



# SHAREHOLDERS' DECEMBER BRIEFING MINUTES

## INDIAN PUEBLOS MARKETING, INC.

Meeting Minutes (DRAFT)

Date: December 21, 2020

Location: Zoom Video Conference

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### I. CALL TO ORDER

The IPCC/IPMI Shareholders meeting was called to order at 9:12am by IPCC/IPMI Chairman Ron Shutiva.

### II. INVOCATION

The invocation was given by Governor Val Panteah, Sr. of the Pueblo of Tesuque.

### III. ROLL CALL

The roll was called by J. Roger Madalena and Marianne Billy, **eight** Shareholders were present. A quorum was not established. Because no quorum was established, it was determined the briefing would be considered a committee on committee meeting.

#### Shareholders Present:

Pueblo of Laguna, Wilfred Herrera, Jr  
Nambe Pueblo, Governor Phillip A. Perez  
Ohkay Owingeh, Governor Ron Lovato – joined at 10am  
Pueblo of San Ildefonso, Governor Perry Martinez  
Pueblo of Sandia, Governor Stuart Paisano  
Pueblo of Santa Clara, Governor J. Michael Chavarria  
Santo Domingo Pueblo, Governor Thomas Moquino Jr. –  
joined at 9:50am  
Pueblo of Taos, Lt. Governor Antonio Mondragon (proxy)  
Pueblo of Tesuque, Governor Robert Mora, Sr.  
Pueblo of Zuni, Governor Val Panteah Sr.

#### IPCC/IPMI Board of Directors:

Ron Shutiva, Chairman  
Chris Baca, Vice Chairman  
James Roger Madalena, Secretary  
Larry Phillips, Jr., Member  
Bruce Bleakman, Member

#### IPCC/IPMI Staff:

Michael Canfield, President/CEO  
Christopher Anderson, CFO  
Barbara Tracy, Controller  
Monique Fragua, VP of Commercial Enterprises  
Emily Howard, VP of Corporate Strategy & Marketing  
Michelle Garcia, VP of Support Services  
Beverlee McClure, VP of Community and Cultural  
Engagement  
Mark Thompson, Property Development Director  
Marianne Billy, Administrative Manager

#### Shareholders Absent:

Pueblo of Acoma, Governor Brian Vallo  
Pueblo de Cochiti, Governor Charles Naranjo  
Pueblo of Isleta, Governor Max Zuni  
Pueblo of Jemez, Governor David Toledo  
Pueblo of Picuris, Governor Craig Quanchello  
Pueblo of Pojoaque, Governor Joseph Talachy  
Pueblo of San Felipe, Governor Anthony Ortiz  
Pueblo of Santa Ana, Lawrence Montoya  
Pueblo of Zia, Governor Frederick Medina

#### Guests:

John Chavez, 19 Pueblos District

### IV. APPROVAL OF AGENDA

The agenda for the Shareholders December Briefing was reviewed and approved by the Shareholders.

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*A Motion to **Approve** the Shareholders' Briefing Agenda for December 21, 2020, was made by Governor Chavarria (Pueblo of Santa Clara), seconded by Governor Panteah (Pueblo of Zuni): (8) in Favor, (0) Opposed, (0) Abstain. Motion carried.*

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## V. APPROVAL OF MINUTES

The draft minutes for the Shareholders' Annual Meeting held on June 10, 2020 were available for review.

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*Because there wasn't a quorum, a Motion to **Table** the Shareholders Annual Meeting minutes held on June 10, 2020 was made by Governor Mora (Pueblo of San Tesuque), seconded by Governor Chavarria (Pueblo of Santa Clara): (8) in Favor, (0) Opposed, (0) Abstain. Motion carried.*

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## VI. BOARD GOVERNANCE

- Chairman Shutiva introduced the IPCC/IPMI Board Members.
- Mr. Canfield listed and reviewed the Board's duties and responsibilities.
- Board Secretary Madalena reviewed the Board Members' attendance at board meetings.

## VII. PRESIDENT/CEO REMARKS, MIKE CANFIELD

- Despite a decrease in revenue, Mr. Canfield stated that the organization was able to pivot in response to the COVID pandemic so that the organization was able to stay viable.
- An overview of the senior staff and their departments and areas of responsibilities was given. Mr. Canfield noted that each had done a "remarkable job" in managing their teams and departments.

## VIII. CORPORATE STRATEGY, VP OF CORPORATE STRATEGY & MARKETING, EMILY HOWARD

- Ms. Howard began with a report on the work done to promote the Pueblo Relief Fund which garnered media coverage from several national and local media outlets. As of December 2, \$415,462 has been raised from online donations.
- A COVID Task Force was created in order to respond quickly to the government health orders. A Re-emergence Plan was created which not only outlined safety procedures for re-opening, but it also presented re-engineered business strategies for operation and promotion of company brands.
- A virtual press conference was successfully produced and broadcasted to announce several property development projects. Currently, there are over 400 online views and there was media coverage by several outlets.
- The IPCC hot air balloon, the "billboard in the sky," was successfully launched in partnership with Rainbow Ryders. IPCC pays a monthly fee to Rainbow Ryders for them to book rides, maintain and fly the balloon. The cost is cheaper than renting a billboard.
- For Indigenous Peoples Day (October 12, 2020) the Marketing and Cultural Engagement teams worked together to create 13 videos. Deb Haaland, Derrick Lente and several IPCC staff were featured in the videos. The event received tremendous press coverage and social media engagement.

## IX. OPERATIONS REPORT

- a. IPCC - VP of Cultural & Community Engagement, Dr. Beverlee McClure
  - Dr. McClure began by stating that her team, now at six due to furloughs, is still able to "tell the pueblo story" utilizing virtual programming in fact they are reaching a global audience.
  - A listing of the virtual programs available was provided.
  - A status update of the IPOC was given. Architectural plans are in the process of being completed despite construction plans being indefinitely on hold. The Indian Pueblo Innovative Entrepreneur program is underway with the help of over \$200k in grant funding. The Indian Pueblo Kitchen has begun the Pante Project and will begin the 90-day health challenge in early 2021.
  - Dr. McClure finished her report with a listing of the YTD awarded grants amounting to over \$1M.
  - Discussion: Governor Chavarria suggested the exploration of a "Revitalization Platform" that would be able to identify the needs of the Pueblos and meet them accordingly not just in regard to the pandemic but looking beyond that. Dr. McClure responded that IPCC has received \$150k from a CDC grant that is

allowing the team to track current pueblo needs and any barriers to those needs being met. APCG also has been awarded a grant to train grant writers which will help the Pueblos write/receive grants to help with their own needs. Remaining PRF funds will also be utilized to meet the Pueblos' needs after the pandemic.

- Discussion: Mr. Canfield noted that he has received several commendations for the IPCC and APCG teams' work with PRF primarily due to the fact that 100% of funds are going straight to Pueblos and the speed at which PRF is able to meet the requests that come in. Dr. McClure added that PRF was set up in such a way that it would live on to support the Pueblos even when the pandemic dissipates.
- b. IPMI Commercial Enterprises - VP of Commercial Enterprises, Monique Fragua
- Ms. Fragua's report began with noting that each business unit pivoted their offerings and practices to mitigate the many risks associated with the pandemic while still moving each entity forward.
  - Four Winds Sales: Down 1% vs. Budget; +4% vs. PY
  - Indian Pueblo Store Sales: Up 6% vs. Budget; -71% of PY Sales. Expected to hit budgeted sales goals by year end.
  - Starbucks Sales: Up 5% vs. Budget; -72% vs. PY. Currently closed. Planned reopen date is Jan. 4, 2021.
  - ExtraSpace Storage Sales: up 13% vs. Budget; +12% vs. PY.
  - Holiday Inn Express Sales: Up 1% vs. Budget; -64% vs. PY. Occupancy restrictions ranging from 25% to 50% since April.
  - Marriott TownePlace Suites Sales: up 67% vs. Budget; N/A vs. PY. Occupancy restrictions ranging from 25% to 50% since April.
  - Currently, the 12<sup>th</sup> Street Tavern and a Wellness Collective retail concept are in development as well as several other initiatives.
- c. Property Development – Property Development Director, Mark Thompson
- Mr. Thompson's report provided an update on the tenant improvements underway at the two BIA Buildings which total over \$16M in investment, the completion of the 30,000 sq. ft. Avanyu Plaza, the Phase II retail that has just received its permit from the City of Albuquerque for construction to start (to begin January 2021), and the round-a-bout that is under construction at 12<sup>th</sup> Street and Menaul.
  - Discussion: Governor Mora asked about the possibility of solar panels being utilized on the property. Mr. Thompson responded that the property is guided by development agreements in place with the City of Albuquerque. There may be opportunities for solar with the future retail and office buildings. Another challenge involves the large initial capital investment required for solar with a return on investment not recognized for years/decades.
  - Discussion: Governor Chavarria asked to the status of the BIA lease authorization. Mr. Canfield replied that significant progress had been made. BIA has included the new leases (including the third building) in the new budget. The Letter of Intent is soon forthcoming. The new building will include the relocated Special Trustee's office.
- d. Support Services – VP of Support Services, Michelle Garcia
- Human Resources: COVID impacted several businesses through either reduced hours or complete closure. Sixty of the 150 (FT & PT) employees were placed on furlough. Benefits were continued for impacted employees. The HR Department oversaw COVID 19 onsite testing for all employees, worked with quarantined employees, as well as helped those who needed to apply for unemployment.
  - Information Technology: With IT's support, many personnel were able to successfully work remotely for the past several months. No major issues have resulted. IPCC was nominated by TribalHub for the annual TribalNet Industry awards. IT developed the intranet, installed cabling and cameras throughout the campus, and supported point of sales conversions for commercial enterprises.
  - Maintenance/Facilities: The department continues to maintain and update the campus infrastructure. Their work included troubleshooting of the fire system, heat strainers cleaned, patched the roof on the NACA

portable, installed patio wall enclosures, replaced water-damaged tiles, and installed shelving in the new maintenance building.

- Security & Custodial: Ninety-nine percent of Security officers are Level III (certified to be armed) officers. Officers have recently gone through specialized training. The Custodial team provides GSA approved COVID 19 deep cleaning on an as-needed basis. C-store ongoing custodial support is provided.

#### X. FINANCE REPORT, CFO, CHRIS ANDERSON

- Mr. Anderson listed several areas of accomplishments for the Finance and Accounting department including implementation of new ERP software, the three-year Capital Improvement Plan, and a 20-year campus-wide proforma.
- The 2020 year-end forecast included a consolidated (budget) revenue total of \$34,362,684; expense total of \$32,217,084; net income of \$2,145,600.
- Discussion: Governor Lovato inquired as to the forecast for dividends. Mr. Canfield responded that distributions have gone back into development. With the bond financing, it will put the organization in a position to no longer require a subsidy while saving \$650k in taxes and be able to start distributions to the Pueblos immediately.
- Discussion: Governor Lovato asked if the refinancing progressing according to schedule. Mr. Canfield responded that Moody's halted ratings for certain organizations until 2021. At that point, a favorable rating is anticipated. Most likely the IPCC rating should be available first quarter of 2021.
- Discussion: Governor Martinez asked as to whether it would be better to reduce dividends or stop subsidies when the bond financing comes through. Mr. Canfield replied that he would like to start dividends so that they would be ongoing from that point. With the financing, resulting in \$65-70M in revenues, subsidies should not be needed. He also stated the benefit of having all fiscal years aligned so that the audits can be completed in April.

#### XI. OFFICE BUILDING REFINANCING PLAN, IPCC/IPMI PRESIDENT & CEO, MIKE CANFIELD

- The office building refinancing would allow IPMI and the 19 Pueblos to buy out its non-Native partners, provide for current and future financing needs, reduce IPMI's tax subsidy from the 19 Pueblos District (~\$638K annually), improve cashflow and profitability for all entities, and accelerate IPMI's ability to begin profit distributions to the 19 Pueblos.
- Mr. Canfield's presentation included the current debt structure with current loans and future financing needs amounting to a total of \$144,717,277. The future debt structure consolidates all current and future loans into two low-interest bond issuances (#1=\$104,500,000, #2=\$38,836,000). The total interest savings with refinancing would be \$3.77M.

#### XII. 19 PUEBLO DISTRICT TAX FUNDS UTILIZATION REPORT, IPCC/IPMI PRESIDENT & CEO, MIKE CANFIELD

- The estimated 2020 taxes are \$4,225,604 which is \$585K more than the previous year.
- IPCC continues to look for revenue sources to offset the support funds provided by the 19 PD. Support provided by 19PD covers 47% of IPCC operating expenses compared to FY2018 when it covered 56%.
- Mr. Canfield reported on the 19PD support provided to IPMI for debt service assistance. 19PD provides debt service assistance for a refinance on tribal and C-store loans, IMI 6 development, and IPMI 5.

#### XIII. ADJOURNMENT OF SHAREHOLDERS BRIEFING

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*A motion to **Adjourn** was made by Governor Mora. (Pueblo of Tesuque), seconded by Governor Lovato (Ohkay Owingeh): (6) in Favor, (0) Opposed, (0) Abstain. Motion carried.*

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A closing prayer was given by Governor Mora, Pueblo of Tesuque. The Shareholders meeting was adjourned at 11:15am.