

04/25/2024

Memo

TO
Board of Directors

FROM
Sue McDermott

CC
Maria Rosenfeld

RE
CEO Bonus Structure

The Christkindlmarkt Board of Directors met in executive session in August 2022 to discuss the bonus structure and approve the budget for FY2023. There were no minutes taken during this meeting. I have accumulated the following information to support the amount paid and the basis of the calculation.

Approved Bonus Structure

- 0% of Net Revenues between \$0-\$100,000
- 2% bonus of Net Revenues between \$100,000 - \$200,000
- 5% bonus of Net Revenues between \$200,000-\$400,000
- 9% bonus of Net Revenues above \$400,000

Bonus was Paid on Cumulative Net Revenues

Confirmation of the amount paid was done via e-mails with Dan McFeely, prior Board Chair and Maria. Dan wrote on 4/24/24: *"I agree that it was the plan all along that your bonus payment calculations would be paid on cumulative net revenues since the inception of the market. We used the cash balance on 3/31/23 to calculate your bonus which the Mayor approved on April 1st and I then sent you an approval email. In our conversations it was understood that this would be the method/formula used to calculate future bonus payments as well."*

The amount paid in 2023 was 9% of the cash balance at 3/31/23.

Approvals of Bonus Paid in 2023

The amount was presented to Mayor Brainard for approval via e-mail. His response is below:

From: Brainard, James C <JBrainard@carmel.in.gov>

Sent: Saturday, April 1, 2023 2:36 PM

To: McFeely, Daniel P <dmcfeely@carmel.in.gov>

Subject: Re: End of Fiscal Year/Bonus

Perfect, the bonus works, plenty of incentive and justifiable to anyone challenges it.

The amount was included in the FY2023 Budget which was unanimously approved by the Board of Directors via e-mail.