

GREEN BAY/BROWN COUNTY PROFESSIONAL FOOTBALL STADIUM DISTRICT

Pursuant to Section 19.84, Wis. Stats., a meeting of the Green Bay/Brown County Professional Football Stadium District Board was held on **Monday, March 16, 2020** at 2:00 p.m. at 425 S. Military Avenue, Suite 206, Green Bay, Wisconsin.

PRESENT: Chuck Lamine, Leah Weycker, Kristen Johnson, Margaret Jensen, and Keith Lucius
Sen. Cowles arrived later

EXCUSED: Bill Galvin, Greg Kuehl, and Bill Vande Castle

ALSO PRESENT: Pat Webb, Ernie Stevens III, Beth Ulatowski, and Joel Everts

1. CALL MEETING TO ORDER

The meeting was called to order by Chair Lamine at approximately 2:00 p.m.

2. ROLL CALL

Roll call was taken. All Board members were present except Bill Galvin who was excused. Sen. Cowles arrived later.

3. PLEDGE OF ALLEGIANCE

The Board recited the Pledge of Allegiance.

4. APPROVE/MODIFY AGENDA

A MOTION WAS MADE BY MARGARET JENSEN AND SECONDED BY KEITH LUCIUS TO APPROVE THE AGENDA. A vote was taken. MOTION CARRIED UNANIMOUSLY.

5. REQUEST FOR APPROVAL OF THE MINUTES – DECEMBER 9, 2019

A MOTION WAS MADE BY MARGARET JENSEN AND SECONDED BY KEITH LUCIUS TO APPROVE THE MINUTES. A vote was taken. MOTION CARRIED UNANIMOUSLY.

6. LATE COMMUNICATIONS (IF ANY)

There were no late communications.

7. SPECIAL EVENTS & ECONOMIC DEVELOPMENT FUND UPDATE:

A. Detail of Special Events and Economic Development Fund

Mr. Webb reported the fund has a balance of approximately \$828,000 as of February 2020. There's nothing transpired this year and the CVB is returning \$10,000 because the Rush to the Resch didn't take place. He is still hoping there will be a Notre Dame vs. Wisconsin game this fall. Chair Lamine mentioned that you can't always count on every event to take place.

B. Post Event Report – Forest Lakes District – Evangelical Free Church of America

Ms. Ulatowski reported that this event is held during a time that the area isn't very busy. It does bring in a lot of economic impact. The event is held at the KI Convention Center. They stay at various hotels and they set up tours of the area. The area businesses definitely notice the activity.

Mr. Webb mentioned this is a great event for economic activity. The only problem with this time period would be if the Packers were to host a wild card game. Ms. Ulatowski said that has only been an issue a couple of years. Mr. Webb thanked Ms. Ulatowski for the update.

C. Future Special Projects/Events

Mr. Webb said they continue to watch the news on the South Broadway Shipyard project. They have a new proposal that no longer includes the headquarters for Breakthrough Fuel. The other project is the National Railroad Museum and Mr. Webb told him they put a moratorium on capital projects and are only doing program events at this time.

He doesn't feel they will see either one of these requests by the next meeting.

A MOTION WAS MADE BY KRISTEN JOHNSON AND SECONDED BY MARGARET JENSEN TO RECEIVE THE UPDATES AND PLACE ON FILE. Vote taken. MOTION CARRIED UNANIMOUSLY

D. Funding Requests:

- Sports Complex Feasibility Study

Mr. Webb explained the closest facility like this is in Appleton. This is an idea to expand youth sports activities in the community as well as looking at other types of events where the community is really lacking facilities and setups for that. He introduced Joel Everts and Ernie Stevens III of the Oneida Nation to present this project. Mr. Webb explained that the District would not be interested in contributing to the capital portion of this project. Therefore, he offered to consider helping them with the feasibility study cost.

Mr. Everts went on to explain that when there was a need for the convention center a feasibility study was completed and when there was a need for expo hall business a feasibility study was done and that resulted in the new Brown County Resch Expo Center construction that will be open January of 2021. Now they are focusing on other sports events for the area and how to go about getting this facility built, etc. They are requesting the funding support for the feasibility study. He directed the Board to an item in their agenda packets regarding the scope of work. There are twelve questions listed and they've been going back and forth internally and with the Tribe so the Stadium District is aware of what the questions would be. They probably won't see the study showing the need for ice facilities. They are identifying the needs of the community. As Mr. Webb mentioned Appleton has done a similar thing and they opened their facility in November of last year. It is the goal to get these questions answered in the study. They are requesting the assistance in funding the study.

Mr. Lucius asked if this would be a performance or practice facility. Mr. Everts said it would be a competition facility. Mr. Lucius mentioned that the West De Pere school district is building

a practice facility. Mr. Everts said this would be different and would be a multi-use facility. The study would address the uses of the facility.

Ms. Weycker asked if the study would be shared. Mr. Webb answered that any feasibility study would be public; so that anybody in the community would have access to it. They've asked the CVB to look at existing buildings to see if they are available to house some of this stuff. The other condition they addressed would be to not have a predetermined location. They wanted to make sure it was in the best location and utilize what's most important to the community at this time. He feels youth sports is an exploding area as far as tourism goes and if you have the right facilities you can draw people. This would benefit the hotels especially in the summer months before the Packers season. They feel if there's a gap they should know it.

Chair Lamine asked if this project would include outdoor facilities as well as indoor. Mr. Everts said it would be a combination of both depending on what the study determines and what land is available. Mr. Stevens added that most of the questions are mostly dependent on the study itself. The need and want in the future of youth sports alone is a consideration and they want to be able to do indoor and outdoor but again it would depend on the study results. They will also look at collaborating with existing locations such as one in Howard.

Mr. Lucius said his concern was that summer events aren't held indoors. He feels the indoor facilities would work better from fall to winter and those rooms are pretty much booked and there wouldn't be much of a draw here for that. Mr. Everts agreed and would try to determine which indoor sports need facilities after January.

Mr. Webb said the RFP would ask specific questions and that makes for a better study. Mr. Stevens mentioned there will be transparency and ongoing communication with the firm that conducts the study. Chair Lamine mentioned that if the firm has a different approach, they can suggest it as well. He asked about the cost of the study and who is expected to pay for the balance of the study. Mr. Everts said they have the same question especially with this economy and they will have to evaluate that on a case by case basis. The room tax is down and the CVB will struggle. Ms. Ulatowski said the hotels were at 2% occupancy last weekend. Ms. Weycker asked if the \$60,000 they are requesting would cover it. Mr. Webb said they originally recommended the \$50,000 cap for the District's funding. In lieu of the fact that the CVB returned the \$10,000 he would now recommend contributing the full \$60,000 if the Board is interested in the project. Originally he wanted to cap the District's participation. Ms. Jensen mentioned the District made sure in the past that there were other people committing to the project and in that process the District would commit half or a portion and then give the remaining funds later. Mr. Webb mentioned they paid for the full \$80,000 for the Brown County park study for the fairgrounds. So there have been cases they've paid 100%. Mr. Stevens said the number was attained through conversations with the CVB and determined it wouldn't cost more than \$60,000 and could very easily cost less. Ms. Johnson asked if the District would only pay the actual amount. Mr. Webb agreed and they would only pay upon completion and up to the actual amount. Mr. Lucius asked what the Oneida Nation's part is. If the District is paying for the study would they use this. Mr. Stevens said that eventually they would take the risk load for the capital funding of the project. The discussion came from participation in the CVB's new building. This was just another project they wanted to take part in to help them. They had focus groups and discussions that took this project from an Oneida Nation facility to a more regional facility. He mentioned there has been a lot of interest in this

and feels confident they can make this happen. They discussed the life cycle of the study and if the Oneida Nation cannot fund it anybody could utilize it. Mr. Webb mentioned to the credit of the Tribe that they were agreeable that they didn't pre-pick a location for the facility and he feels that was important. The discussions have been very easygoing regarding this part of it.

Chair Lamine asked if there would be any value on job creation potential. Mr. Webb said they could add that but finding people to staff the facility might be an issue. He said he could add the job creation aspect to the study. Mr. Stevens said they spoke with other medical sports facilities that are also looking for space and there could be a management company to work with. There would be a very specific scheduling situation for the facility but there will be a need for staffing and maintenance.

Ms. Johnson asked if there was a timing issue. Mr. Stevens said their process to fund the capital side of this is the Tribe's tri-annual funding cycle. They would like this completed by December to break ground in 2021 if they're able to fund it. If they wait longer, they would probably have to push it to 2022.

Chair Lamine asked about the healthcare component. Mr. Stevens has discussed this with Bellin and could discuss with all the facilities because they are all in need of space.

Mr. Lucius asked what the sources for funds would be. Is the Tribe intending to fund a good portion of the project or do they have partners that would contribute. He said these facilities are really expensive. Mr. Stevens said they have a number of options like low interest loans. Mr. Lucius asked who would pay the loan amounts of such financing. Mr. Stevens said the feasibility study would address that – he said the Tribe is planning to fund certain portions of it. There would be a management company and leasing opportunities that would be long term. Schools are prepared to have annual rentals. Other facilities as well are interested.

Mr. Lucius asked if they plan to generate enough revenue from renters to pay the loans. Mr. Stevens agreed. He doesn't have the amortization numbers but the feasibility study will give a more accurate picture. Mr. Everts added that based on the location a certain jurisdiction could help finance as well. He feels Appleton used that option and Ms. Ulatowski added that there are also grants available. The important thing to remember is they went through the same for the KI Convention Center. It is probably one of the best things Green Bay has ever done in terms of building that additional space. She said it is beyond what the predictions were. When that does well, the hotels do well, the restaurants do well, taxes do well, etc. She feels they will see the same thing with the new Expo Hall. It is scheduled to open in January of next year and they are seeing a lot of interest from groups. This is just one more aspect of the economic impact for Green Bay. They have the meeting space, the expo space, and there is a lot of sports business out there and she personally knows they are missing out on that because they don't have the facilities. This is one way of identifying what the sports are, how much room they need, where's the best place for it, and other things. Tackling all of those questions and ideas first will be worthwhile. Mr. Everts said that Cornerstone has 3 or 4 user groups that help pay for the facility. If you find the right sport and the right contracts it will be a success.

Mr. Lucius mentioned that the Appleton sports facility had a large donor and it doesn't seem like there's any financing money behind this at this point. Mr. Webb feels the Tribe would be willing to carry the funding. Mr. Stevens said they plan to carry the note. Mr. Lucius said that

is different that paying for it. He said they tried building an \$11 million sports facility in Ashwaubenon and there was no community support for it. There's not a lot of revenue generation possibilities. You could say youth sports would want to use it and they will but they can't make the money you would make at an ice center because hockey and skating people are used to paying a lot of money for ice time. If you're talking volleyball they're not used to that because they go to their local school gyms and use them for free or close to it. Where you will generate revenue is those tournaments on weekends but even then if you start pricing it to pay for a \$50 million facility you will price yourself out of that market. He agrees it will generate room nights and other impact but it's not going to generate the cost of one of these and he's concerned about the lack of a large donor or some organization that is behind it helping pay the bill not guarantee the loan. He is afraid they will be throwing away \$60,000 on something that can't be built because he's not seeing the revenue side of how you pay for this facility.

Mr. Stevens said a lot of the answers to his concerns are pretty hard to address now. He said that proactively the Tribe has had conversations with donors and multiple individuals and can't speak for them. He said he has a lot of experience in developing projects and that's one thing they like to know. He's not sure when Ashwaubenon tried to build their facility but times have changed quite a bit in the last five years when it comes to youth sports alone. Mr. Lucius said it was just last year. Mr. Steven's said this would be structured conceptually as to where donations can exist like advertising. He said his number for donations alone is \$10 million. He said he wants to make sure the feasibility drives this project and feels very confident they will get the funding. He knows there are groups that have told him that if they build it they will participate and that would provide him some comfort but he wouldn't be here if he wasn't certain that this could be funded. It will be a very long term payback but again aside from the coronavirus or a meteor the thing that won't go away is community. He feels that banking on that people will want to see something like this. The Tribe wants to see this happen and that's all he can tell you now.

Mr. Everts said that sports tours really need to see this happen. He feels that he would like to know the needs and see the study answer questions. He knows the study will give the community answers. Ms. Johnson asked if the facility in Appleton is too close to our area. Mr. Everts said the study would address that but predominately that facility is three sheets of sports – one permanent ice – one permanent basketball and one other multi use. They could put ice in or something else. So their identification was being a basketball and ice sports facility to try to keep up with Green Bay's 3 sheet Cornerstone facility. There are no other 3 sheets of ice in the State of Wisconsin. From what he's heard the Green Bay area is still on people's minds and they will hopefully host another National hockey tournament. Ms. Johnson asked if he knew how successful the Appleton facility has been. Mr. Everts said they are having growing pains just getting off the ground. The management may have not been really respected and he's heard they are having difficulties. They did host an event that our area couldn't because it was during Packer season in December. Mr. Stevens feels their facility is more municipal and can draw some things in but doesn't have everything you'd need to be a regional facility. This proposed facility would put Green Bay on the map as far as the tournament circuits. They were looking at E-sports and multiple things beyond sports. This could be a destination like the Brookfield sports complex with more outdoor than indoor functions but it is year round. Cost is high for year-round operation but you have to constantly find ways to bring revenue in. There are more elements to this that would bring the costs up but makes it more economically prudent.

Chair Lamine mentioned that this area is a small community with an NFL team and as planners you don't build the church for Christmas or Easter population. This area built the hotel capacity for an NFL stadium and he thinks one of the challenges is filling those rooms on non-NFL weekends. This area is unique and should be kept in mind. He mentioned he was blessed with children that are fair athletes and has friends that are parents of athletes that try to find rooms every weekend. He feels they are sending their population out and it kind of makes sense to evaluate the potential to keep them here and feels there's value in studying the feasibility at this point. He'd rather do a study that tells us not to do it than proceed without the study. He sees some value in it. It would be made public; so that if this group falls off it would be available for another group. He feels from an economic development perspective it makes sense. It is like building a swimming pool because they are more expensive than you'd ever imagine and staffing them is more difficult as well. It is the reason for feasibility studies.

Mr. Lucius feels that athletic facilities in general don't pay for themselves. They bring people in and fill rooms but if they paid for themselves private businesses would build them. He isn't comfortable paying 100% of the feasibility study. However, if the Tribe or somebody else was stepping up and paying a portion he would feel a lot more comfortable with it. He feels there needs to be somebody else with financial ownership and he feels this is free money to go ahead with the study for somebody and he's not sure it is financially feasible because he's been through enough similar things in his job. He'd feel better knowing somebody else has financial ownership and is committed to the project.

Ms. Weycker mentioned pickleball options have been discussed. She continues to tell people about those needs and indoor soccer facilities would be needed. She hopes this could be an opportunity for pickleball and other uses. There are some models that have been dedicated to pickle ball with a bar and restaurant attached that are hugely successful. Mr. Webb said pickleball was mentioned in the summary for the study. Ms. Weycker said it is much more a generational thing and she sees her friends sending their kids everywhere else for sports also. There are options for adult sports as well and she feels this study would be valuable for everyone. She said the study is a point in time and hopefully they can act on it. Without the study she feels it would be crazy to build something like that without documenting some of the needs.

Ms. Jensen asked if there were any other studies done. Mr. Webb said not in Brown County that he's aware of. Mr. Stevens said the City of Green Bay is doing a housing study and that information will be vital to this project. They are looking at hotel units, apartment units, potential BNBs. So that timing is good for this project. The reservation area will be included in the housing study as well.

Mr. Lucius wanted to clarify he feels this is a great project and he's not faulting anybody bringing it forward. You'll find there's a lot of use for it. He's just questioning the financial feasibility of it and questioning that people might come to this Board with an idea and they don't have any financial stake in it but they want the Board to fund it. He feels that as a Board they need to have people with the requests to have some financial commitment. That's why at this point he isn't comfortable supporting it. He thinks this is a valuable project and the community would take advantage of it. It would fill rooms and bring people in. He just doesn't want the Board to get into a situation where everybody with an idea comes to the Board and thinks we will fully fund a feasibility study for any idea.

Ms. Johnson said she totally understands what Mr. Lucius is saying. She feels that a lot of other organizations and municipalities would be really hesitant to spend money if they're not certain of the answers that this study would reveal. Therefore, she feels this is something that would be done for the area and there would be benefit from knowing this information. She feels it fits in line with what the Board does for economic development.

Chair Lamine is hearing that the Board's investment in this is to broaden the perspective of the study. Ms. Johnson agreed. She added that to say they'd never want to go forward with not building something because it wouldn't be supported which may be the best reason to do the study. Chair Lamine agreed and stated it may be the best \$60,000 they've ever spent.

Ms. Weycker added that it is a great economic development tool to share with others. It could be broader in scope and agrees nobody would want to fund it without the study. She's hoping the study will consider all locations county wide. Mr. Webb stated that was an absolute bottom line requirement. They will not tie into a location. If the District would fund it, it needs to be determined where the best place for the facility would be. He referenced question 12 about funding sources. He thinks Mr. Stevens is being kind of careful not to commit to funding but he feels that in discussions with the Tribe that they are pretty committed to making this work. Mr. Stevens said he can't commit right now and the focus groups and meeting with others determined they all want this. They all have issues of space and sustainable time and the costs involved. Creating this also creates some market rates for sports time. This study will show one building or multiple. It is not set in stone to have one giant building. All these questions are valid and this study would help to get to that point.

Ms. Weycker mentioned that in Minnesota there is a city that owns the electric company so it is somewhat subsidized but this facility has been hugely successful with a gym incorporated that charges membership fees. There are so many models that could be feasible.

Chair Lamine asked for a motion regarding the feasibility study proposal.

A MOTION WAS MADE BY LEAH WEYCKER AND SECONDED BY KRISTIN JOHNSON TO APPROVE THE FUNDING UP TO \$60,000 FOR A FEASIBILITY STUDY. A roll call vote was taken. 4 AYES (LAMINE, JOHNSON, JENSEN, WEYCKER) – 1 NAY (LUCIUS)– MOTION CARRIED 4-1.

- United States Bowling Congress (SBC) – US Open

Mr. Everts presented the results of the bowling event. This is a week-long event in February. The \$5,000 funded by the District generated 1,500 room nights. This is a televised event and the exposure is immeasurable. He said they are even rebroadcasting the event. They pick this time of year and CBS Sports now carries the tournament rather than ESPN like last year. It brings in 150 pro bowlers and they are asking for \$5,000 to help with the \$10,000 hosting fee. Ashwaubenon is picking up some of it and some state dollars will be used as well.

Ms. Jensen said she likes the event because it doesn't make money just for the hosting facility. She has heard a lot of positive comments about the past bowling events hosted here. Mr. Everts

added that one participant mentioned to him that he would consider Ashwaubenon Bowling Lanes one of the top five facilities in the nation.

A MOTION WAS MAE BY MARGARET JENSEN AND SECONDED BY KEITH LUCIUS TO APPROVE THE \$5,000 FUNDING REQUEST FOR THE UNITED STATES BOWLING CONGRESS – US OPEN EVENT. A roll call vote was taken. MOTION PASSED 5-0.

Mr. Stevens and the CVB reps left the meeting. Mr. Stevens thanked the Board for their time and mentioned that he looks forward to being transparent with the Board as things develop.

8. 2018 AUDIT

Mr. Webb presented the 2018 audit. He referenced page 15 and the statement of assets. The net position is down by \$15 million meaning the District is in a declining asset position. The majority of that will be depreciation because everything has already been built and you take 12-13% depreciation each year. More funds have been going out than coming in. They will discuss in more detail while going over the sources and uses for funds. At this time the District still had \$15 million in the Capital Projects Fund and now at the end of 2019 it's down to \$7 million because the Team drew funds out for several projects. There's only \$300,000 - \$1 million going into that fund based on the number of tickets being turned over. The escrows are set up to be declining balances. The District pays out of escrow every year and they need to turn over funds to the Packers for O&M. You take the \$100,000 out of the operating escrow every year. Technically, other than the fixed assets, the District would have zero dollars by 2031. He doesn't think that will happen because there will probably still be a Capital Projects Fund and some money left over in the escrow funds. Technically they are supposed to be winding down by 2031. The only way the District replenishes their Economic Development Fund is with games like the Badgers game. This year (2019) they received \$300,000 from the Paul McCartney concert. You can see the depreciation is \$12 million in this particular year on page 16 of the audit. When you go back to any comments the auditors have about the District's operations, they mention internal control because he really does all the activities dealing with finances. They do have a bank set up as the District's trustee so all the payments go through the trustee who is supposed to monitor that he is doing everything according to the rules and regulations that are set up in the lease and the law. He asked if the Board has any questions.

Ms. Weycker asked if they audit everything. Mr. Webb said they just audit the things the District is in charge of. It has nothing to do with the Team. She asked why the stadium was included. Mr. Webb said the \$300 million that was originally the cost of renovations is an asset of the District but none of the activities within the stadium are included in the District's audit (concessions, etc). None of that is the District's responsibility. So it only covers the District's responsibilities.

Mr. Lucius clarified that the only finding was the segregation of duties. Ms. Jensen mentioned it comes up every year. Mr. Webb agreed and added that an outside firm cuts the checks and the Treasurer signs checks. Chair Lamine said that is hard to get around with the amount of staff.

A MOTION WAS MADE BY KRISTIN JOHNSON AND SECONDED BY MARGET JENSEN TO APPROVE THE 2018 AUDIT. A vote was taken. MOTION CARRIED UNANIMOUSLY.

9. DECEMBER 2019 AND JANUARY/FEBRUARY 2020 FINANCIAL REPORTS

Mr. Webb reported there were no major highlights. The December financials show the District's Operating Fund and the revenue which is the only fund the District has much control over as to expenses. The District originally budgeted \$86,000 as the draw from the Economic Development Fund. At this point they only drew \$51,000 meaning they did better and this is sort of like a levy from a government standpoint. They didn't spend about \$30,000 of what was anticipated in the general operating fund. Most of that was not spending the money on Sigma coming up for all the meetings, not having some meetings, and other things. When you get into January and February the budget to actual doesn't really make sense that early in the year.

There were no questions on the financials.

A MOTION WAS MADE BY KRISTIN JOHNSON AND SECONDED BY MARGARET JENSEN TO APPROVE THE FINANCIAL REPORTS. Vote taken. MOTION CARRIED UNANIMOUSLY.

10. DIRECTOR'S REPORT

Mr. Webb presented the sources and uses of funds. He directed the Board to the February 2020 financial report. He said Chair Lamine asked him to tie this out to the budget. So you can look at the first column in the 2020 budget. They will walk through each fund.

He explained that the sources and uses of funds is set up on the chart in the Director's Report. Not everything will tie out and was not meant to go line by line. This will give you an idea of what money is used to pay expenses in each of the funds.

First the escrow is not a revenue. It's already in the fund, you are just using part of the fund. So if you were to shake this all out, out of the \$170,000 in total revenue you take out of the interest that fills the escrow (not available for current spending) you'd be close to the \$138,000 in revenue. Ms. Weycker asked if that would be termed carryover. Mr. Webb agreed that's a good way to put it. There'd be \$138,000 worth of revenue and \$238,000 worth of expense. The difference between those two is the \$100,000 that you'd get out of the escrow. It's already in the fund so you don't count it as revenue. He went on to explain the interest on the fund. On an annual basis, the District can only use about \$200 of this account because the rest being used to fill escrow. Only about \$200 offsets current expenses. Then the transfer in from the 8257 Fund – because it's just a bookkeeping entry to offset a portion of Ms. Roskom's time for brick sales, he didn't include that because it's taking half of her salary and saying it belongs in a different fund. The O&M expense reimbursement is a formal agreement with the Team to pay for liability insurance. The balancing item is the transfer from the Economic Development Fund. So whatever the District needs on an annual basis on budget comes from the Economic Development Fund. So when Chair Lamine was trying to tie out the \$170,000 to these numbers it wasn't going to work in the Operating Fund. The District pays for operations out of that. The internal transfers are not shown. In the end the main source of revenue for the operating fund is the use of the escrow which is already in the fund with about \$1 million left as of right now which will roll to produce \$100,000 a year until 2031 and whatever the District gets from the Economic Development Fund. The rest is covered expenses and the small amount of interest.

Mr. Webb went on to explain the Capital Projects Fund which has two sources of income – user fees and interest in the fund which is offset by the net of fees. Everything else will go for Capital Improvements paid to the Team for anything they want to do. Right now Mr. Webb is projecting the user fees to be \$300,000 as the result of people turning in their tickets. There are very few new tickets

being issued, but if they take some of the Brown County tickets and make them available to season ticket holders, the District would get the whole \$3,000 per set, which is \$2,100 and \$900 based on whether it is a green or gold package. Otherwise, the District only gets the difference between the old ticket package the person was under and the new ticket user fee. The user fee used to be \$1,400 for the green package now it is \$2,100 so the District gets \$700 – it was \$600 for the gold package and now it's \$900 so the District gets \$300. Last year a lot of people turned in their tickets and they released some new ones so they had about \$1 million worth of user fees. The other item is the interest earnings offset by qualified bank fees (or the cost of investing those funds) through Associated Bank. Next year they are projecting the sources of funds to be \$380,000 and didn't project anything to use but he's assuming the Packers are going to ask for close to \$5 million for the concourse project. Chair Lamine asked if that is going forward. Mr. Webb said they haven't met with them but his understanding is that the project will go forward but they don't know how much the District will pay. He asked them to bring it to the Board for approval.

Mr. Lucius asked about the \$400,000 in revenue and \$20,000 budgeted in expenses. He asked if they are just anticipating the increase or decrease of that fund depending on what the Packers take. He asked how that fund replenishes. Mr. Webb said this fund only gets replenished through the exchange of tickets. When a new person pays a \$3,000 ticket fee if they combine them. The old ticket fee was \$2,100 so the District makes \$900 per ticket that's turned in. Mr. Lucius said with the \$7 million in the fund and with a \$5 million project paid out there won't be much left. Mr. Webb agreed and stated the Board always said they wanted to hold \$2 - \$3 million in that fund in case of emergencies. If they have no money in this fund for capital projects, the Packers are required to pay for it. The District has no obligation. Mr. Lucius said that makes him feel better. Chair Lamine mentioned that is specified in the law and lease agreement. Mr. Webb agreed. He added that the Packers have the requirement to maintain their facility in the top 25 percent of all facilities in the league. This is kind of a strange thing to enforce but so far they have tried to maintain it and haven't asked the District for as much as they possibly could for capital projects. They understand and try to look for things that are fan friendly to use the funds for. Mr. Lucius asked if the \$2 million is used, are the contributions are done. Mr. Webb agreed. The Team is on the hook for all capital projects the District doesn't have money for. Ms. Weycker asked what the name of this fund is. Mr. Webb said it is the Capital Projects Fund. Chair Lamine asked if the Team was comfortable with the District holding back the \$2 million. Mr. Webb said the Board gets to vote on their requests. Chair Lamine asked what kind of emergency Mr. Webb envisioned. Mr. Webb said things happen and he would feel better if the District had some funds. Chair Lamine explained the possibility of people not wanting tickets. Mr. Lucius mentioned it takes a lot of turnover of tickets to get the funds. Mr. Webb said last year was a \$1 million increase but a lot of people turned them in and there were the Brown County tickets that became available. There were some tax changes and that may have been the reason some major corporations gave up their tickets. Ms. Jensen asked about the renegotiation of the lease. Mr. Webb said the District has no sources of funds. That's why getting the Economic Development Fund down so low was so crucial because if you can't pay anybody to do this for you it is a real problem. That's why originally they said the Economic Development Fund should never go below \$1 million but the Board got it down to \$200,000 with some of the projects they approved.

Mr. Webb added they are counting on the Notre Dame game but the situation right now is there are no sporting events being held. Mr. Lucius asked about the operating fund's budget \$170,000 in revenue and \$238,000 in expenditures. Mr. Webb said if you take the \$170,000 and the interest the District can't use you get the revenue down to \$138,000 – budgeting \$238,000 and there's \$100,000 every year available in the administrative escrow fund to cover the difference until 2031. Mr. Lucius asked what

would happen in 2031. Mr. Webb said there is no provision for after 2031. Ms. Jensen said the bonds are paid off already. Mr. Webb said there is no provision for staffing or anything for after 2031. If you chose to continue to have staffing at that time, you'd have to rely on the Economic Development Fund or a change in the lease.

Mr. Webb said the Packers are on the hook too because some of the Team's funding runs out in 2031 also. Ms. Jensen originally understood that there was a design to go out of business when the bonds were paid. Mr. Webb said the Team and other municipalities don't want the District to go out of business. Ms. Weycker mentioned that the Packers met with the Mayor's office regarding the renegotiation of the lease.

Mr. Webb explained the 8257 Fund. The best way to think of this fund is as a holding account. It is an annual holding account that is supposed to zero out every year. The District has a flow chart to explain some of it. If you look at the budget, the first \$500,000 of ticket tax is budgeted at \$500,000. The license plate revenue is budgeted at \$400,000, brick and tile sales are at \$60,000 brick revenue and most of these expenses below are associated with the brick and tile sale. You have \$1,000, \$8,000, and half of Ms. Roskom's salary totaling \$36,000. So if you take the \$60,000 less the \$36,000 you get \$24,000. Those items go in there as well as any usable interest (once again because this account has an escrow – part of the interest is to build the escrow and part is available on an annual basis). Most of it is available only as escrow because it's building up the fund so the fund lasts until 2031.

The District determines how much they have to pay the Team which this year was right under \$5 million out of this fund. That's the \$4,930,000 which is a calculation they do on an annual basis to determine how much goes to the Team. The District then takes the remainder (what's not in the numbers above) out of escrow. It's already in the fund so it's not like a transfer or anything. Mr. Lucius asked how the \$4,930,000 number is determined. Mr. Webb said it started at \$3.4 million in 2001. They escalated it every year which is in the budget detail. They increased it by 2 percent of all expenses except for City labor which is an increase of 3 percent on the amount the Packers paid for City labor. This has been averaging about 2.3 to 2.4 percent a year. So if you took the \$3.4 million and ran it times 2.3 you'd now be at this number. That number will climb to right around \$6 or \$7 million by 2031. The escrow is set up exactly to match that number. When the escrow was set up they didn't take into consideration the first three revenue sources (ticket tax, license plate, and net brick revenue). Because as you know the football games might not be played and the District might not get \$500,000 in ticket tax. The District used to get an income tax checkoff from the tax returns which the State took away. The District gets license plates sales and that may eventually get taken away. That's why they decided to fund at the max and whatever's left over they will deal with in 2031. Mr. Lucius said that there will be a remaining balance. Mr. Webb agreed. Chair Lamine said there is a potential to divest that amount back into the community. Mr. Webb said yes and there's a potential for legislative changes to use it for operating expenses, etc. The next flow chart explains the biggest contention between the District and the Team. It will be part of the lease negotiations.

Ms. Johnson asked about the point of the 8257 Fund – why don't all those sources just go directly into the O&M Fund. Mr. Webb said the big thing was it was just meant to be a holding fund and there was a specific calculation and order of deposits and only certain things can be taken out of there. He doesn't know why they didn't do it a little differently but that's the way the legislation is set up. If you reference the statutory language under the 8257 Fund that explains it. What it does for the District is that it allows collection of money in that fund and then transfer on January 1 to the O&M Fund. Chair Lamine asked why the first \$500,000 ticket tax flows into the 8257 Fund and then the other football tax goes in. Mr.

Webb doesn't know the reason the first \$500,000 was segregated. He feels the purpose was to reimburse for expenses using this account they didn't want the sales tax to have to pay for things such as rent to the City which started at \$500,000 but now is way beyond that. He wasn't in the negotiations with the legislature and it was the language that he inherited. This gets transferred to the O&M Fund – looking at the sheet it's \$4.9 million that goes in there. The District estimates \$7.8 million is the remaining ticket tax. \$95,000 is available interest and that goes into the O&M Fund. In essence that all goes to the Team to offset their \$27.5 million worth of O&M costs. Over the years they've negotiated that certain items come out of the fund. All the fees associated with collecting the user fee for the Capital Projects Fund, the District's insurance, different MBE/WBE requirements – they all come out of that fund ahead of time. The majority of it – almost \$13 million - goes right to the Team for O&M for the year. Now they've raised ticket prices again so this \$7.8 million will be low.

He explained capital improvements go to the Team for what they need. O&M goes to the Team, 8257 Fund goes into the O&M. So what you're finding out is that the District controls \$200,000 worth of expenses. The rest of the money moves around. Of course, you have the ticket tax going to the Special Events and Economics Development Fund which is ticket tax on special events which is budgeted at \$950,000 for the Notre Dame game. Last year the District got \$300,000 for the McCartney concert. The District charged a little bit of Mr. Kuehl's time there and the rest is held in the fund either for projects, operating type things, or on an annual basis the District transfers what is needed into the District's operating fund.

The Board agreed this explanation of funds helped them understand. Mr. Lucius asked about the \$60,000 approved today and which fund that came out of. Mr. Webb said it came out of the Economic Development Fund and they'd like to get that fund built up to \$1.5 million or so.

Sen. Cowles arrived at 3:30 p.m.

Mr. Webb offered to sit down with Sen. Cowles to discuss the sources and uses of funds if he wanted.

Mr. Webb presented the flow of funds dealing with the O&M Fund. He reviewed the other revenue sources – brick/tile sales, license plates, and first \$500,000 ticket tax. That totals \$936,000 into the 8257 Fund. The District determined, based on the budget, that \$4.9 million was needed to fund this. That means the District has to get roughly \$4 million out of escrow. Then the District adds that to the \$7.8 million with the regular ticket tax putting it at \$12.7 million that would go to the Team for operations and maintenance.

The point of contention for the lease is that the Packers are not sure that the \$500,000 should be used for anything that is excess. They think part of the excess is being driven by the \$500,000, the \$400,000 and the \$36,000. The District is saying it's really because the District has overfunded the escrow or the sales tax portion of it. They met with the Legislative Fiscal Bureau and they agree with the District because the legislation and the lease tell you the order the things are deposited into the 8257 Fund. All three of these items are deposited there before sales tax. That is the part of the lease that could be somewhat contentious. He wanted to show the Board how the money flows and what the purpose of it is. The District funded the escrow without these revenues, the District's actual amount that came due this year was \$5 million. So the District has an extra \$1 million for every year since they stopped collecting sales tax. The District is investing that money separately and will deal with it when the time is right. He's not so sure he wants everybody to know there's money there because last time they were blindsided by it and the District got shut out of determining what the best way to use excess funds was.

Chair Lamine asked if this was a lease contention or a statutory contention. Mr. Webb said it's both. Sen. Cowles mentioned that Mr. Webb had discussions with the Packers about this. Mr. Webb said it was 3 years ago. They tried to do something with this and make it available when the District didn't have any funds. They tried to make it available for the District to use for economic development and the Packers did not feel comfortable. They called Sen. Cowles and the District ended up tabling that motion. Mr. Webb has had subsequent meetings shortly after that with the Team and they both agreed they wouldn't do anything with the funds until they renegotiated the lease.

Mr. Webb asked the Board to review the 8257 Fund and the special revenue funds. That is in the \$53 million. Part of the excess is in there. There are 10 more years of building up the escrow. The escrow is growing like US Treasury strips – you buy a bond at \$50 and by the time they mature they're at \$100. So all this \$1.6 million of interest earned is not usable it just goes to build up the fund. The \$7 million available in cash in the O&M Fund is the \$1.8 million owed the Team for 2019 and the rest is the money transferred from the 8257 Fund at the beginning of this year. The Economic Development Fund has \$900,000 in cash but there are some commitments already identified to bring down the amount shown on the earlier schedule. The District User Fee account makes up the \$7.8 million available in the Capital Projects Fund for whatever they decide to do this year. The District Board approves the amount they want to give the Team. He isn't sure when they will meet with the Team to discuss this.

There is no MBE/WBE update. They continue to work with NWTC to set up a good program.

Mr. Webb reported on the brick and tile sales. They got to the budgeted amount of \$60,000 in December. The sales were \$67,900 total for the year. It is one of the better years because the Packers did well and that tends to increase sales. January 2020 started off with \$5,800 in sales which is a good January after getting \$14,000 in December 2019.

He also presented the statistics from the beginning of the sale to the end of 2019. There is \$2.4 million in total revenue. The breakdown shows sales of different products and where the sales were from. He said 53% came from the state of Wisconsin – and sales in 49 other states and 4 other countries. It's interesting to see the wide reach of the Team. The same statistics were presented for the current year.

He also presented the future meeting dates.

There were no other matters for the Director's Report.

A MOTION WAS MADE BY MARGARET JENSEN AND SECONDED BY SEN. COWLES TO APPROVE THE DIRECTORS REPORT. Vote taken. MOTION CARRIED UNANIMOUSLY.

11. OTHER MATTERS AUTHORIZED BY LAW

There were no other matters.

Ms. Weycker asked about the form for fund requests and why it says Titledown District vs. Brown County. Mr. Webb said somebody wanted it on the form that people wanted to know at the time. He said they could certainly change that and wouldn't fund anything out of the county.

Sen. Cowles asked about the Shipyard project. Mr. Webb explained they came up with a new development plan there but not the one they originally anticipated, and he hasn't heard from the City

this year at all. He mentioned the National Railroad Museum approached them about funding and he told them they are on a hiatus for now regarding capital project funding.

12. MOTION TO ADJOURN

A MOTION WAS MADE BY MARGARET JENSEN AND SECONDED BY KEITH LUCIUS TO ADJOURN THE MEETING. A vote was taken. MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at approximately 3:50 P.M.

Respectfully submitted,

Diane Roskom
Administrative Specialist