

MINUTES OF
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

December 15, 2014

MEMBERS PRESENT: Jim Carr
Sahara Williams
Fred Miller
Melissa Bailey-Comstock
John F. Williams

BOND BANK PRESENT:

Gregory Clark	Kurt Fullbeck
Kyle Willis	Monica Durrett
Laurie Canatsey	Isaiah Kuch
Brad Busse	Russell Hollis (intern)

OTHERS PRESENT:

Sue Beesley, Bingham Greenbaum	Mark Hudson, Huntington Bank
Eric Green, Backstrom McCarley	Mike Gilmore, Huntington Bank
Beau Zoeller, Frost Brown Todd	Joe Nixon, Frost Brown Todd
Dennis Otten, Bose McKinney	Nathan Flynn, Fifth-Third
Mike Schumaker, City Securities	Bruce Donaldson, Barnes & Thornburg
Tyler Kalachinik, Ice Miller	Kelly McNairy, KeyBank
Michael Allen, Ice Miller	Pam Cole, U.S. Bank

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:05 p.m., Monday, December 15, 2014 in the City-County Building, 200 East Washington Street, Suite 107, Indianapolis, Indiana. Pursuant to notice given in accordance with IC 5-14-1.5, Chairman Carr determined that a quorum was present and called the meeting to order.

First order of business was the approval of the November 17, 2014 and December 1, 2014 meeting minutes. Mr. Miller had some revisions to the minutes from the November 17th meeting. Ms. Durrett stated that the revisions were noted and the minutes would be updated. Miller made the motion to approve the minutes with the necessary revisions, seconded by Williams. All voted in favor and the motion passed.

Clark then gave a brief summary of the Bond Bank's 2015 budget. He stated that fees have gone down in recent years by approximately \$600K -\$700K mainly due to a decrease in the amount of debt and lower fee agreements with some of the Bond Bank's

Qualified Entities. Clark stated that the proposed 2015 budget had a decrease for professional services and an increase in computer equipment and software mainly due to the new website project. Clark then explained that Union Station will be decreased by approximately \$100K and stated that the increase in the costs from the year prior was due to the south wall collapse that happened in December 2013. He then stated that the Bond Bank has worked out an arrangement with the City to be reimbursed by the Metropolitan Development Commission through the TIF District for capital expense related to Union Station.

Clark then welcomed Jason Dudich, Chief-of-Staff, Mayor's Office. Dudich introduced himself and spoke on behalf of Kurt Fullbeck, and the unique position he holds. Dudich explained Fullbeck's relationship with the City and stated that the City would like to continue that relationship. He then asked if the Board would consider a certain set number of hours that Fullbeck could provide services to the City of Indianapolis for specific projects.

S. Williams stated that she had a concern regarding the policy. She then stated that the policies and salaries are not being directed by the Bond Bank, yet the Bond Bank is paying. Williams stated there is no consistency, with wages, salaries and benefits with other employee's and it does not appear to be fair.

Dudich stated that although he cannot speak to the details of benefits of the Bond Bank employees, he stated that it is simply a request of the Mayor's Office to have Fullbeck work on some economic development projects for the City. He also stated that the City certainly does not want the appearance that the employee is not working for the Bond Bank.

S. Williams stated that she does not have a problem with the working arrangement, but that her problem is with how the employees are being treated across the board. She told Mr. Clark that she appreciated his willingness to come and address the Board. Clark stated that he, as Executive Director, will have the flexibility to create an environment to make sure that all staff members are fairly compensated. He is looking at a more formal review policy, and a more structured evaluation process. He then stated that there are a number of employees that have received raises and bonuses throughout the years. There has never been a set policy in place. It has always been left to the Executive Director's discretion, per statute. He then stated that he is going to implement a more formal review policy. He feels that the Bond Bank staff has a great working environment and chemistry, and that the staff does a great job.

Miller asked if there are bonuses and salaries built into the budget. Clark stated the line item for compensation in the 2015 proposed budget included Fullbeck's salary. He then stated that there is an amount that was built into the proposed budget with funds for raises, bonuses, and cost-of-living increases for staff, if warranted. S. Williams asked if the same reserves were available to provide the same bonuses to the other employees that did not receive a bonus at mid-year in 2014. Clark stated that he would have to check with Laurie Canatsey, Bond Bank Finance Manager. He then stated that there has never been a formal bonus policy in place. S. Williams went on to express her displeasure with the way that wages and bonuses are appropriated, stating that some employees received a

bonus or raise in 2014, while other employees did not.. *S. Williams moved that \$40,000 be appropriated into the wages and benefits line item for 2014 for the purpose of providing bonuses for the eight employees that did not receive bonuses at mid-year.* J. Williams asked if it would be to the discretion of the Executive Director. Clark quoted the statute and explained further that pursuant to statute, it is to be left to the Executive Director. Carr asked S. Williams if she wanted to amend the motion. *S. Williams amended the motion to allow for the appropriation of \$40K in the 2014 budget to the wages and salaries line item to be awarded by Mr. Clark to employees at his discretion for bonuses.*

The motion was seconded by Miller and J. Williams. All voted in favor and the motion passed.

There was additional discussion regarding the budget. S. Williams asked the goal of the new website. Clark explained, stating that one of the major goals is to draw investors and create a marketing tool for all the Bond Bank's Qualified Entities to better highlight and articulate the role of the Bond Bank. It will also help strengthen the Bond Bank's negotiating position when they go to the market to sell bonds by increasing access to vital information. Secondly, the website will present itself as an open depository of all debt within the City allowing for more transparency.

S. Williams then asked about the regular occurrence of paying for project fees that are being considered by the City but not necessarily a sure thing or beneficial to the Bond Bank at that time. She stated that in prior meetings there was discussion regarding a policy to budget a line-item of anticipated expenditures for projects such as this. Clark stated that he has budgeted for unanticipated projects in the professional services budget line-item in the amount of \$400k. If there are expenses that are requested of the Bond Bank to front costs for one of the qualified entities, he has that line-item budget amount to assist. If there should be a request that exceeded the \$400K, Clark stated the he would be obligated to return to the Board for additional appropriation from the Board.

S. Williams then asked about the reduction of fees for Union Station and Indianapolis Downtown Inc. ("IDI"). Clark stated that with regard to Union Station, the amount that he requested in that appropriation would be sufficient to cover the Browning Investments property manager contract and provide for a little cushion. He then addressed the Indianapolis Downtown Inc. line item and stated that essentially reducing that fee was put in place to help balance the budget. He stated that a conversation needs to be had in 2015 regarding IDI. He stated that he has given enough time to work with the City and IDI to address the ongoing relation and the source of financial support. Clark then stated that he would like the flexibility to inform the Mayor's office that the Bond Bank has the ability and functions appropriated through the Bond Bank Board to pay Union Station and IDI. He then stated that he needs to have a conversation with the Mayor's Office going forward about how much will be funded in the future. He will keep the Board informed.

Carr thanked Clark and the Bond Bank staff. He then asked for a motion to approve the ILPIBB Budget for 2015. S. Williams made the motion, seconded by Miller. All voted in favor and the motion passed.

Next, Clark discussed Resolution No. 8 - IndyRoads Bond Issuance. Clark gave a brief overview of the issuance. Clark stated that the issuance being presented to the Board is bond to support street, sidewalks and curbs throughout the city and county. The Mayor initially proposed approximately \$135 million infrastructure overhaul that would be supported by the County wheel, gas, and excise tax. After negotiations with the City-County Council over the past several months, there will be new money bond issue in the amount of \$70 million supported by the City's gas and excise tax revenues. Clark then stated that last year there was a refunding of \$12 million of the IndyRoads debt that extends out to January 2019. Clark stated that the City-County Council has only appropriated \$35 million of the \$70 million approved. He then stated that in order to avoid potential tax complications of having \$35 million sitting and accumulating interest, and not meeting federal spend-down requirements, he suggested that the City would come back once the Council decides to appropriate the remaining \$35 million. He stated to the Board that the proposal before them was to request approval of the appropriated amount of \$35 million in bonds. The anticipated time of issuance is late January 2015, with a closing two to three weeks after. DPW has requested that the funds be available in early to mid-February 2015. Clark informed the Board that there were members of Ice Miller present if they had any specific questions for bond counsel for the IndyRoads transaction.

Clark then informed the Board that the Bond Bank would be going to the ratings agency in early January 2015. He stated that it would be a fairly easy transaction and that the current bonds have an AAA rating. Miller asked if the Cost of Issuance was inline. Clark stated that it was, and the only difference is that there may be an increase because of the recent MCDC initiative and more scrutiny being placed on compliance disclosure. Clark stated that he is thinking of utilizing a Disclosure Counsel for issuances, due to the heightened scrutiny on continuing disclosure. Miller asked Bruce Donaldson, Barnes and Thornburg, LLP, if it would be wise to have a disclosure counsel. Donaldson stated that he thinks it makes sense.

Carr asked for a motion to approve Resolution No. 8 - IndyRoads. J. Williams made the motion, seconded by Miller. All voted in favor and the motion passed.

Next, Clark presented the scheduled board meeting dates for 2015. Clark discussed upcoming projects. He stated that Angie's List would come before the board in late January or February 2015. He then stated that Market Square Arena Tower should break ground the first part of the year. Clark stated that negotiations with Cummins are complete, they will occupy the Market Square Arena South lot. There is no action needed by the board for this project.

Miller asked about Personnel Exchange Policy guidelines and asked S. Williams if she wanted to address the subject. S. Williams asked if specific employee's names could be removed from the policy. Miller explained his reasoning. S. Williams asked who makes the determination of which Bond Bank employees have the opportunity to participate in the volunteer services for the Mayor's office or other Qualified Entities ("Q.E."). Clark stated that the Q.E. would come to the Executive Director to request services from an employee on the Bond Bank's payroll. The analysis would then be

determined if the Bond Bank would have the flexibility to assist, along with the type of work and amount of time needed.

S. Williams then stated that there are some Bond Bank human resource issues to be addressed and asked what type of opportunities for advancement are available to all employees. She then asked if there are opportunities to grow the individuals. Clark stated that past requests from the Mayor's Office have been for a specific individual they would like to utilize. S. Williams stated that perhaps other employees could be offered for projects as well. S. Williams asked if the policy needed to be presented for approval. Clark stated that the policy would be approved, and by default, the policy has the language in it that requires it to be executed. Miller presented a revised policy that addressed the concerns of some members of the Board. The Board and Clark reviewed the revised copy and all were in agreement with the revision. S. Williams thanked Donaldson for drafting the policy.

Donaldson stated that Bond Bank employee, Kurt Fullbeck, has a different title with the Bond Bank. Clark stated that he needed to determine a position and have a conversation with Fullbeck to see what title best fits and asked for some time to do so.

Carr asked for a motion to approve the Personnel Exchange Policy. S. Williams made the motion to approve, seconded by Miller. All voted in favor and the motion passed. S. Williams then moved that the Board accept the statement regarding Kurt Fullbeck in volunteer hours. Clark stated that those will run together.

Miller thanked everyone for the time he spent on the Board. Carr asked for a motion to adjourn. J. Williams made the motion, seconded by Miller. All voted in favor and the motion passed.

The meeting was adjourned at 1:10 p.m.