

MINUTES OF  
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

April 27, 2015

MEMBERS PRESENT: Sahara Williams  
John Williams  
Melissa Bailey-Comstock  
Sarah Rubin  
Bryan Moll

BOND BANK PRESENT:

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

OTHERS PRESENT:

David Girton, INMBB	Philip Genetos, Ice Miller
Michael Allen, Ice Miller	Diana Hamilton, Sycamore Advisors
Tyler Kalachnik, Ice Miller	Mike Gilmore, Huntington Bank
David Corbitt, Krieg DeVault	Annelise Williams, Barnes & Thornburg
Joe Nixon, Frost Brown Todd	Bob Kocher, BNYM
Nathan Flynn, Fifth-Third	Katie Aeschliman, BMO Harris Bank
Mike Schumaker, City Securities	Pam Cole, U.S. Bank
Rebekah Foltz, U.S. Bank	Beau Zoeller, Frost Brown Todd

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:17 p.m., Monday, April 27, 2015 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, acting Chair Sahara Williams determined that a quorum was present and the meeting was called to order.

First order of business was the approval of the minutes of December 15, 2014. J. Williams made the motion to approve, seconded by Bailey-Comstock. All voted in favor and the motion passed.

The newest members to the Board, Sarah Rubin and Bryan Moll, introduced themselves and gave a brief background of their place of employment and involvement in the community.

It was decided by the Board to table the nomination for the election of the Board Chair and Vice-Chair until the next meeting.

Next, Executive Director Greg Clark gave a brief Bond Bank update. He informed the Board of the new staff changes and titles. He also discussed job descriptions and expectations. Clark informed the Board that Kurt Fullbeck was leaving at the end of April. He then stated that Fullbeck had served the Bond Bank and the City well and what a loss it would be to both entities.

Ms. Williams stated that appreciates Mr. Clark's efforts and the positive changes. She also stated that she appreciates everything that the staff does for the Bond Bank.

Next, Kyle Willis discussed Resolution No.1 - 2015B Health & Hospital Corp ("HH Corp."). Willis stated that the resolution authorizes the Bond Bank to refund the 2005D Health & Hospital General Obligation ("G.O.") bonds. The Bond Bank anticipates issuing approximately \$19 million in G.O. bonds which will be secured by the full-faith-in-credit of the HH Corp. The refunding will net an anticipated net-present-value savings of 10% - 13%. The 2005D original maturity is 2025 and that will not change. He then stated that Ramirez & Co. is lead underwriter, City Securities as co-manager, Crowe Horwath is the financial adviser, Barnes & Thornburg is bond counsel, Kreig DeVault, underwriter's counsel, and Hall Render is serving as counsel for HH Corp. Clark then stated that the refunding is ideal as it will net a savings of more than 10%. The Bond Bank met the week prior with the Health & Hospital Board, and the resolution passed unanimously. S. Williams asked which project the original bond was for. Willis stated that it was for Series 2000 bond which was for renovation, remodeling the Myers building, a specialty care facility, and additional facility formerly known as Wishard complex.

S. Williams asked if there were additional questions. There were none. S. Williams then asked for a motion to approve Resolution No. 1 - 2015B Health & Hospital Corp. Refunding. J. Williams then notified the Board that he would be abstaining from the vote as he is an attorney with Hall Render, one of the law firms working on the transaction. Rubin made the motion, seconded by Thompson. All voted in favor and the motion passed.

Next, Isaiah Kuch discussed Resolution No. 2 - Ft. Harrison Reuse Authority ("The Authority") which is a refunding of the Series 2000 and 2006 bond issuances. The issuance is for approximately \$22 million for construction, reconstruction and improvement projects. He stated that bond counsel is Ice Miller, lead underwriter is City Securities, disclosure counsel is Faegre Baker & Daniels, underwriter counsel is Frost Brown Todd, financial advisor is Sycamore Advisors, TIF Consultant is Crowe Horwath and trustee is BNY Mellon. The Bond Bank is looking to price sometime in late May and close a few weeks thereafter. Diana Hamilton with Sycamore Advisors stated that the current refunding of the Series 2000 bond will go from a variable rate to a fixed rate. Therefore the Authority's existing letter-of-credit will no longer be needed. However, there will be a need to fund a debt service reserve fund. She stated that it is a good deal and a great opportunity for the Authority to borrow and lock in low fixed interest rate. S. Williams wanted to know what projects the new money will support. Clark stated that he

would report back to the Board regarding the projects. Clark thanked Phil Genetos, Tyler Kalachnik, from Ice Miller and Russell Brown, Treasurer, for the Authority. Tyler Kalachnik with Ice Miller stated that some of the money would be used towards new infrastructure and roads. An explanation was then given on the make-up of the Ft. Harrison Reuse Authority. Moll stated that \$6 million for roads seemed excessive. He then asked if the Ft. Harrison Reuse was a part of the City of Indianapolis. Hamilton stated that she would get copies of the proposed projects to the Board and Clark stated he would assist.

S. Williams asked if there were further questions. There being none she asked for a motion to approve. J. Williams made the motion, seconded by Moll. All voted in favor and the motion passed.

Next, Willis presented Resolution No. 3 - IndyRoads Phase II. Willis stated that the IndyRoads issuance was similar to the transaction closed late 2014. The issuance is for an amount not to exceed \$35 million in revenue bonds which will go toward funding of the construction, reconstruction, various street and infrastructure projects throughout the City of Indianapolis. The bonds will carry a 20-year maturity date. The revenues used to repay the bonds are the county vehicle tax and wheel tax revenues in Marion County. Willis then stated that the Bond Bank will have to go back to the City-County Council to receive appropriations of the remaining funds for the issuance. He stated that pricing should take place in June 2015. Clark refreshed the Board as to why there were two different issuances. He then stated that the Bond Bank would assist the Department of Public Works ("DPW") through the appropriation process. In doing the issuance the hope is to limit the soft costs associated with doing the transaction.

S. Williams asked for a motion to approve Resolution No. 3. Moll made the motion seconded by J. Williams. All voted in favor and the motion passed.

Next, Laurie Canatsey gave a brief recap of the 2014 budget and financials. Canatsey stated that the year-end left the Bond Bank with a net income of \$37,000. She discussed the revenue fees, interest income, and operating expenses. She then stated that in comparison to 2013, expenses have remained consistent. However, Canatsey highlighted that there was an approximate \$1 million reduction in revenues. Clark stated that reduction in revenues was attributed to a variety of factors including the overall reduction in outstanding debt and previously agreed fee reductions with certain qualified entities.

Next, Bond Bank Controller Brad Busse handed the Board a statement sheet and explained the account receivables from 2011 through the first quarter 2015. He mentioned that there were write-offs in 2011 of over \$1 million. He then stated that the Bond Bank has been doing a better job of collecting outstanding balances. He then covered the Bond Bank fee revenue comparisons of 2014-2015, and stated that Laurie Canatsey has done a great job of collecting the Bond Bank fees.

Busse then gave a brief update on the 2014 audits. He stated that the Bond Bank has switched auditors from Somerset to Katz, Sapper & Miller. He stated that best practices recommend entities such as the Bond Bank rotate the auditors every few years.

The field work was completed on the audit a few weeks prior and all went well. This will be the sixth straight year that there will be in auditor proposed adjustments. Busse then stated that the timeline will remain as in years past he will present finalized financial statements along with an auditor's management letter at the June 2015 meeting, and will seek approval of the audit at the July board meeting.

S. Williams asked if there was an exclusion measure in place that prevents the auditor's from working on any Bond Bank projects. Busse stated KSM is only a hired to do the Bond Banks taxes. She then asked about the rotation. Busse stated that there has not been a measure specifically stating how frequently the rotation would take place. Clark stated that the auditing firms do not partake in any type of bond work or F.A. work that the Bond Bank typically does. S. Williams also asked if there is MBE/WBE/VBE participation to do the audits. Clark stated that the firms generally don't sub out any of their work.

Next, Clark discussed the Bond and Note Report. He stated that the Bond Bank is in the final stages of finalizing the report. He stated that it is a snapshot of the year-end 2014 in regards to all of the bonds and notes that have closed through the Bond Bank. He then stated that it is divided by revenue source, QE, and allocation area by TIF. He also stated that the report is the most sophisticated summary that he has seen with the Bond Bank. The report will be helpful to investor's, credit rating agencies, bankers and the general public. Some of the staff, along with Isaiah Kuch and others were a big help with completing the draft report. Angie Steeno, Crowe Horwath, one of the Bond Bank's FAs. has been involved with the Bond Bank on this project and has been very instrumental in assisting with the preparation of the report. Clark stated that he is very pleased with the outcome.

Next, Clark discussed the new website. He stated that he wanted the website to be more user, ratings agency and investor friendly. The big thing was to find a more user friendly software program to navigate and update. Monica Durrett, went on to explain that Clark had a vision to have a website outside of the confines of the city website. We have worked tirelessly to make this vision a reality. The purpose was to give stakeholders better access to vital information and have a more user friendly site. This measure was needed to also draw investors and strengthen the Bond Banks negotiating position. The website will also act as an open depository for all debt within the City; allowing for more transparency. As for staff, it gives us an easier way to update the site for immediate changes. The new site will give the Bond bank more visibility and accessible to public entities. Clark stated that he is excited and anticipates a great presentation to the outside. He then stated that it tells who the Bond Bank is and who we represent. It has the audit, budget, financial documents, Official Statements, and board minutes. Side by side with the Bond & Note Report, Clark stated that the Bond Bank outreach has taken dramatic steps forward and anticipates this to result in better positioning when the Bond Bank goes to the market to sell bonds.

Next, Willis gave an updated summary review of the IndyRoads project. He stated that the bond closed in March 25, 2015 in the amount of \$35 million. The bond received a AAA - Rating and the outlook is strong considering the additional bonds and debt service coverage. The final maturity is January 1, 2025.

Clark then discussed upcoming projects. He stated that the Board had already approved the Broadripple/Tarkington deal. However, the Bond Bank will be placing that deal with a bank in the coming weeks. Other upcoming projects include the new IndyRoads, Barrington Housing TIF Refunding, IndyGo new money, Health & Hospital Refunding, Ft. Harrison refunding/new money, and the Indianapolis Airport refunding. There has been discussion regarding the Consolidated TIF, and the new West Washington Central State TIF has been approved.

Clark then distributed the Bond Bank an updated version of the Bond Bank seal and asked the Boards consideration of adopting the new seal. S. Williams made a motion to approve the new seal of the Indianapolis Local Public Improvement Bond Bank. Bailey-Comstock made the motion, seconded by J. Williams. All voted in favor and the motion passed.

S. Williams then informed the Board members and guests that this was the last meeting for Board Member, Melissa Bailey-Comstock. Ms. Bailey-Comstock's term with the Board expires at the end of April. S. Williams thanked her for her service on the Board. All wished her well.

S. Williams made a motion to adjourn, seconded by Bailey-Comstock. All voted in favor and the meeting was adjourned at 1:20 p.m.