

MINUTES OF  
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

February 15, 2016

MEMBERS PRESENT: Dennis Charles  
Bryan Moll  
Michael Carter

MEMBERS ABSENT: Sarah Rubin

BOND BANK PRESENT:

Sarah Riordan	Brad Busse
Kyle Willis	Monica Durrett
Isaiah Kuch	Laurie Canatsey
Jacqui Fitzgerald	Sydni Pierce

OTHERS PRESENT:

Tyler Kalachnik, Ice Miller	Michael Allen, Ice Miller
Sharon Karst, BONY	Mike Schumaker, City Securities
Hans Steck, Baker Greenbaum Doll	Mike Terry, IndyGo
Nathan Flynn, Fifth Third	Xiao Ou Yuan, Fifth Third
Nancy Manley, IndyGo	Hardi Shaw, IndyGo
Jacon McClellan, Bose McKinney Evans	Sarah McFetridge, Crowe Horwath
Herschel Frierson, Crowe Horwath	

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:02 p.m., Monday, February 15, 2016 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, Mr. Dennis Charles determined that a quorum was present and the meeting was called to order.

First order of business was the approval of the minutes of January 21, 2016. Moll made the motion to approve, seconded by Carter. All voted in favor and the motion passed.

Next, Riordan introduced Resolution No. 1 - 2016A IndyGo Bonds, stating that the resolution is new money funding for IndyGo. Riordan then introduced Mike Terry, President & CEO, and Nancy Manly, CFO, with IndyGo. She then named the team working on the project, the legal team, Tyler Kalachnik, and Michael Allen, Ice Miller, financial advisor's Herschel Frierson and Sarah McFetridge, Crowe Horwath and, underwriter, Michael Schumaker, City Securities.

Riordan then outlined what would be discussed, what the project will involve, how it will be funded, and how much debt the Bond Bank is seeking to take out. She then stated that it is a project that will require approval by the City-County Council. It has gone before the Municipal Corporations Council and was temporarily tabled as there were questions regarding funding. She stated that it is the understanding of the Council that the Bond Bank will review the project with the Board with the understanding that any final approval of the issuance will still need the Council's final approval.

Riordan then deferred to Kyle Willis, Bond Bank Associate Director and Chief Compliance Officer. Willis stated that Resolution No. 1 seeks the Board's approval to issue up to \$15 million in General Obligation Bonds. The bond proceeds will go toward the ongoing Transit Center project and the purchase of fleet vehicles for IndyGo. Willis then stated that the current rates are between 1.75 - 2.5 % which is very favorable rates for bonds at this time. The Bond Bank is looking at a 10-year payback term, which sets it to be placed with a bank, and not in the open market. The Bond Bank has secured City Securities as the lead to receive proposals for the financing of the project. Willis then stated that the bonds would be paid back from the IndyGo tax levy of approximately \$1.7 million.

Tyler Kalachnik, Ice Miller, stated that the not-to-exceed amount is \$15 million for flexibility based on market conditions. He then stated that the method that Willis explained is the process necessary for IndyGo bonds to the Qualified Entities which will be sold to the Bond Bank and the Bond Bank bonds go out to the market. This is what City Securities does is find sophisticated qualified investor's and that is where the funding comes from. Carter asked what questions did the City-County Council that tabled the discussion, and had they been answered? Riordan answered stating that the resolution placed before the Council was seeking an issuance not to exceed \$18 million initially. The amount requested was to allow for more flexibility traditionally in the event that the market changes between the actual approval and the actual day that the instruments go to sell at market. Riordan then stated that the financial and legal team gathered and agreed that the \$18 million request may have been too conservative and agreed to a lesser amount of \$15 million. She stated that the resolution before the Board is the modified version of what was initially presented to the Municipal Corporations Council.

Riordan then deferred to Mike Terry, President/CEO, IndyGo, he stated that there are two types of projects. There are capital projects for facilities, and capital projects for vehicles. He explained to the Board that the dollar amount that they were looking at in the distributed materials was that from local contributions to the projects which are funds used for matching federal dollars towards part of the project. Riordan asked, Mr. Terry, if he could clarify the documents presented to her listing out the estimated costs. Terry stated that the effort is to not exceed the levy, but look to extend the levy for an additional 10-years; as IndyGo has bonds that will be paid off this year. They are asking for bond funding of the net-present-value ("NPV") before the current levy which is estimated at approximately \$1.7 million.

Riordan stated that during the Bond Banks meeting with the Council Committee CFO this is the information that they need to make a sound decision to support the issuance. Moll if the funding would be distributed in increments in order not to pay

interest on the full amount requested; will interest still be paid on the full \$15 million. Riordan deferred the question to legal. Kalachnik stated that it would be fully funded at closing because of projects and reimbursements. He then stated that the Bond Bank Board's approval would not affect the Council Committee's approval. Moll then asked if the amount the \$8.8 million for the downtown transit center was above and beyond the original budget that was approved for the add-ons to the overall project costs. Terry, stated that amount is not IndyGo. He then stated that Federal earmarks that occurred 2003-2004 through a loan project for additional challenges they may face. He explained the reasoning behind it.

Charles asked for a motion to approve Resolution No. 1 - 2016A IndyGo. Carter made the motion, seconded by Moll. All voted in favor and the motion passed.

Next, Riordan discussed upcoming projects. She stated that Indianapolis Airport will be seeking a refunding of some existing obligations due to more favorable interest rates. The Bond Bank has issued a RFQ from underwriting for services for the transaction. The Bond Bank looks for this to occur later 2016. The RPQ's were received the Friday prior and there was a great response. She then stated that she and Kyle Willis are working toward a process to review the submissions. She also stated that the Stormwater bonds that should come before the Board in the near future.

Riordan then stated that a draft of the 2015 Annual Bond and Note Report has been prepared and look to it being finalized within the week. They look to it being distributed in the first quarter.

There being no further questions, Charles asked for a motion to adjourn. Carter made the motion, seconded by Moll. All voted in favor and the meeting was adjourned at 12:25 p.m.