

CAPITAL IMPROVEMENT BOARD OF MANAGERS
OF MARION COUNTY, INDIANA
Minutes of Meeting
Friday, June 5, 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 June 5, 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., Earl Goode and Sarah Fisher as well as Ex-Officio Leonard Hoops. Board members Maggie A. Lewis and Brenda Myers were not present on the teleconference. Others in attendance included Andy Mallon, Executive Director, Mary Solada, General Counsel, Dentons Bingham Greenebaum LLP ("DBG"), Tom Boyle, Director of Operations, Kobi Wright, Business Operations Director and Senior Counsel, Eric Neuburger, Stadium Director, Debbie Hennessey, Convention Center Director, Tim Kuehr, Chief Financial Officer, Art Kodroff, Chris Gahl, Visit Indy, ("VI"), David Sease, SGA, Lisa Vielle, Well Done Marketing, Mike Wells, Indianapolis Marriott 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, May 8, 2020 meeting. Upon a motion by Mr. Dora and seconded by Mr. Corbitt, the Minutes were unanimously approved as presented.

Ms. Kennedy asked Mr. Mallon to provide the Board with a quick update on the status of the Facility with regard to the COVID-19 situation as well as the recent protests taking place in the downtown area. He explained the building remains closed at this time and explained that Ms. Hennessey, the Convention Center Director and Mr. Neuburger, the Stadium Director, would give the Board further details on next their departments later in the meeting. Mr. Mallon stated that the last few days have been challenging making reference to the recent protests in the aftermath of the death of George Floyd. He explained there was some damage to the CIB properties in the form of broken windows and graffiti on the building adding the majority of the damage done to the Virginia Avenue Garage and the Convention Center. He informed the Board that the CIB added additional security personnel in the building in response to the increased crowd activity surrounding the facility. Mr. Mallon noted this was a challenging time for everyone and a time for change. He shared that he and the staff were looking inward as an organization and looking for opportunities to improve what can be done by the CIB with regard to racial injustice in the community. Mr. Mallon stated that this was a time for change and that he has committed that this Facility will be a safe place for this type of difficult and necessary

conversation and that he was willing to do whatever needed to improve the current situation. Ms. Kennedy thanked Mr. Mallon for his update.

Ms. Kennedy then introduced the agenda item **VI Updates** agenda item 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, comparing this years' results to past years results using data and graphs. Mr. Hoops noted that the area outside of downtown was reporting occupancy of over 30% and performing above the National numbers. He noted the National average for occupancy for April was 24.5% and while the occupancy in Marion County was not far behind that average at 22.3%, the downtown occupancy was well below average at just 7.6%. He noted one positive to report is the lead room nights are at 113% of the target number YTD which is evidence of the pent up demand once the COVID-19 crisis is over. Mr. Hoops shared the main news since the last Board meeting is that Gen Con has cancelled the convention for 2020 which was scheduled for late July. He added there were very limited opportunities for July bookings and that the most likely timeframe for having groups in the building is August and September. Ms. Kennedy asked if there were any questions for Mr. Hoops. Mr. Dora asked Mr. Hoops several questions with regard to future bookings for the remainder of the year and questioning the reality of the accuracy of these projections. There was a discussion amongst the Board members, Mr. Hoops and Mr. Mallon with regard to the various factors affecting the booking of events for the remainder of the year as well as the effects of the actual outcome on the financial situation of the CIB. Mr. Mallon noted that the decision making environment has changed from a health and safety related decision to a marketing based and economic decision. Mr. Mallon assured the Board that the CIB is ready for the groups and events to return when it happens and thanked Ms. Hennessey and Mr. Neuburger for their proactive efforts developing and implementing safe and effective solutions to all the new challenges with regard to putting on an event amid the COVID-19 crisis. Mr. Mallon told the Board that he and his Executive team were confident the CIB could handle the situation and he and his staff would be ready to execute when the clients of the CIB were ready to return to the building for business.

Mr. Mallon also reassured the Board members that he and his Executive staff were financially modeling for all types of scenarios and were prepared for the various outcomes that could take place regarding the state of affairs at the CIB and in the economy. With no further questions, Ms Kennedy thanked Mr. Hoops for his presentation as well as Mr. Mallon and for answering all of the Board's questions and addressing the concerns expressed by Board members.

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. Mr. Corbitt asked if the CIB was currently doing anything proactively to address the declining economic condition. Mr. Mallon providing information and actions taken

pertaining to debt service plans, bond holdings and other management courses of action the CIB is pursuing to keep the CIB in a stable position financially in the aftermath of the COVID-19 crisis and to keep things moving toward a recovery. Mr. Corbitt thanked Mr. Mallon and Mr. Kuehr for handling the current economic situation so well and for keeping all of the Board informed on everything taking place with the CIB. In response to a question from Mr. Dora inquiring about the balance of the CIB Cash Reserves, Mr. Mallon noted that the CIB did not need to use any funds from the Cash Reserves until this month of June adding that the CIB is still in a good place with regard to the Cash Reserves Balance. There were no further questions from the Board at this time. Ms. Kennedy thanked Mr. Kuehr and Mr. Mallon for the update.

Ms. Kennedy introduced the next agenda item **ICCLoS Sales Report** as attached hereto and made a part of these Minutes. She introduced Debbie Hennessey to present the ICC portion of the report. Ms. Hennessey informed the Board that she and her staff were making plans to reopen the building in mid-July with the IMPACT convention as well as hosting some smaller events including the IMPD written exam and IFD written exam and one for Local 440. She added that Tom Boyle is busy making sure that the building is prepared with regard to the health and safety aspect. She noted the Sales team is making sure that everything is ready for their clients as well and everyone is looking forward to the building opening. 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 he and his staff were continuing to do essential work with the Midwest Food Bank at LOS and noted that this was the final week they would be at the Stadium. He explained he and his staff are continuing with the “Return to Play” planning and have been working with Tom Boyle and his staff with regard to some physical changes in the building including Plexiglas barriers, touchless fixtures and other social distancing tools. He explained that Indy Eleven would like to return to the Stadium in July and he has been working with them with regard to what that may entail. Mr. Neuburger informed the Board that the NFL has not yet made any decision or announcement with regard to the upcoming season so he and his staff are anticipating on the Pre-season games proceeding as scheduled. He also mentioned that he has been working with NCAA in preparation for the scheduled events in the spring of 2021. He thanked the Board members for their continued support during this time. Ms. Kennedy thanked him for his report and asked if there were any further questions for Mr. Neuburger and there were none.

Review & Accept 2019 Comprehensive Annual Financial Report (CAFR)

Ms. Kennedy introduced Mr. Kuehr and Mr. Mallon to present the **Review & Accept 2019 Comprehensive Annual Financial Report (CAFR)** agenda item, which is attached to and made a part of these Minutes. Mr. Kuehr informed the Board that the Indiana State Board of Accounts (“SBOA”) has been working with the CIB over the last 3 months and on May 28th finished its audit for 2019. Mr. Kuehr referenced the Independent Auditor’s Report which was included on page 14 of the CAFR. Mr. Kuehr read the following excerpt from that document into the Minutes:

“The financial statements present fairly, in all material respects, the financial position of the CIB, as of December 31, 2019 and 2018, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United State of America”.

Mr. Kuehr stated in layman’s terms this means it is a clean audit with no material adjustments from the information provided to the Board in the December 2019 financial statement. Mr. Kuehr thanked the SBOA for their professionalism and flexibility working remotely for most of this audit. Ms. Kennedy thanked Mr. Kuehr and the Accounting team for being so thorough and responsive during the Audit process and praised them for a job well done. Mr. Mallon also thanked everyone who was instrumental in compiling and providing the information to Mr. Kuehr in a timely fashion. Ms. Kennedy asked the Board if there were any questions pertaining to the CAFR and there were none. Ms. Kennedy asked the Board to accept these findings in the Audit as presented. Upon a motion by Mr. Goode and a second by Mr. Corbitt the **Review & Accept 2019 Comprehensive Annual Financial Report (CAFR)** was unanimously accepted as presented.

Mr. Mallon presented the **Second Addendum to Second Amended and Restated Fieldhouse Operating Agreement** agenda item as attached hereto made a part of these Minutes. Mr. Mallon explained this agenda item pertains to amending the current Pacers Operating agreement in a way that would enable the CIB to borrow the funds for the work required to be done by the CIB on the parking garage at BLF and pay the loan back over a period of a few years rather than having to make the payment all at once. This would enable the CIB to leave the cash balance intact rather than reducing it by the cost of the tear down and rebuild of the garage at BLF. After further inquiries, questions and discussion by the Board and the presenters, and after a motion by Mr. Corbitt as seconded by Mr. Ruhmkorff, the Second Addendum to Second Amended and Restated Fieldhouse Operating Agreement was unanimously approved as presented.

Ms. Kennedy introduced the next agenda item **Disposal of Obsolete Equipment** as attached hereto and made a part of these Minutes and presented by Andy Mallon. Mr. Mallon noted the list of equipment has been reviewed by Staff and found to have no book value. 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 Disposal of Obsolete Equipment 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. Dora and seconded by Mr. Ruhmkorff Claims 8694G, and 8740C 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. Mr. Corbitt recused himself from line 193. There were no questions from the Board and upon a motion by Mr. Corbitt and seconded by Mr. Ruhmkorff the BLF Confirming Construction Claims B205 were unanimously approved by the Board taking into account the aforementioned recusal.

Mr. Dora addressed the Board stating that he is extremely concerned about the ability of the downtown businesses to support our organization and stated that he believes as an entity the CIB need to think of solutions for those organizations that financially support the CIB. He believes it is at a crisis level. Mr. Mallon expressed that the CIB is willing to assist in any way reasonably possible. He noted the CIB was quick to become involved in the Rapid Relief fund that was established earlier this year at was and open to any suggestions as to how the CIB can continue to be helpful in this recovery process. Ms. Kennedy thanked Mr. Dora for his comment and concern in recognizing that this is a critical moment in time and suggested an offline conversation with Mr. Hoops, Mr. Mallon and some of the Board members to address these concerns and think of ways to increase consumer confidence and think of what else we can do to manage through this crisis.

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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