

MINUTES OF
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

November 28, 2016

MEMBERS PRESENT: Dennis Charles
Sarah Rubin
Terri Jett
Michael Carter

MEMBERS ABSENT: Bryan Moll

BOND BANK PRESENT:

Sarah Riordan	Brad Busse
Monica Durrett	Kyle Willis
Laurie Canatsey	

OTHERS PRESENT:

Diana Hamilton, Sycamore Advisors	Angie Steeno, Crowe Horwath
Katie Aeschliman, BMO Harris Bank	Kelly McNairy, KeyBanc Cap. Mrkts.
Sharon Karst, BNYM	Matt Nunley, PNC Bank
Bob Reynolds, London Witte Group	Ian Nicolini, Develop Indy

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:02 p.m., Monday, November 28, 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, was approval of the minutes of the September 22, 2016. Carter made the motion to approve, seconded by Rubin. All voted in favor and the motion passed.

Next, Riordan discussed the Bond Bank's Preliminary Proposed 2017 Budget. She stated that it is predicted that the Bond Bank's revenues will be equal to 2016. She explained how the Bond Bank's revenue is generated. She then stated how the Bond Bank makes money, one way being fees that are rolled into the cost-of-issuance, another way is through annual fees to the Bond Bank's qualified entities. There is a standard of 10 basis points of outstanding debt and there has been some discussion in the past where some Q.E.'s pay 5 basis points. There are instances where some entities are not charged at all and that was determined by the previous administration. She stated that she brought this to the attention of the Board to indicate where the projected anticipated \$2,481,000 would come from.

Riordan then stated that the Bond Bank was before the Board twice in 2016 to amend the budget, once for Develop Indy in the amount of \$900,000 and the second time for membership fees for IACT in the amount of \$75,000. She stated that these were unforeseen obligations of the City that were not considered for the 2016 budget. However, they will not be undertaken in 2017. She then stated that in the past the Bond Bank has supported Downtown Indy, however, they were not paid their normal requested \$750,000 as it was not in the budget, and will not be in the budget for 2017. There have been discussions to look into more sustainable sources of revenue besides the Bond Bank. Riordan then stated that the Bond Bank has worked with Develop Indy and others to find new revenue streams. She stated that the Bond Bank has held the line on all of their expenses. The community support and sponsorship line item has gone down. There has been a slight increase in wages and benefits, as well as, professional services. She then thanked Laurie Canatsey, Bond Bank Chief Budget Officer & Sr. Finance Mgr., for her hard work.

Charles asked if there could be a breakout for fees? Riordan stated that they could. Canatsey then stated that the fees are based on annual fees. Charles stated that was helpful. Charles then asked a question about the expense side, and if the final invoice for payment of the Bose contract was expected for the final three months. Riordan stated that she is certain it would be. Charles also asked about the line item for computer equipment and software. Canatsey stated that the line item for computer equipment was built-up as it was uncertain if the Bond Bank would need new equipment for 2017 so it was left as it was. Riordan then stated that the proposed budget was brought before the Board for consideration with the anticipation of approval at the December meeting. If there were additional questions she would be sure to get the answer to them before that time.

Next, Riordan introduced Ian Nicolini, V.P. Develop Indy. Nicolini gave a brief background and update of Develop Indy. He stated that it is a business unit of Greater Indianapolis Chamber of Commerce which looks to abatements, retention and business expansions.

Nicolini then stated that the Bond Bank has been instrumental in their daily operations. One of the major sources of Develop Indy is to identify sustainable resources, and to find funding sources in order to continue operations. Nicolini then named the members of his staff and their roles. He explained that Develop Indy's charge is to make projects work with lesser risk. He then stated that Develop Indy has been doing geographically structured round tables throughout the city regarding retention and tasked with economic development. They are generally tasked with using their expertise and recommendation for a variety of city needs. Rubin asked about the transit development and Nicolini answered. He made mention of how the support of the Bond Bank and City of Indianapolis means to Develop Indy. He then stated that it is a major focus of theirs to identify funding sources that are sustainable. He stated that they have a regional economic development partner to assist in helping cultivate relationships with investors in Develop Indy and in partnership with a larger regional development effort.

Jett asked where would the roundtables be held. Nicolini stated that they are going to reach out to as many as may be interested. Jett stated that she is interested in the

minority depressed areas. Carter asked about vetting, and how they vet, and if they are looking at a better way to protect the City's investments. Nicolini stated that they will take their policy cues from the City. It has been made clear to them to have strong claw back language. Nicolini stated that they are in the process of implementing a string of claw back measures, and also looking at placing the majority of the risk on the developers.

Next, Riordan gave a brief update on upcoming Bond Bank dealings. She stated that the G.O. Debt Projects had to go before four (4) councils, the full City County Council, and three (3) boards, and the Bond Bank had to indicate where monies would be spent. She then introduced the team that would be working on the deal that will be approximately \$75 million, which include, Faegre Baker & Daniels, lead bond counsel, and Diana Hamilton, financial advisor. The bankers are, Merrill Lynch, RBC, and Backstrom. The Bond Bank is working with the team on structuring and how to best market the deal. She then stated that it would take time for preparation. They are looking at early January 2017 to move forward. The project has gone through the approval process and finalized by the City County Council.

Riordan then stated that Kyle Willis, Associate Director & Chief Compliance Officer, has been analyzing some possible refundings for 2017. She stated that she would be in further discussion with the Board and Controller to see how that fits in with the budget. She then stated that the G.O. debt plan will take about \$70 million and free up operating funds and allow the issuance of long-term debt. She stated that this would give the Board a snapshot of where the Bond Bank fits into the City County government.

Riordan then stated that the Bond Bank is doing a small service project and will collect donations for women's shelters. She also mentioned the upcoming holiday luncheon after the December meeting that the Bond Bank gives for the Board members.

Charles asked a motion to adjourn. S. Rubin made the motion, seconded by Carter. All voted in favor and the meeting was adjourned at 12:30 p.m.