

CAPITAL IMPROVEMENT BOARD OF MANAGERS  
OF MARION COUNTY, INDIANA  
Minutes of Meeting  
Friday, August 14, 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 August 14, 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 as well as Ex-Officio Leonard Hoops. 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"), Daren Kingi, VI, David Sease, SGA, Kevin Bower, PS&E, Nathan Flynn, KeyBank, 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 asked Mr. Mallon to address the Board with a brief general update before covering the agenda items. He informed the Board the City reached an agreement with Kite regarding the Convention Center Expansion. He explained that this Agreement provides for a 2 year window to complete the project which will give Kite ample time to obtain the necessary financing. This timeframe also ensures that the CIB will not be moving ahead of the potential needs of the hotel market. The 2 year window will help to build confidence that the market will be there by the time the project is completed while giving enough flexibility to allow for the recovery in our industry to get underway. Mr. Mallon stated that he will be addressing this further in the Budget portion of the Board meeting. He also informed the Board that the CIB will be making an announcement in the near future regarding its participation, along with the City, in a new safety initiative downtown. Ms. Kennedy thanked him for the update.

Ms. Kennedy introduced the **Approval of Minutes** for the Friday, July 10, 2020 meeting. Upon a motion by Mr. Goode and seconded by Mr. Corbitt, the Minutes were unanimously approved as presented.

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 questions for Mr. Kuehr regarding the Financial Update and there were no questions from the Board at this time. Ms. Kennedy thanked Mr. Kuehr for the update.

Ms. Kennedy introduced Mr. Bower to present the **Fieldhouse Management Report**. Mr. Bower 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, 2020. Mr. Bower explained this report represents the 4<sup>th</sup> quarter and the full fiscal 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. Ms. Kennedy thanked Mr. Bower for his report and asked if there were any questions from the Board. There were questions for Mr. Bower 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 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 informed the Board that the combination of the recent AAU basketball tournaments being held at the Convention Center as well as Visit Indy's "You've Earned It" campaign have helped to move Indianapolis up from near the bottom of the top 38 central business districts in the country to #11 overall and #3 on Friday and Saturday nights. Mr. Goode asked Mr. Hoops if the basketball tournaments were still taking place or if they were finished. Mr. Hoops explained that there were a few more tournaments scheduled and they would be running until Labor Day weekend. Mr. Mallon added that these tournaments were having a significant economic effect on the downtown area with the players and their families staying at the hotels and frequenting the restaurants and other establishments during their stay in the City. Ms. Kennedy thanked Mr. Hoops for his presentation and asked if there were any questions for Mr. Hoops at this time and there were none.

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 there were a total of 18,572 attendees in the building in the last month. She explained that the Building hosted Basketball tournaments 3 of the 4 weekends in the last month with an average of 5,000 to 8,000 attendees each weekend. She noted that the CIB had successfully managed the building and events to ensure everyone's safety and she and staff were working closely with the State Board of Health to ensure clients and guests were compliant with the suggested safety practices. Ms. Hennessey mentioned other events in the building including continued events with IMPD and the Women of Joy Conference. Ms. Hennessey also noted she and her staff were working with PRI on their health plan for the upcoming show in December of this year and they were consulting with the State Health Department

to prepare the health plans and safety measures prior to the December trade show. 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. He informed the Board that since the last Board meeting LOS has hosted four Indy Eleven games, an NCAA site visit, and the Indiana Sports Corporation Indy Ultimate event. He noted the Stadium had engaged in some training opportunities in preparation for the upcoming football season and has been working with IMPD on some emergency training being done in the building. He informed the Board that before the next CIB Meeting there would be an additional 3 Indy Eleven games, another NCAA site visit, 2 Colts practices, and a Blooming Gold Corvette show at the Stadium. Mr. Neuburger noted his staff is preparing for the upcoming Colts season with the first home game scheduled for September 20<sup>th</sup> and looking forward to a strong comeback with the NCAA Final four in March and April of 2021. 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.

## **2021 Budget**

Ms. Kennedy introduced Mr. Mallon and Mr. Kuehr to present the 2021 CIB Budget. Mr. Mallon explained that the unique circumstances of this year with the shutdown and pandemic make this year a little different from others with regard to the Budget planning. He noted that it is important to remind everyone of what the budget is and what it is not. He proceeded to explain that the budget is a tool. It is the legally required outlay and description of the expenditures the CIB needs to make so the Board and City County Council can approve these expenditures of public funds and the CIB can provide Executive and Legislative accountability. Mr. Mallon noted that the budget is not a forecast and not a projection or prediction of the CIB’s future financial activity and especially so in these uncertain times. He explained that he and his Executive staff are using the Budget planning process as an opportunity to plan for success should the market be available for that. He noted that the CIB has events scheduled on the calendar for next year and they need to be prepared to make these shows a success. He acknowledged that the 2021 Budget plans for a decrease in Revenue allows the CIB to plan for what a recovery might look like in 2021 allowing for the gradual improvement throughout the year. He acknowledged that the budget does reflect the cuts and that these same cuts are expected to be in place for the entire year of 2021, allowing for the flexibility to facilitate an economic recovery. He further explained that the expenditures planned reflect what is needed to put on the shows while noting that many of these expenditures may not materialize depending on how the shows and the markets bounce back. 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 work and effort that went into the process.

Mr. Kuehr began his presentation of the **2021 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 \$90.7M, down from the 2020 Budget by \$55.4M or 38% overall.**
- **Operating Expenses are \$101.5M, which have been cut 29% from the 2020 Budget.**
- **The 2020 Budget has a Net Amount of (\$41.6M), largely due to the COVID-19 pandemic.**
- **Personal Services is budgeted to decrease 29% or \$6.8M from the 2020 Budget.**
- **Other Services expenses have been cut \$10.0M or 13% from the 2020 Budget.**
- **Capital Outlays have been cut \$24.8M or 65% from the 2020 Budget for needed and contractually obligated repairs and maintenance on all facilities.**
- **Debt Service is projected to decrease \$4.9M or 14% in the 2021 Budget due to Interest related to a Bond Anticipation Note for BLF renovations which were budgeted in 2020 but later capitalized.**
- **Net Amount for 2021 Budget is (\$41.6M).**
- **Negative Net Amount will be covered by utilizing funds from CIB operating reserves.**
- **As of June 30, 2020, the CIB had approximately \$144.8M in unrestricted reserves.**

There was discussion throughout the presentation with questions answered by Mr. Kuehr and Mr. Mallon. Mr. Kuehr 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 2021 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 in these extraordinary circumstances. Mr. Mallon also thanked Mr. Kuehr and his team for their work on the 2021 Budget noting the difficult and challenging circumstances as well as completing the process a week earlier than usual. 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 then introduced the **Proposed Second Addendum with PBLLC** agenda item as attached hereto and made a part of these Minutes and presented by Mr. Mallon. Mr. Mallon explained this is a Proposed Second Addendum to the Second Amended and Restated Fieldhouse Operating Agreement with the Pacers Organization. Mr. Mallon explained this addendum would allow the CIB through MCCRFA to borrow \$30M in 2020 which is earlier than originally anticipated. Mr. Mallon explained the CIB would like to

accelerate \$30M more to be able to take advantage of the revised Pacers schedule due to the COVID pandemic. He explained having the funds now would enable the CIB to take advantage of the building being unoccupied and to get as much work done inside the building as possible while there are no events taking place. He added that being able to get a jumpstart on the project and having the ability to contract work with people earlier

in the construction process will lessen the pressure on future construction costs and actually be more cost effective moving forward. Mr. Mallon explained that the plan with regard to the bond anticipation note remains the same and reviewed the timeline. Mr. Mallon asked the Board if anyone had any questions or comments. Mr. Corbitt commented that he supported the CIB staff in this agenda item and in continuing to plan for success of the CIB. He expressed that the importance of the continued development of the infrastructure and especially so to be competitive when things get back to a regular pace. He stated that the continued development in this area is something that needs to be done and remain a focal point for the CIB. Mr. Goode seconded Mr. Corbitt's comments adding that he thinks this is a very wise decision for the CIB. Upon a motion by Mr. Goode as seconded by Mr. Corbitt, the Proposed Second Addendum with PBLLC was unanimously approved as presented by the Board. Ms. Kennedy thanked everyone for their support.

Mr. Mallon presented the **BLF Supply Contract – Practice Court Floor Installation** agenda item as attached hereto and made a part of these Minutes. Mr. Mallon explained this project involves permanent installation of the Fever practice court to include all materials, installation and graphics. This project is being coordinated with the BLF renovation work currently in process and is being undertaken consistent with the recently amended Operating Agreement between CIB and Pacers. It has been determined the CIB can utilize a Sole Source supplier under the procurement statute. Mr. Mallon explained the Supply contract base cost equals \$126,150.00 plus one (1) alternate for protection floor covering costing \$20,210.00, making the total cost \$146,360.00. Staff and counsel have reviewed all the documents and recommend the contract be awarded to Robbins Inc., in the amount of \$146,360.00. After further inquiries, questions and discussion by the Board and the presenters, and after a motion by Mr. Corbitt as seconded by Mr. Dora, a contract with Robbins Inc., for the BLF Supply Contract – Practice Court Floor Installation was unanimously approved as presented.

Mr. Mallon presented the **Amendment to Daktronics Service Agreement** agenda item as attached hereto made a part of these Minutes. Mr. Mallon explained this is a one (1) year Service Agreement for Hardware & Software support for the Stadium Video and Ribbon displays and this amendment will extend the existing agreement for one (1) year at a cost of \$218,770.00, which is a 3% increase. He noted that Daktronics is the manufacturer of the displays and has been maintaining the equipment since 2008. Mr. Mallon explained staff and counsel have reviewed all the documents and recommend the renewal of this Agreement in the amount of \$218,770.00. 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 Amendment to Daktronics Service Agreement was unanimously approved as presented.

Mr. Mallon presented the **Disposal of Obsolete Equipment (BLF Expansion Project)** 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 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. Ruhmkorff as seconded by Mr. Dora the BLF 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. The first Voucher presented was for the Operating expenses. There were no questions from the Board and upon a motion by Mr. Ruhmkorff and seconded by Mr. Corbitt, Operating Voucher Claim 8977G was unanimously approved by the Board. Mr. Mallon then presented the second Voucher for the Confirming expenses. There were no questions and upon a motion by Mr. Ruhmkorff and seconded by Mr. Dora, Claims 8964C were unanimously approved by the Board. Mr. Mallon then presented the BLF Construction Claims to the Board. There were no questions and upon a motion by Mr. Ruhmkorff and seconded by Mr. Dora the BLF Confirming Construction Claims B207 were unanimously approved by the Board.

There being no **Other Business** to address and no **Public Comment**, the meeting was adjourned.

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Melina Kennedy, President  
THE CAPITAL IMPROVEMENT BOARD  
OF MANAGERS  
OF MARION COUNTY, INDIANA

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David Ruhmkorff, Secretary  
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