

VIGO COUNTY CAPITAL IMPROVEMENT BOARD OF MANAGERS
MEETING MINUTES OF NOVEMBER 18, 2021 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, Duke Bennett – Vice President, Steve Witt – Secretary, Chris Switzer – Treasurer, Dave Patterson – Member, Emily Crapo – Member, Terri Conley - Member.
Others Present: James Bramble, Brian Bosma, Brian Kooistra, Todd Shaffer, Jason Semlar, Tennille Wanner, Martell Lewis, Rachel Leslie, Howard Greninger, and various members of the public.

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

4. **Approval of Minutes.** Minutes for the October 20, 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 voice vote of 7-0, 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 \$27,075,034. Project remains ahead of schedule and they will meet the accelerated completion date of March 1. He did note that with regard to the museum, they have never received any plans for any work for pouring their concrete slab or any work in the museum. All of that is still in the planning phase. Recent progress: ceramic tile in the restrooms, both floor and wall tile, is complete; the epoxy kitchen flooring in the kitchen is complete in anticipation of kitchen equipment showing up the first week of December; ceiling grid throughout the building is complete; wood paneling within the ballroom and pre-function hallway is complete and now that work is taking place in the main corridor and is about a third of the way done; there are fabric panels that are being installed; all terrazzo flooring is now laid. It is a multiple step process and they are in the grinding phase right now. The finishing will take place in due course; toilet partitions are all in; the majority of plumbing fixtures are in; lighting fixtures are going up; permanent sliding doors have been installed in the front and back entrances; and the glass canopy over the main entrance is now installed. The parking garage has had a lot of lights installed and are now on at night; elevator installation in the garage is about 70% complete; the southwest curtain wall has been completed. Upcoming work: painting and ceiling grid will be completed in the Convention Center over the next four weeks; continue on with light fixture installation; complete ceramic tile on the second floor restrooms; complete the wood paneling; begin installation of plumbing fixtures in the restrooms; the HVAC system will be fully functional within the next four weeks. Terrazzo flooring installation in the main hallway will begin the first week of November; interior glass and glazing will also begin; site work will wrap up in mid-November; they are also hoping to get the connector weathertight (get the roof on it, get windows in and get it sealed up and protected from the weather). The goal is to have it complete by the end of the year. In the parking garage, light fixture installation is complete; the traffic coating (kind of a plastic membrane) on the roof level is complete; painting is taking place in the stairwells; the elevator installation (which is the last piece in the parking garage) is about 80%-90% complete and should be wrapped up in the next week or so. Upcoming work is operable partitions

(movable walls that separate the ballroom) arrive today or tomorrow with installation beginning next week; interior glass and glazing arrived Tuesday and installation has begun; decorative handrail will be installed; carpet will be started in the month of December; completing of wood paneling; countertops and vanities in the restrooms, the labs, some phone charging stations in the corridor will arrive in December. Asphalt for the parking lot is scheduled for Tuesday and Wednesday of next week. Kitchen equipment arrives the first week of December. Toilet accessories will be going in. The last shipment of limestone is due in around Thanksgiving and they can then finish up the monumental sign on Wabash and on Cherry Streets. They also hope to have the connector weathertight by next month. Window moving from the Hilton Garden Inn out to the new connector will take place possibly Friday or Monday. Mr. Marvel asked if limestone would be on the front of the connector and Mr. Kooistra said that there will be no limestone but there will be a polished block and a plaster-like material that is being installed right now. Plans are to have the parking garage substantially complete next month. They are waiting on some equipment and signage. One caveat would be the added cameras which just got added last month. A photo presentation of recent progress was shown. There was a short question and answer session. There was discussion about lighting, specifically three lights near the old State Office Building that do not put out much light and a couple of others that were not functioning. It was determined that these are maintained by the City. Some additional lighting to be attached to the parking garage was also discussed. The question arose about rights for ingress and egress in order for the City to maintain/service the lights. Mr. Bosma noted that was the area where there are still some outstanding easement issues and he would add the ingress/egress issue to the list of things to accomplish. The operator of the State Office Building has been difficult to reach in recent months which is why these issues have not yet been resolved. He hopes to accomplish that this month.

5.2. Update on Convention Center Management – Spectra Venue Management. Tennille Wanner introduced Martel Lewis, the new Director of Finance, who had started work on November 1. Ms. Lewis is a graduate of Terre Haute North and ISU. Pam Chamberlain recently accepted an offer to become the new Director of Sales and Marketing. Ms. Wanner is interviewing for the Director of Food & Beverage and is down to her final two candidates. A chef position is open but will not be filled until they have a Food & Beverage Director. A position has also been posted for an Event Manager. She has slated both the Chef and Event Manager to start around December, depending on the need. They will eventually have two Event Managers but will start with one until the event load calls for a second person. The public grand opening has been scheduled for April 9. Asset Management Systems are being looked at and she explained how that system works. They are setting up accounts with national suppliers that they regularly use and will shop prices to be sure they are getting the best pricing. A receiving plan is also currently being looked at. They are getting the advertising campaign up and running and gave a brief rundown of what is being planned. She did note that the Convention & Visitors Bureau had a billboard in Indianapolis that they had graciously offered the use of for an ad. They have a third party event planning site that is now active and gave a brief description of how that is used. The Sales Manager has conducted about a dozen tours in the last month. All of these tours are for actual possible bookings, not just people who are curious about what the facility looks like. Daily local prospecting calls are also being made. They are reaching out to college football teams who need meeting space, hotels and eat a lot of food. They have two definite contracts and two that have recently been sent out. There are eleven groups they are working with right now for tentative business in 2022 and four groups for 2023. She then spoke about the Convention Center and the capabilities for different types and sizes of events. President Marvel took a moment to congratulate the new casino operator, Churchill Downs, and commented he knew Ms. Wanner would reach out to them when they arrived and coordinate/collaborate with them.

5.3. Update on Larry Bird Museum – Nations Group. Todd Shaffer noted that Hilferty's contract with the museum has been executed and there had been a kick off meeting earlier this week with them and CSO where they talked about the scope of work. CSO is now up to speed on all information that

will allow them to create the design. They hope to have a first set of drawings by the middle of next week to Garmong so the work can be started by the end of the year. Then Hilferty and CSO can start on Phase II.

5.4. Update on Equipment Purchases – Nations Group. Todd Shaffer noted that the kitchen equipment is due to arrive in December. Delivery will be coordinated with the kitchen contractor so installation can begin. That will be an ongoing process through December and probably into January. Meeting scheduled later today with Garmong, the parking contractor, Spectra and Nations Group to coordinate the installation dates. February is the date being talked about so the utilities will be ready to hook to that equipment. There was a meeting last week with the signage contractor to coordinate fabrication and installation in phases. There will be an updated schedule at the next meeting. The exterior signage will be installed first. The furniture has been ordered and MityLite is getting it together. Delivery will be coordinated with Garmong when the building is ready to be turned over and construction completed. There are no delays as of now. They will be working with Spectra on the smallwares operations equipment to coordinate when those things will be needed. CSO is looking at some options for lighting for the side of the building. He should have the design and pricing to present at the next meeting. There was a brief discussion about signage. An update on the naming rights revealed that no responses had been received and upon an informal inquiry, it was discovered that First Financial Bank (who they were hoping would be interested) indicated that all their sponsorship monies had already been allocated.

5.5. Update on Project Budget – Baker Tilly. Jason Semlar reviewed the schedule that had been emailed to the Board. Current contract costs for some design services had been received, so the budget had been increased to \$1,875,000 which still shows the amount as slightly under what had been allocated. The overall budget of \$34,891,153 has not changed. In the current contract costs, the change had been made to the furniture based on the savings that had been approved last month. He briefly reviewed the other cost adjustments that had been paid. Costs paid to date is \$25,507,000. That leaves about \$9.2 million of the total project cost yet to be incurred. He also gave a brief review of revenue projections. In the first 11 months of this year, the Food & Beverage tax has already surpassed what has been collected for each of the last two years. Terri Conley asked whether costs were reallocated each month to reflect current construction costs. Mr. Semlar replied affirmatively and gave a brief review how that reflected each month.

5.6. Update on Memorabilia Cataloging – Shelly Keen. There was no update this month.

5.6. Update on Legal Matters – Kroger Gardis & Regas, LLP. Brian Bosma said there had been a remote conference with Tenille, Martell, Dave Anderson from Spectra, Jason, himself and John. Chris Switzer was tied up with another matter and Todd was traveling so they did not participate. Discussion was about the pre-operating and management agreement which had been previously approved. He will be sharing the paperwork he has on this with the Board members once it has been cleaned up. Spectra will open two accounts...an operating account and an event account. The event account is where the ticket proceeds go from any event. Such will be a trust account and is to protect ticket buyers, the Board and Spectra. No issues are anticipated with this account. The operating account will be opened at a local financial institution by Spectra in the Board's name and identification number. This is the account where all revenues will be deposited, the monthly operating expenses coming from the CIB will be deposited and from where Spectra will pay all expenses (i.e. salaries, maintenance, event costs, etc.). The terms on exactly how this will work was then reviewed. It is the intent to present to the Board, hopefully next month but no later than the month after, a short amendment to clarify some items. Procedure will be that on a monthly basis, commencing one month before operations start, Spectra will present to the Finance Committee the projected monthly expenses for the coming month. Once commenced, there will be a report regarding either the prior month or

prior two months, depending on the date of the meeting. The report would include bank statements, balance sheet, income statement and some other specified items. One item that will probably be recommended is a separate income statement for every event under specified parameters to be decided. An appropriate balance for that account will need to be decided. A balance will be needed so that you are not just funding the expenses for the next month. It was suggested somewhere between 2-3 months' operating expenses, probably somewhere between \$500,000-\$750,000. The upper end seems a little excessive so discussions will continue and be included in the report to be brought before the Board. This will be a transfer from the CIB's funds into the operating account. The group is aware of, and Jason has accounted for, the fact that Spectra has not billed, and the CIB has not been paying, the pre-operating expenses on a monthly basis as was anticipated by the agreement. Jason has in the income statement the expenses that have been accounted for by Spectra which will also be reimbursed to Spectra. The timing for getting items to the Auditor's Office for payment will need to be decided so the expenses can be on the Finance Committee's agenda for approval. Once approved by the Finance Committee, the Board can decide whether or not they want final approval for payment or abide by the Finance Committee's approval. Terri Conley asked if the Museum would have a separate account as well. Mr. Bosma said that had not been discussed but they would put it on the list to be addressed. Tenille Wanner addressed some of the issues which might require the Museum to have a separate account. Mr. Bosma noted that the management agreement did call for Spectra to make several capital contributions to the Board to be used at the Board's discretion. The first is to happen within 30 days of the stub year, which sounds as if it will commence in March, and is \$275,000. The second installment is within 30 days of the first full operating year, which will be 2023 and is \$175,000. Those funds will be coming and will be utilized at the Board's discretion. Down the line, there is \$150,000 in the sixth operating year and if the contract is renewed with Spectra, there would be an extra \$300,000 that would come in 10 years. The second contribution agreed to was a \$10,000 marketing contribution every year to the Convention & Visitors Bureau. That starts in the first full operating year. As per last month's motion that was passed making all change orders to be paid out of Food & Beverage subject to Board approval, Mr. Bosma has notified Nations Group that before another change order is sent in, Nations Group will need to specify whether it is covered by the project budget or if it needs to come from another funding source. The two change orders set out in Resolution 2021-14 under New Business that was sent via email from Mr. Bosma earlier, covers one change order being for a glass door in Spectra's office area and the other for paneling at the north entrance. The option exists that these change orders can actually be paid for from the unallocated project fund that Jason Semlar spoke about earlier or out of Food & Beverage. Terri Conley noted that since the Food & Beverage fund has very specific uses that it can be used for, and these change orders fall under those specific uses, it would be her recommendation that the change orders be paid from it. In that way, the money coming from Spectra would be available for something that might not be able to be paid for from Food & Beverage. Chris Switzer raised the question of whether after post-construction and after opening, if Tammy Allen's services would still be an integral part of the preparation/payment of claims, etc. Mr. Bosma said that it was entirely up to the Board and the agreement was silent in that regard. This led to discussion of how claims for future operating expenses will be handled. Auditor James Bramble said that he thought that essentially we would be writing one check to reimburse the Spectra account for multiple transactions similar to what Garmong is doing now. Mr. Bosma explained that the Board reimburses Garmong for construction services already performed by various contractors but the check to Spectra will be for expected expenses for the coming month. Spectra would then provide a report, either one or two months delayed, depending on timing, every month. There was discussion about the Board/Finance Committee taking over the many duties performed by Tammy since she was essentially donating her services for no compensation on top of the regular duties of her employment. Discussion of how the process worked continued. Mr. Switzer felt that something should be figured out with regard to compensation or the Board needed to take over the duties that she was currently performing and take her out of the mix. A lengthy discussion continued as to how the process would/should work in the future. Mr. Switzer noted that he was not looking for any action to

be taken today but he just wanted to open discussion about this so decisions could be made in the future. Mr. Bosma also reminded that meeting dates for next year would need to be established in January and officers will need to be elected and committee chairs appointed.

6. New Business

6.1. Resolution 2021-14 Approving Expenditure of Food & Beverage Tax for Convention Center Construction Change Order Requests #100 and #103. Terri Conley asked about Change Order 103 and the need for it. Mr. Marvel explained that this was the area where people entered from the parking garage and was just painted walls and looked like a gymnasium. It was felt that the addition of the wood wraparound carried around to that area would be more in keeping with the look for the convention center. Duke Bennett made a motion to approve Resolution 2021-14. Chris Switzer seconded the motion. Upon a roll call vote of 7-0, the motion was unanimously passed. Mr. Bosma did note that there would be at least one more change order at Spectra's request. As they have started to staff up and get into the break room, they are concerned about electrical overload. Tenille Wanner explained the need to add some additional electrical and why. Garmong is going through and figuring out how that can be added and what the cost would be. There will also be a change order on the garage lighting that was discussed earlier.

7. Other Business.


7.1. Questions and Comments from CIB Members. Chris Switzer commented about he and the Mayor attending the hearings for the casino. He wanted to congratulate Churchill Downs being awarded the license and looks forward to doing business/working with them. He also thanked Greg and Amy Gibson and their family for all their participation, hard work and dedication in making the casino possible for Terre Haute and Vigo County and everything they do for this community. Mayor Bennett also echoed Mr. Switzer's comments and expressed his appreciation for all the community support and his support of Churchill Downs coming to our community. He felt that with everybody continuing to work together, good things are coming for this community.

7.2 The next regular Board meeting will take place on December 15, 2021.

8. Adjournment. President Marvel stated that if there was no further business, the meeting was adjourned at 10:30 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