

MINUTES OF  
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

October 20, 2014

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

BOND BANK PRESENT:

Gregory Clark	Brad Busse
Monica Durrett	Kyle Willis
Adam Collins	Isaiah Kuch
Kurt Fullbeck	Laurie Canatsey

OTHERS PRESENT:

Sue Beesley, Bingham Greenbaum Doll	Bob Kocher, BNYM
Pam Cole, US Bank	Katie Aeschliman, BMO Harris Bank
Nancy Dorsa, JP Morgan	Diana Hamilton, Sycamore
Miranda Johnson, Huntington Bank	Curt Fritch, CRF Group
David Corbitt, Krieg DeVault	Beau Zoeller, Frost Brown Todd
Joe Nixon, Frost Brown Todd	Sharon Karst, BNYM

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:05 p.m., Monday, October 20, 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, Mr. James Carr determined that a quorum was present and the meeting was called to order.

First order of business was the approval of the minutes of August 18, 2014. Miller made the motion to approve, seconded by J. Williams. All voted in favor and the motion passed.

Next, the Board moved to ratify the appointment of Gregory Clark as the Executive Director of the Indianapolis Local Public Improvement Bond Bank. Clark cited the Indiana code which tasks the Board with appointing an Executive Director. S. Williams moved that Clark be appointed as the new Executive Director of the Indianapolis Bond Bank, seconded by Miller. All voted in favor and the motion passed.

Next discussed was an update of the 2014 Bond Bank budget. Clark gave a brief overview of the budget explaining why some of the budget line items were exceeded. He explained that the Bond Bank is bringing in approximately \$600,000 less in revenues than what was originally projected. The reality is that the Bond Banks revenue's in the past year have gone down by approximately \$1 million. Clark stated that the overall reduction in debt outstanding has led to declining revenues, including the sale of the wastewater utility in 2010. He then explained other ways the Bond Bank revenues have been affected. S. Williams asked about professional services fees. She then suggested the possibility of an upfront flat fee for the QE's and then collecting a percentage throughout the year. Clark stated that the Bond Bank is looking at reducing expenses rather than increase basis points. Clark stated that the Bond Bank's account balances are strong, and the savings look good. Additional questions were asked and answered. He then stated that a formal proposed budget would be presented to the Board at the November meeting.

Next, Clark discussed upcoming projects. He stated that the Broad Ripple/Tarkington project had been approved by the Board. The Bond Bank has been working with Jason Dudich; City Controller, on what would work best for the new TIF District. There has been no pricing or new information presented to date. The City County Council approved \$70 million for improvements for bonds related to roads and infrastructure improvements. He then stated that in his conversations with the City and DPW, they would like the funds disbursed by late January - February 2015. Clark stated that although the approval was for \$70 million, they have only appropriated \$35 million to go towards the projects. They are looking at the possibility of two issuances with this bond deal.

Clark then stated that the Downtown Consolidated TIF - related to the Angie's List resolution would be presented to the board before the end of the year. Clark stated that he would also present the final formal audit report for continuing disclosure.

Clark stated that the Indianapolis Airport Authority ("IAA") bond transaction was completed. The IAA refunding was \$165 million at par amount; pricing was scheduled for September 16, 2014, with a savings of approximately \$18 million. The IAA refunding bond garnered 8-10 new investors.

Clark then stated that the 2015 City of Indianapolis budget was approved and that it will now be sent out to the ratings agencies. The Bond Bank has also been working on an annual bond and note report related to the Bond Bank debt to offer more transparency. He then stated that the Bond Bank staff is doing a great job with each of the projects.

Next was new business, Miller addressed the payment of Bond Bank funds toward the Criminal Justice Facility Project ("CFJ"). He asked if the Bond Bank requested services to be done, and if the Bond Bank was providing financing for the proposal. Clark stated that it was not. He stated that the project is being financed through public private partnership ("P3") and not bond financed. Miller stated that he had concerns about the Bond Bank paying invoices regarding "CFJ" at this time.

Miller then made a motion and presented the Board and Clark with his motion which stated, *"I move that the Bond Bank may consider requests for payment of the*

*invoices presented; provided, however, that the Bond Bank may reconsider request for payment of the invoices upon (1) Bond Bank being presented with the appropriate documentation, passed favorably upon by counsel, that payment of such expenses is in keeping with Title 5, Article 1.4 governing local public improvement bond banks, and (2) Bond Bank adoption of appropriate policy, passed favorably upon by counsel, concerning any advance payment pre-development expenses and Bond Bank reimbursement of advanced expenses."*

S. Williams asked, "Where was any of the financing included in the budget?" Clark stated that it is a receivable and not technically part of the budget. J. Williams asked if there has been any invoices that have been paid. S. Williams stated that the motion presented appears to be reasonable. J. Williams asked Miller if the motion should be reworded. Miller's prior motion was withdrawn, and a change to the first line of the motion was made, which stated, "I move that the Bond Bank may consider requests for payment of the invoices presented;" S. Williams seconded the motion. All voted in favor.

Miller then added a second motion which stated, *"I move that the Bond Bank may reconsider the payment of salaries and employment upon Bond Bank being presented with appropriate showing, passed favorably upon by counsel, of compliance with documented policy or regulation in accord with I.C. 35-44.1-1-3(f) and further subject to Bond Bank budget considerations."*

The motion was in regard to the salaries of Adam Collins and Kurt Fullbeck. Miller asked Clark if he foresees a need to employ a Deputy Director in the future. Clark stated that we would like that and would like that deputy to also serve as general counsel. It was asked what positions each person holds. Miller asked if there can be language in place by the next board meeting to address the issue.

Collins, Deputy Mayor of Economic Development, explained that with any up front monies of the Bond Bank used for Criminal Justice Facility, measures are taken so that the Bond Bank would be reimbursed even in the event the project did not go forward. S. Williams asked if there was a contract in place that would insure that the Bond Bank would be reimbursed. Collins stated that it is not.

There was additional discussion regarding Kurt Fullbeck and Adam Collins positions regarding salaries being paid through the Bond Bank. Clark stated that he believes there are ways to draft a policy to address the uniqueness of the current arrangement under I.C. 5-1.4-3-1. He then made recommendation to the Board that he would draft a proposed policy and have it reviewed annually for the protections of the Bond Bank and to whom those salaries are paid. Clark stated that the Bond Bank could have a draft of the policies to be consistent with the laws before the Board at the November meeting.

There being no further items to discuss, Carr asked for a motion to adjourn. Miller made the motion, seconded by S. Williams. All voted in favor and the meeting was adjourned at 1:05 p.m.