

VIGO COUNTY CAPITAL IMPROVEMENT BOARD OF MANAGERS
MEETING MINUTES OF JANUARY 19, 2022 AT 9:00 A.M.

A meeting of the Vigo County Capital Improvement Board of Managers was held on the above date and time. Pursuant to the Board's Remote Meeting Policy, members of the Board and staff participated in the meeting in person at the Vigo County Council Chambers or by telephonic or electronic means.

1. **Call to Order.** President Jon Marvel called the meeting to order at 9:00.

2. **Call of the Roll:**

Members Present: Jon Marvel - President, Steve Witt – Secretary, Chris Switzer – Treasurer, Dave Patterson – Member, Emily Crapo – Member, Terri Conley - Member.

Others Present: Cheryl Loudermilk, Brian Bosma, Brian Kooistra, Todd Shaffer, Jason Semlar, Tennille Wanner, Martell Lewis, Howard Greninger, and various members of the public.

3. **Additions or Revisions to the Agenda.** There were no changes.

4. **2022 Annual Meeting**

4.1. **Election of President.** President Marvel opened the meeting and stated with this being the first meeting of the year, it was time for the annual election of officers. Brian Bosma reviewed the procedures for election of officers and voting. Steve Witt made a motion to keep the same roster as 2021 with the exception of nominating Emily Crapo to replace himself as secretary. That would make it Jon Marvel as President, Duke Bennett as Vice President, Emily Crapo as Secretary, and Chris Switzer as Treasurer. Terri Conley seconded the motion. With no other nominations, and upon a roll call vote of 6-0, the motion unanimously passed.

5. **Approval of Minutes.** Minutes for the December 15, 2021 meeting had been circulated via email to all members. Dave Patterson made a motion to accept the minutes as presented. Chris Switzer seconded the motion. Upon a roll call vote of 6-0, the motion was unanimously approved.

5. **Old Business.**

5.1. **Update on Construction Progress – Garmong Construction Services.** Brian Kooistra reported that the current GMP is \$27,108,324. That is current as of yesterday and reflects no changes over the past month. The revised substantial completion date is March 3 and there will be no problem achieving that date. They have received the underslab electrical drawing for the museum. There are about 15 outlets needed and same has been submitted and approved for pricing, materials have been ordered and are due here this week. They will begin installation upon arrival. Pouring of the floor slab in the museum is scheduled for the week of February 7. The goal is to get some of the louder, messier, fume-related things, done ahead of occupancy in April. Recent progress: carpet complete throughout; wood base is 75% complete and should be completed in a week to a week and a half; back of house epoxy flooring was applied late last week and over the weekend; the cellular enhancement system (“CES”), which will boost the cellular signal within the facility, is being installed now; ballroom lighting controls are complete; security camera installation is nearing completion; all restrooms are complete; doors and hardware are nearing completion; the monumental stair and handrail system are complete throughout. In the parking garage, installation of the added security cameras is underway; added rooftop elevator enclosure is nearing completion with the exception of one door; doors and hardware have been installed; code-related signage has been installed. Upcoming work: touch up paint is underway; complete wood base; finalize doors and hardware; thorough systems check of fire alarm, sprinkler system, access control, and cellular system; vendor for kitchen equipment will come on-site and start up all equipment; the connector to

Hilton Garden Inn area has been painted, the ceiling grid will be completed and flooring installed; elevator start-up and permit inspection should take place the first week of February; waiting on equipment to arrive for parking garage to begin installation. The only concern right now is some site work for some concrete that remains to be poured in the Plaza area outside of the parking garage and the area along the connector along Wabash Avenue. Both are weather-dependent. He does not foresee a problem. If necessary, this work might extend into March but even that should not be a problem since the facility is not opening until April. A final cleaning crew is being brought in and will start on January 31 wiping down all surfaces, sweeping carpet, wiping out light fixtures, all those types of things. Garmong will go through the entire facility, make notes of areas that need improvement or items that need replaced and have that list completed by February 11. The following Monday, CSO Architects will come in and perform their own punch list and identify any deficiencies. That will allow time for completion of things that need attention by the end of February. Owner training of Spectra on all the different systems (i.e. how to operate the operable partitions, how to operate the sliding doors, fire alarm system, heating and cooling systems) will take place. This training will be videotaped and given to the owner for use as a training tool in the future. Closeout documents (a summary of all shop drawings, as-built drawings, all documentation for the project, along with attic stock materials) will be provided. That is planned to be finalized by February 25. They will work with the City Engineer's Office in order to provide a Certificate of Occupancy which is what triggers the facility to be used for its intended purposes. They plan to turn the facility over on March 3. A photo presentation of recent progress was shown. There was a short question and answer session.

5.2. Update on Convention Center Management – Spectra Venue Management. Tennille Wanner stated that a grand opening is set for a public opening to be Saturday, April 9 from 10:00 a.m. to 1:00 p.m. with a ribbon cutting to take place at 10:00 a.m. There will be a small business expo inside the building so that the ballroom can be seen as part of a trade-show setting and another part of the room set with banquet décor so that people can visualize what an event would look like. There will be sample rooms set up throughout the building. There will be food sampling and lots of activities for the kids. Brady Kearns, Director of Operations was recently sent to the Owensboro Convention Center for training. They have completed and submitted the Duke Energy rebate application. That will hopefully result in some funds coming back to the CIB. Interviews are taking place for Maintenance Technician and Operations Manager positions. Meetings with vendors, paper suppliers and cleaning products and general equipment are taking place. The bank account is now active and they are paying all of their bills locally so that nothing is passing through Spectra. Payroll is in the process of being transitioned locally as well. A purchase order procedure system for any money spent out of the account is in place. There is a process that is followed by all employees and it all goes through an approval process. They are working on obtaining their retail license and their merchants solutions provider for credit card processing. They are in process of interviewing for the Executive Chef. They have hired an Event Manager. A second Event Manager is slated but will not be hired until later when deemed needed. They are still accepting applications for a full time Operations Manager and Banquet Manager but they are starting the interview process with the applicants they now have. Sales & Marketing are busy prospecting. A flyer has been distributed in today's local newspaper. A separate phone number has been established for leads from advertising. A full page ad was also in this month's Terre Haute Living magazine. Radio advertising started on January 4 and will run for three weeks. They are working with WTWO on a wi-fi sponsorship for the facility and they have committed to being a grand opening sponsor, as well. The Sales Team is now a member of the Terre Haute Bridal Society and will have a booth in their March show. They are working with RJL Solutions on website content and revisions and keeping the temporary website up to date. Facebook ads are also being run. She also reviewed scheduled events and statistics and how they will be booking business. There was a short question and answer session.

5.3. Update on Project Budget – Baker Tilly. Jason Semlar reviewed the monthly schedule that had been emailed to the Board. The only change is at the bottom of the page with regard to plaza lighting. The budget for that line item was \$25,000 but the actual cost came in at \$17,000. He also reviewed the various line items. Terri Conley asked that the operating budget of \$450,000 be explained. He gave a brief explanation of where to find this on the monthly schedule that had been emailed and how it would operate. He also noted that receipts from Food & Beverage for January 2022 was \$249,000 which was about \$52,000 more than collected last January.

5.4. Update on Equipment Purchases – Nations Group. John Rollins of Nations Group gave a short update on equipment. All the food service equipment has all been delivered to the site and connections to gas and electric are underway. That will all be tested and a demonstration on how to use it will be conducted. All furniture has been purchased and is ready to be delivered. The delivery schedule is being coordinated with Garmong. Exterior building signage package is complete and they are being fabricated. Installation will begin in the middle of February. The parking garage equipment is ready to go and is in Columbus just waiting for delivery. Delivery and installation is scheduled for mid-February. There was a short question and answer session.

5.5. Update on Legal Matters – Kroger Gardis & Regas, LLP. In reviewing Resolution 2022-01, Brian Bosma noted that several suggestions had been made on the committee structure. Resolution 2022-01 removes the Communications Committee and the Construction Committee. The Executive Committee was maintained. Membership and chairmanship has been set out for structure. A Museum Committee has been suggested. Although museum matters will require the entire Board's attention, it may require some more thorough attention by a few members. A New Projects Committee was also suggested to be established. Various CIB members have been approached about additional Capital Improvements projects for investment. There are limitations on what they money can be used for. They must qualify as a capital improvement or a wayfinding signage or arts project. A Committee would review those as they come in. Resolutions 2022-02 and 2022-03 are from Nations Group to add to the project non-budgeted items from Food & Beverage, as is their practice now to designate a funding source for them. Change Order #115 is for \$23,991 for additional ballroom event speakers in the pre-function and spine corridors and Change Order #120 was to add an amount not to exceed \$10,629 88 for powered door operators and controls for ADA compliance. Todd Shaffer of Nations Group gave details about each of the change orders. Mr. Bosma then noted that the hearing for the alcoholic beverage permit would take place on February 28 and would be handled by Doug Kowalski of his office. The Management Agreement is still being worked on. The draft is being reviewed by the Spectra legal team. Two additional items are going to need to be added which may also slow the process a bit. There is a need in the insurance requirements section to add provision for a dram shop or alcohol beverage premises liability coverage. This was not included in the original operator agreement so it will probably have to be added to the amendment. The second item concerns the two different incentives of Spectra provided for in the original agreement, in addition to their fees and reimbursement of costs. One is a subjective financial incentive, which is up to \$25,000 that the Board will determine whether they should receive or not based on customer satisfaction surveys. The other deals with the percentage of revenues exclusive of food and beverage that exceeds a benchmark amount. The original agreement says that Spectra will receive 20% of the amount that exceeds the benchmark. A determination of the benchmark cannot really be made on performance that didn't exist. So, when the original agreement was drafted a year ago, it was thought that would be clearer 120 days before opening. It is not. The original agreement states that a third party will determine the benchmark number if the parties cannot agree. It is felt by both parties that such would not be a good idea at this point. It is anticipated that the amendment will set out that the amount will be determined by the end of the year so that there will six months or so of actual operating data to use for a reasonable estimate. Mr. Bosma hopes to have a document by next month's meeting. There was a discussion about the benchmark amount and determination of same.

6. New Business

6.1. Resolution No. 2022-01 Establishing Committees and Responsibilities – Kroger, Gardis & Regas, LLP. Chris Switzer made a motion to approve Resolution No. 2022-01. Dave Patterson seconded the motion. Upon a voice vote of 6-0 favoring passage of this Resolution, the motion unanimously passed.

6.2. Resolution No. 2022-02 Approving Expenditure of Food & Beverage Tax Funds (Change Order #115) – Nations Group. Resolution 2022-02 concerned approval of the expenditure of Vigo County Food & Beverage tax funds for \$23,991 for speakers in the pre-function and spine corridors. Chris Switzer made a motion to approve Resolution No. 2022-02. Dave Patterson seconded the motion. Upon a voice vote of 6-0, the motion unanimously passed.

6.3. Resolution No. 2022-03 Approving Expenditure of Food & Beverage Tax Funds (Change Order #120) – Nations Group. Resolution 2022-03 concerned approval of the expenditure with Vigo County Food & Beverage tax funds. Terri Conley made a motion to approve Resolution 2022-03. Chris Switzer seconded the motion. Upon a voice vote of 6-0, the motion unanimously passed.

Mr. Bosma then noted that the suggestion had been made that it might be a good idea for Spectra to reach out to the Terre Haute City Council members who are interested, for a special tour of the facility. It was suggested that such an invitation should also be extended to the County Council and the Commissioners as well.

President Marvel then noted the Committee appointments:

Executive Committee

Jon Marvel, President & Chairperson
Duke Bennett, Vice President
Emily Crapo, Secretary

Finance & Investment Committee

Chris Switzer, Chairperson
Terri Conley
Emily Crapo

New Projects Committee

Duke Bennett, Chairperson
Dave Patterson
Emily Crapo

Museum Committee

Steve Witt, Chairperson
Chris Switzer
Duke Bennett

The Controller of the CIB is County Auditor James Bramble.

Mr. Bosma suggested that since there was no limitation on the number of members appointed to a committee except for the Executive Committee, and since Terri Conley had expressed interest, that she also be appointed to the Museum Committee also. There was unanimous agreement. Therefore, the Museum Committee will be as follows:

Museum Committee

Terri Conley, Chairperson
Steve Witt
Chris Switzer
Duke Bennett

President Marvel asked if there were any other members that would like to serve on a particular committee. There were none.

7. Other Business.

7.1. Questions and Comments from CIB Members. Steve Witt asked if anyone was aware of any matters dealing with the new casino. Chris Switzer noted that the Commissioners had not had any communication with Churchill Downs in 4-5 weeks. Commissioner Brendan Kearns was in attendance and said that there had been discussions on retention of legal counsel but no plans were yet in place. A decision on how to move forward would be forthcoming in the future. President Marvel said that he had made several attempts to reach the contact person and had left messages but had never received a call back.

Terri Conley raised the question on the timing of setting a benchmark amount for the contract with Spectra and that an amount should be set before setting the budget for the following year. There was a discussion about this matter. It was noted that the County Council required a budget be submitted by July of this year. It was pointed out that there will be no data for determination purposes at that point in time. Discussion continued.


7.2 The next regular Board meeting will take place on February 16, 2022. Mr. Bosma noted that he would be circulating an update of materials shortly for their manuals. He confirmed that the Board wanted to keep their meeting dates and times the same.

Chris Switzer asked Mr. Bosma what a meeting would look like once this project is complete. Mr. Bosma gave a brief synopsis of what would take place.

8. Adjournment. President Marvel stated that if there was no further business, the meeting was adjourned at 10:20 a.m.

CERTIFICATION

I certify under the penalties of perjury that the foregoing members of the Vigo County Capital Improvement Board of Managers were in attendance at the meeting either in person, by electronic or telephonic means and that all votes were taken by roll call observable by the public. I further certify that no final action was taken or other matters discussed at any Executive Session.



Jon Marvel, President