

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, December 14, 2020** at 2:00 p.m. via Zoom.

PRESENT: Chuck Lamine, Leah Weycker, Kristen Johnson, Keith Lucius, Mark Graul, and Bill Galvin.

ABSENT: Sen. Cowles.

ALSO PRESENT: Pat Webb, Greg Kuehl, Bill Vande Castle, Ken Kaszubowski and Drew Falkenburg of Sigma, Joel Everts, media, and Aaron Popkey

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 for Sen. Cowles.

3. PLEDGE OF ALLEGIANCE

The Board recited the Pledge of Allegiance.

4. APPROVE/MODIFY AGENDA

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

5. SIGMA PRESENTATION – ANNUAL MAINTENANCE AUDIT

Mr. Webb explained this audit has been routine now for approximately 18 years. He welcomed the group from Sigma and asked Mr. Kaszubowski to introduce the staff. Mr. Kaszubowski explained the audit has been performed in cooperation with the Team and District very successfully in accordance to the Lease provisions. He introduced Mr. Falkenburg to present the slides that were previously distributed to the Board and meeting attendees. He explained the landlord role of the District and the requirements for Sigma to act as a third party to provide an annual maintenance audit. He explained the preventative maintenance and the demand maintenance. He also provided a recap of the prior year's audit. Mr. Falkenburg explained that 121 items were found and 118 of the items from the 2020 site visit were addressed and the three things not fixed are ongoing because they are part of a program already in place to address these items on a 5-year cycle.

This year, because of Covid, there were some restrictions and they weren't allowed in the team or staff spaces. They also found without a preseason the Team has had more time to address the issues and this year's audit found 96 items which is fewer than other years.

He explained the walkthrough process and discussed the issues that were presented to Mr. Eisenreich to address. The major things noted in the bowl and seating areas were some concrete spalling and expansion joint deterioration. Some of the concrete columns had some cracking in the concourses which has no structural concern. There are some metal pans with corrosion due to weather exposure. There were some active leaks in some of the windows in the atrium and in section 480. There also was

some typical peeling paint which will be addressed in the rotation process. Some normal wear and tear on drywall was present. There is block step cracking in the mortar which is normal also. Some door damage was also noted. The exterior walls had some sealant deterioration which is also typical. Some gate damage was noted at the Fleet Farm gate due to construction loading and unloading. The roof had some missing slip sheets and there was also some steel corrosion and water sitting on the roof membrane. Electrical junction boxes were left open and there was some missing fire stopping which occurs when they are pulling wires and forget to put it back when complete. The asphalt was cracking and needed some sealing. Similarly, there was also some concrete cracking. They also noted some light pole corrosion.

In summary, the Packers continue to provide a well-organized maintenance program and perform maintenance activities in a timely manner. He asked the Board if they had any questions.

Chair Lamine noted that it looks like the Packers are continuing their efforts to maintain the facility. Mr. Falkenburg agreed.

A MOTION WAS MADE BY BILL GALVIN AND SECONDED BY KEITH LUCIUS TO APPROVE THE REPORT AND PLACE ON FILE. A vote was taken. MOTION CARRIED UNANIMOUSLY.

6. REQUEST FOR APPROVAL OF THE MINUTES – SEPTEMBER 28, 2020

A MOTION WAS MADE BY KRISTEN JOHNSON AND SECONDED BY MARK GRAUL TO APPROVE THE MINUTES. A vote was taken. MOTION CARRIED UNANIMOUSLY.

7. LATE COMMUNICATIONS

There were no late communications.

8. SIGMA EXTENSION

Mr. Webb said they are looking to extend the contract with Sigma for another 3 years under the same terms and conditions. Both parties have the opportunity to get out of the agreement with a 180-day notice. The renewal reaffirms the commitment to the partnership that was created with Sigma a couple years ago and is reflected in the budget. Mr. Webb recommended that the Board move ahead with the agreement. Mr. Kaszubowski didn't have anything to add but he appreciates the opportunity to be able to step in and help out as needed and the option to save a little bit of money is reflected in the budget and this has been a great thing for both parties involved.

Ms. Weycker asked about a succession plan for staffing and if there was any progress made on that. Mr. Webb said this is sort of the succession plan in that they continue to work with Sigma to bring them up to speed on all aspects of the District's needs. They have been provided work flows on almost everything the staff does now. If something would happen, Sigma would be able to step in and take over. There will be a time when the staff won't be here and somebody has to perform the duties. They studied other options a few years ago. One option was to go out of business, the second was to look at hiring someone, and the third option was to deal with a local municipality or a private firm. It was decided to go with Sigma who is familiar with the District's responsibilities.

Mr. Graul asked why this agreement is a 3-year term. Mr. Webb explained that it was originally set up for 2 years to get used to it and now it will be extended for 3 years. It could be extended to 15 years or

until 2031. The idea was to extend for 3 years to continue on the way it is working. The 3-year term is arbitrary. Mr. Graul asked if there were any costs associated with the 180 days to get out of the agreement. Mr. Webb said none other than paying for the remainder of the 180 days. Mr. Webb explained that the numbers in the agreement were much higher when it started and now the staff's hours and salaries are down quite a bit. Mr. Graul asked about the management fees. Mr. Webb said that Sigma processes the payroll and covers the things that go along with that. He is now an employee of Sigma and Mr. Kuehl is contracting with them. There are also overhead costs associated with that. The other expenses would be if Sigma would attend meetings or participate in anything else for orientation or other things related to the agreement. Mr. Graul asked about the rest of the costs and if they are a fixed amount. Mr. Webb agreed they are fixed.

Chair Lamine asked if the Board had any other questions. There were none.

A MOTION WAS MADE BY BILL GALVIN AND SECONDED BY KEITH LUCIUS TO APPROVE THE AGREEMENT EXTENSION WITH SIGMA. A vote was taken. MOTION CARRIED UNANIMOUSLY.

9. CONSIDERATION OF RESOLUTION 111-AUTHORIZING APPROVAL AND ADOPTION OF 2021 BUDGET

Mr. Webb gave the Board the highlights of the proposed budget. He explained how they were going to approach staffing this year and the whole idea of dealing with some possible reduction of staff hours. However, subsequent to that they had a discussion with the Team about their intention to renegotiate the lease. He left the hours and salaries the same as last year. He's not sure that will be enough for the upcoming expenses that may be incurred. The District receives \$100,000 from the escrow account every year and insurance funds from the O&M Fund. The key number is that they will be seeking \$67,000 from the Economic Development Fund to cover the other administration expenses that cannot be covered by the escrow account. Last year that amount was about \$83,000 and now with the reduced number of meetings they have cut back on the amount.

He reported on the Capital Projects User Fee Fund. The User Fee amount could vary based on the number of season tickets exchanged which can differ substantially from one year to another. It could be that nobody will turn in their tickets because they missed the games so much this year. The Fund balance is about \$8 million. He budgeted about \$30,000 worth of interest because the Team will be drawing \$6 million for some concourse renovations that are in the budget. This will leave us with about \$2 million in the account in accordance with the Board's wishes to maintain a small balance to ensure funds are available to cover any unanticipated needs.

Special Revenue Funds are pretty much the same as last year. Still budgeting \$500,000 in ticket tax. Hopefully there will be fans next season. Otherwise, that money won't come in like this year. They are still collecting \$400,000 in license plates and he feels they will surpass the brick sales revenue prediction, but he left it budgeted at \$60,000. Interest earnings are \$1.5 million. The District has US Treasury strips scheduled to come due each year until 2031. Most of this interest goes to fill the funds and isn't really spendable money. The budget includes ticket tax of \$7.8 million assuming there are fans in the stands. The District will transfer \$5 million into this account to cover the Operations & Maintenance from the escrow account. They will hopefully pay the Team about \$12.9 million. This year the amount was only \$6 million because of the ticket tax fund decrease. There are qualified bank fees to cover the Mastercard/Visa transactions through the ticket office. There's also money for maintenance monitoring. All these funds are self-contained so what money goes into the funds can only be used for those purposes.

Mr. Webb went on to discuss the Special Revenue and Economic Development Fund. There is \$950,000 but only about \$780,000 is available which is shown in the detail. The District will use \$67,000 to transfer to the General Fund. They budgeted \$56,000 for events and some of those will not take place. He feels many will not take place and they've already canceled the January youth church group event so they will not be spending everything budgeted.

He asked if there were any other questions.

Mr. Graul asked about the language in the resolution in item 4. "Executive Director in consultation with the Chairperson and Treasurer, is hereby authorized to take all such other action and he/she, in his/her judgement, shall deem necessary or convenient to carry out the intent and to accomplish the purposes of these resolutions." Mr. Kuehl mentioned this language has been used forever and was drafted by attorneys originally. Mr. Graul just feels it is broad language and the Executive Director can just do what he deems necessary. Mr. Webb agreed it is broad but stated changes would be done in consultation with the Chairperson and Treasurer and they go over the financials at every meeting but it could be changed if he desired. Mr. Vande Castle added it is very standard language that allows the Executive Director to carry out the approved budget without having to come back to the Board to vote on everything. This language allows the budget to be implemented without further action by the Board. Mr. Webb offered to change the language. Mr. Graul said he didn't know how to edit it but it just struck him as broad. The intent is understood but the language says the Executive Director can just do whatever they want. Obviously, there's been no abuse of it, but he just reads it as odd. Mr. Webb mentioned it gives him authority to carry out the intent of the budget. Ms. Weycker mentioned the sentence ends with resolution and might read better if substituted with the word budget. Ms. Johnson said the language makes sense to her and it gives Mr. Webb the authority to carry out what the Board approved in the budget. Mr. Lucius agrees with Ms. Johnson and he doesn't have a problem with the language and feels the Board doesn't want to be a day-to-day action board. Mr. Graul emphasized the language "all such other action deemed necessary or convenient" seems excessive.

There was no further discussion.

A MOTION WAS MADE BY KEITH LUCIUS AND SECONDED BY BILL GALVIN TO APPROVE RESOLUTION 111. A roll call vote was taken with 6 AYES – 0 NAYS. MOTION CARRIED UNANIMOUSLY.

10. SPECIAL EVENTS & ECONOMIC DEVELOPMENT FUND UPDATE

A. Detail of Special Events and Economic Development Fund

Mr. Webb said the fund contains approximately \$780,000 of available funds. There will be \$67,000 taken out and possibly \$56,000 which will put us around the \$700,000 if most of the \$56,000 remains in the fund. If there isn't another special event soon the fund will deplete fast. There are items in the lease negotiations could allow the District to generate more funds. Allowing more special events would be one of the targets for the discussions. Chair Lamine assumes that things will continue to move in a positive direction regarding the pandemic and there will be some pent-up demand for entertainment. He thinks it might take awhile for people to want to gather at a large event. He hopes that in 2022 there's going to be the demand and maybe a situation with some more flexibility on the terms of the Team with dates and such so the District could be in a better position to welcome an event at the stadium again. Mr. Webb added that the Wisconsin and Notre Dame teams have stated they are interested in rescheduling

the game here at Lambeau. They will be playing in Chicago in 2021 but they've gotten more flexible with the scheduling.

B. Reset Life, Inc. Grant Status Update

Mr. Webb presented an update from Reset which received a grant from the District.

C. Sports Complex Study Update

Mr. Everts presented the information to Mr. Kuehl regarding the sports complex. Mr. Kuehl presented two scenarios for a sports complex. Scenario A included options for a bubble system or a phased completion with a cost of \$92 million and a 30-year economic impact of about \$1.9 billion. Scenario B included the same as above with the exception of the addition of a sheet of ice. They were not recommending this option because if another sheet of ice were needed it belongs over at Cornerstone. This costs \$110 million with an economic impact of a little over \$2 billion.

This study was done with grant money from the District to the CVB. Mr. Everts was asked to add anything he might want to mention. He said it was a unique process to go through with Covid. The group came from Chicago once and talked to various sports representatives in the area.

Chair Lamine asked about the steps going forward. Mr. Everts they viewed the presentation last week and the report was given to the District. They've already been in touch with the municipalities and the Oneida Tribe. The next steps will be to further discussions and determine the demand. They don't know where the facility is going or how it will be funded yet but at least they have the study that supports what the demands are. Ms. Weycker asked for an electronic version. Mr. Kuehl said the executive summary was provided to the Board and he understood the CVB would provide the report to those interested. It is a large file so it might not go through to everyone's email. There is also a link to the presentation that was provided that he will forward.

Ms. Weycker asked for the missing page on the Reset Life communication. Ms. Roskom will forward.

A MOTION WAS MADE BY LEAH WEYCKER AND SECONDED BY BILL GALVIN TO RECEIVE THE UPDATES AND PLACE ON FILE. A vote was taken. MOTION CARRIED UNANIMOUSLY.

11. SEPTEMBER, OCTOBER, NOVEMBER 2020 FINANCIAL REPORTS

Mr. Webb said most of the changes and deviations have been discussed earlier. A lot of them have to do with not having an event and not having fans in the stands. They've saved some money by not going to conferences and not paying dues. They aren't projecting to spend the \$87,000 in the budget.

Mr. Lucius asked Mr. Webb about the variance of \$6.7 million in maintenance and repairs. He wondered what wasn't completed that was budgeted. Mr. Webb said the ticket tax is combined with the money from the escrow to pay to the Team maintenance. They are only responsible for maintenance up to the level of that amount of money. Because there were no fans in stands in 2020 the only ticket tax money collected was \$1 million from the playoff game in January combined with the \$5 million

coming out of escrow. So they only could pay the Team \$6 million instead of the normal \$12-13 million. Mr. Lucius asked if something didn't get done. Mr. Webb said the Packers picked up the cost. They normally report on their financials \$25-\$28 million worth of eligible expenses. The District normally reimburses them \$13 million – this year they probably still have the same amount of expenses but the District will only give them \$6 million so they're not on the hook for any money they don't have. It's the same thing for the Capital Improvements. The District is not responsible for capital improvements beyond funds available in the Capital Improvements Fund. The Team is responsible for keeping the stadium in the top 25% of NFL stadium regardless of the availability of District Funds. That's kind of the benchmark but he thinks if you listen to what Sigma reports the stadium is at a high level.

Mr. Lucius said that explained a lot. Mr. Webb said he will go through this again in the next meeting.

There were no other questions on the financials.

A MOTION WAS MADE BY KRISTEN JOHNSON AND SECONDED BY KEITH LUCIUS TO APPROVE THE FINANCIAL REPORTS. Vote taken. MOTION CARRIED UNANIMOUSLY.

12. 2019 AUDIT

Mr. Webb was thankful to get the audit in 2020. He said the assets will continue to go down as money is spent on capital improvements. Escrow goes down and assets go down. They are actually taking money put aside and spending it according to the legislative intent. When the District collected sales tax, the assets were much higher. The only minor thing reported in the audit was the lack of separation of duties. It is addressed on page 39 and speaks about the internal control weakness. The District uses a trust company – Associated Trust – who is responsible to make sure that when money is moving around it goes to the correct funds. Investments are reported in the audit and are pretty solid.

There were no questions on the audit.

A MOTION WAS MADE BY MARK GRAUL AND SECONDED BY LEAH WEYCKER TO APPROVE THE 2019 AUDIT. A vote was taken. MOTION CARRIED UNANIMOUSLY.

13. DIRECTOR'S REPORT

Mr. Webb mentioned there's only \$44,000 left in the Operations & Maintenance account because the Team received the interim payment of \$6 million and the District will not pay the Team any more. There's \$54 million in the 8257 Fund invested Treasury strips which are gradually coming due annually. Of course, the Special Events and Economic Development Fund was discussed previously.

Mr. Webb presented the brick and tile sales. The sales have held up well for this period of time. They are already at \$53,000 with two months to go so they should exceed the \$60,000 budget.

Mr. Webb discussed the future meeting dates for 2021. The meetings are scheduled now for the fourth Monday of the last month of every quarter at 2:00 p.m.

The roster was also supplied and he asked the Board to review the information and submit any changes to Ms. Roskom.

There were no other matters for the Director's Report

A MOTION WAS MADE BY KRISTEN JOHNSON AND SECONDED BY MARK GRAUL TO APPROVE THE DIRECTORS REPORT. Vote taken. MOTION CARRIED UNANIMOUSLY.

14. OTHER MATTERS AUTHORIZED BY LAW

There were no other matters.

Chair Lamine thanked the staff for setting up the Zoom meeting today and thanked them for all their efforts in a challenging year. He said he appreciates the fact that the staff is always available when they are needed.

Mr. Webb thanked the Board for putting up with the unusual circumstances as well. He hopes to be back to normal by June.

He wished everyone a Merry Christmas.

12. MOTION TO ADJOURN

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

The meeting adjourned at approximately 3:10 P.M.

Respectfully submitted,

Diane Roskom
Administrative Specialist