for later this year. He stated that VI was looking to book beyond 2020. Mr. Hoops thanked Ms. Kennedy, Mr. Mallon and the Board for putting together a very reasonable compensation reduction plan given the current situation. He explained that VI has implemented a COVID-19 action plan with 3 components, which includes maximizing productivity, mitigating impact on partners and taking care of customers. Mr. Hoops explained that in early March he and his team put measure in place to save on expenses including a freeze on both hiring and travel through June 30th and implementing a 4 day work week through the end of May. He explained his Executive staff salaries were being reduced on an average of 26% and his personal compensation was being reduced by 40% through 2020. He explained these measures will enable VI to keep their team together so it will be easier to reignite sales when the time comes and eliminates the need for any lay-offs or furloughs at this time. Mr. Hoops informed the Board that VI has added Resource pages on VI website with links to the City and State Websites, health and safety information and an option to purchase Visit Indy t-shirts to donate to relief funds. He stated that VI was going to pursue whatever options were available to them with regard to the Care Relief Act. He also emphasized a main objective was taking care of VI's customers to accommodate their particular situation. Mr. Hoops explained VI w's as working closely with Ms. Hennessey's sales team to do everything they can to rebook the March, April, May and June events that were affected by the shutdown into the 2nd half of the year or even into another year. He noted that with Gen Con and the Indianapolis 500 scheduled for late July and August respectively, all of the makings for a strong recovery in the 2nd half of 2020 were present. Ms. Kennedy asked if there were any further questions for Mr. Hoops and there were none at this time. She thanked him for his report and for being proactive and doing all the right things during the current situation.

Ms. Kennedy introduced the next agenda item **ICCLOS Sales Report** as attached hereto and made a part of these Minutes and presented by Debbie Hennessey and Eric Neuburger. Ms. Hennessey shared information from the current Sales Activity Report

highlighting total attendance and occupancy figures, as well as the breakdown of attendees for various exhibit halls and ballrooms located in the Building. She also presented the Monthly Activity report illustrating the variance from month to month and year to year with regard to occupancy and attendance totals. Ms. Hennessey informed the Board that the occupancy in the Exhibit Halls for March was 23.2%. She explained that she and her staff were working diligently with clients to get as many events rebooked as possible rather than having them cancel entirely. She noted that many times this resulted in events being pushed out to 2021 or 2022, and particularly in the case of international events. Ms. Hennessey went over the current cancellations and events that were already rebooked for the months of March through August noting that there was hope that some of the May events would still be able to take place as planned, depending on Governor Holcomb's recommendations. Ms. Hennessey noted that the Sales staff had been working long hours with the VI team to work through the rescheduling issues related to the COVID-19 Virus and thanked both Sales teams for all of their tireless efforts. Ms. Kennedy thanked her for her report and asked if there were any further questions for Ms. Hennessey and there were none at this time. Ms. Kennedy introduced Mr. Neuburger to present the Lucas Oil Stadium ("LOS") portion of the report. Mr. Neuburger informed the Board that his team at LOS remains optimistic and promised they will be ready to go when the current health situation improved. He explained that limited staff had been in the building attending to maintenance issues. Also, as mentioned earlier by Mr. Mallon, there was activity in the building due to LOS partnering with several local food banks including Mid-West Food Bank, Gleaner's, Second Helpings and the Salvation Army, to store food and assist in packaging meals to be distributed to the various food bank locations throughout central Indiana. Mr. Neuburger emphasized that he and his staff were working on building relationships and reaching out to customers and clients to maintain communications and let them know that everyone is working together to get through this situation. He thanked the Board members for their support. Ms. Kennedy thanked him for his report and asked if there were any further questions for Mr. Neuburger and there were none at this time.

Mr. Mallon presented the **Approval of Reimbursement Resolution for 2020 and 2021 Capital Projects** agenda item as attached hereto and made a part of these Minutes and presented by Mr. Mallon. As previously mentioned this agenda item involves a Reimbursement Resolution which would allow the CIB to borrow funds to complete upcoming Capital projects rather than depleting the CIB's cash reserves. Mr. Mallon explained that the CIB has a number of Capital projects that must be done this year just to keep the ICCLOS functioning as well as needing to finish construction projects at Victory Field, Virginia Ave Garage and BLF. This Resolution allows the CIB to capture projects going back 30 days as well as those going forward this year and next year, and borrow the funds to do these necessary projects rather than use the CIB cash reserves. He explained this will enable the CIB to finance the projects, preserve the CIB cash reserve balance and then be reimbursed out of this borrowed money. Mr. Mallon explained the process has several steps and would involve bringing a bond resolution to the Board for approval and then to the City County Council for approval and eventually back to the CIB Board for final approval. He asked Bryan Collins, General Counsel from DBG, to add any additional information if needed. Mr. Collins explained that the maximum

amount to be borrowed under this resolution was not to exceed \$60M and clarified that while this resolution will enable the CIB to hold the place for the opportunity to do this in the future, it does not lock the CIB into anything. This merely reserves the option to reimburse the ICCLOS and the CIB from the bonds if it is decided that the CIB go that route. After further inquiries, questions and discussion by the Board and the presenters, and after a motion by Mr. Ruhmkorff, as seconded by Mr. Corbitt, the Approval of Reimbursement Resolution for 2020 and 2021 Capital Projects was unanimously approved as presented.

Mr. Mallon presented the **Ratification and Approval of Funding of Indy Chamber Rapid Relief Initiative** agenda item as attached hereto and made a part of these Minutes. Mr. Mallon explained this agenda item involves the CIB funding of \$1M to the program as a supplement to the Federal Relief in the form of a quickset assisting small businesses and keeping them afloat during this interim period and thus limiting the risk of losing them to bankruptcy while waiting for Federal funding to occur. Mr. Mallon explained the CIB's contribution will be repaid over time as the loan is repaid and the funding will come back to the CIB. Mr. Mallon applauded the Chamber, Develop Indy and the BOI initiative for being proactive as the entity able to stand in the middle and be the bridge between organizations to assist in this venture. Mr. Mallon noted that the CIB's participation of this program is restricted to small businesses that pay Food & Beverage tax in an effort to assist those business and support those tax payers that have directly supported the CIB. After further inquiries, questions and discussion by the Board and the presenters, and after a motion by Mr. Dora as seconded by Mr. Ruhmkorff, the Ratification and Approval of Funding of Indy Chamber Rapid Relief Initiative was unanimously approved as presented.

Mr. Mallon presented the **BLF Cap X AHU Repair/Replacement** agenda item as attached hereto and made a part of these Minutes. Mr. Mallon explained this Project involves mechanical, HVAC, plumbing and electrical upgrades needed for the main systems at BLF as part of the BLF Expansion project. Consistent with Indiana's Public Procurement Laws, the CIB published Invitations to Bid. The low Bid was submitted by General Piping in the amount of \$749,704.00. Mr. Mallon explained staff and counsel have reviewed all the documents and recommend awarding the contract to General Piping in the amount of \$749,704.00, as its bid is both responsive and responsible. After further inquiries, questions and discussion by the Board and the presenters, and after a motion by Mr. Ruhmkorff as seconded by Ms. Fisher, a contract with General Piping for the BLF Cap X AHU Repair/Replacement Contract was unanimously approved as presented.

Mr. Mallon presented the **BLF FF&E Disposal List** agenda item as attached hereto and made a part of these Minutes. Mr. Mallon explained that similar to other lists of obsolete equipment brought before the Board for approval before disposing of or attempting to sell at auction, this was a list of items from BLF FF&E which had been replaced as part of the BLF Expansion project. After further inquiries, questions and discussion by the Board and the presenters, and after a motion by Mr. Dora as seconded by Mr. Corbitt, the BLF FF&E Disposal List was unanimously approved as presented by the Board.

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. Ruhmkorff and seconded by Mr. Corbitt, Claims 8498G, and 8535C 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. Ruhmkorff and seconded by Mr. Corbitt, the BLF Confirming Construction Claims B203 were unanimously approved as presented.

Ms. Kennedy informed the Board that the next CIB meeting was scheduled for Friday, May 8th and when the decision was made as to whether this meeting would be held in person or as a teleconference would be conveyed to the Board closer to that date.

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
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