

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 22, 2021** at 2:00 p.m. via Zoom.

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

ALSO PRESENT: Pat Webb, Greg Kuehl, Bill Vande Castle, Ken Kaszubowski, Brian Dworak, 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.

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. REQUEST FOR APPROVAL OF THE MINUTES – DECEMBER 14, 2020

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

6. LATE COMMUNICATIONS

There were no late communications.

7. SOURCES AND USES OF FUNDS – FLOW OF FUNDS

Mr. Webb felt this would be a good update for the Board. He directed them to the shared screen showing pages 6 through 9 of the work pages in the agenda packet.

He explained there are currently two escrow accounts set up for the District and they both end in 2031. The first one is the administrative escrow account which delivers to the District \$100,000 annually for its general operations. The quantity is in the second column from the left and accumulations of interest to date, annually, etc. The current value of the one that matures for funding year 2022 is \$98,426. The budget refers to having \$30,000 or so of interest, of which only \$200 is available for spending. That is because most of the interest is going to build escrow and not available for current spending.

He directed the Board to pages 8 and 9 referring to the 8257 Fund. Once again you have the quantity it will be worth when it matures at \$5.4 million and it's currently worth \$5.36 million. We report

interest in that account of \$1.5 million but most of it is not spendable on current operating costs – it is only being used to accumulate the amounts to maturity. If you go through this all the way to the end, in 2031 our obligation to fund the portion of maintenance through the sales tax – which all these costs were paid for out of sales tax - and the difference between the sales tax used and the maturity value is all the interest earned over the years since this escrow account was started. There were no questions on the escrow.

Mr. Webb referred to page 1 to look at the sources and uses of funds. He showed the general diagram on page 1 and numbers from the budget are on page 2. The first item is the \$100,000 that is applied annually from the escrow account. It doesn't show up in the budget because it's like a fund balance. It's already there so it's not a revenue. The \$32,600 in interest shows but only \$200 of that is available to pay the \$220,000 in the far right column. The District gets some reimbursement from the O&M Fund for insurance and \$67,000 from the Economic Development Fund. That would be like the tax levy only it's coming from a different fund. The net is needed to balance that fund out. The 8257 Fund transfer covers half of Ms. Roskom's salary and fringes which are charged to the 8257 Fund for her work on the bricks. In essence, that is the District operations amount. The key number there is how much you have to use from the Economic Development Fund annually in order to balance the account. The \$100,000 and everything else is just not enough to cover it. That amount has been going down for the last couple years. It used to be well over \$100,000 – this year it is down to \$67,000.

Chair Lamine asked about the O&M reimbursement. He wondered if that's the amount the Team gives the District for insurance. Mr. Webb agreed. He also asked if that was the result of the Lease. Mr. Webb stated it is the result of negotiations between the District and the Team and not a part of the Lease. Mr. Webb said it may be an amendment to the Lease but wasn't part of the original agreement. The Team wanted the District to have \$10 million worth of insurance but held the District harmless, so they negotiated this reimbursement from the O&M Fund. Mr. Lucius asked if that meant the cost of the insurance goes up, the reimbursement goes up. Mr. Webb agreed and added that the District is now part of a municipal mutual insurance group. When the District was on the open market that cost was between \$50,000 – \$60,000. The cost has come down a lot after joining the group. He asked if there were any more questions on the general operating fund.

Mr. Lucius asked if there would be an issue if the Special Events is only \$67,000 and other years it has been so much more. Mr. Webb said that's actually good because they aren't draining the Special Events Fund for operations. The District has been able to cut down on staffing over the 2-3 years, we're down to only needing \$67,000. If the District needs more staffing for Lease negotiations or if there's a full takeover by Sigma, the Board will have to drain more from the Special Events and Economic Development Fund to pay staffing. That's why they always refer to the balance of that fund. If they drew \$70,000 a year for the next 10 years, that's all the District has. Even at this level of staffing, which he isn't sure how long will be maintainable, the District will run out of money before they can afford to and that is just for operations. He asked if there were more questions.

Mr. Webb discussed the Capital Improvements Fund. He explained they report on this every month. The thing to remember is there is an \$8.2 million balance at the beginning of the year. According to the budget, the District will get about \$350,000 from user fees and how that user fee money works is when somebody turns in their season tickets (say you have 4 green package tickets you had from the beginning) – the District would reimburse you \$5,600. The Packers will get a new user fee from a new ticket holder and those 4 tickets will go for \$2,100 a piece – so that's \$8,400. The different between the \$8,400 and the \$5,600 will generate \$2,800 on an individual basis for those tickets. That \$2,800 will go into the Capital Improvements Fund. Also, as they had in prior years, the Packers released

some of the Brown County tickets and the whole \$8,400 would go into that fund. But if they refund somebody that bought their tickets after the last renovation, there would be nothing going in there because the District would be refunding \$8,400 and getting \$8,400 back. This revenue depends strictly on the amount of tickets that are turned in on an annual basis.

Chair Lamine asked if anything changes with the talk of the NFL expanding their schedule. Mr. Webb answered no. He asked how you come up with the \$350,000 – is that an average. Mr. Webb agreed that is the amount they've generally received. He added that the \$15,000 of interest is reduced this year because they are down to only \$2 million in the account after the Team has been paid the \$6 million for the concourse renovations. There is \$365,000 worth of revenue and \$6 million worth of expenses. The difference comes out of the \$8 million plus in the fund balance. Ms. Weycker asked if the District had access to these funds. Mr. Webb stated they can only be used for capital improvements much like all the other District funds that are locked in for specific purposes. There were no more questions from the Board on the Capital Improvements Fund.

Mr. Webb went on to the 8257 Fund. The reason it's called that is that's the statutory reference in the legislation. This is pretty much just a clearing account. Whatever the District puts in is transferred to O&M except for anything left over that the District didn't use the escrow for. Under the Lease and the legislation, the first \$500,000 of annual ticket tax, which amounts to roughly \$8 - \$9 million, goes into this account. He doesn't exactly know why they picked the first \$500,000 but that's what they did. He explained the District gets the license plate revenue. They also have brick and tile fees that are net. The budget shows a certain amount of revenue \$60,000 – less \$30,000 expenses associated with the brick sale. The other source is the escrow the District set up for the 8257 Fund -- the second group of numbers he showed them. Last year the District used \$4.1 million of that. This year they project using \$4.1 million to go with those other revenues to pay to the O&M Fund the \$5 million in the far right column.

Mr. Webb went on to explain that the District puts this money in from the ticket tax, the license plate revenue, the brick/tile fees, and then they transfer that based on a calculation that started out in 2001 at \$3.4 million and that has an escalator clause that's calculated every year. A certain amount for any amounts the Team pays to the City for labor and benefits, and a separate amount for all the other expenditures. It was averaging 2.3% from the beginning. That has been going up and he predicts it to be between \$5 and \$5.1 million this year that will be transferred to the Team.

Ms. Weycker asked about the City expenses. Mr. Webb said that is mostly game day expenses for police and rescue. He said the Packers overall have about \$27 million worth of expenses for this line item. The District gives them about \$12-13 million annually – except for last year.

Mr. Graul asked which fund he was referring to. Mr. Webb said Ms. Weycker was asking about the calculation of the 8257 Fund. He said the Packers have expenses of \$27 million but only \$5 million or so is reimbursed out of this fund. It is a calculated formula and he'd be happy to share it with him. A portion of this is to reimburse the City for expenses for labor such as police and rescue services at the game. For some reason the legislation permits any reimbursement to the City be increased by up to 3% every year. Any other amount may go up by no more than 2% each year to determine the amount of money transferred from the 8257 Fund to the O&M Fund. The fund started out at \$3.4 million back in the early 2000's. It's grown to \$5,039,523 million now and will continue to grow until 2031. That's where the escrow comes into play.

Mr. Webb said that after that the amount transferred from the 8257 Fund goes into the O&M Fund and is combined with ticket tax revenue. Ticket tax revenue is projected at \$7.8 million at this time. The \$7.8 million can fluctuate by quite a bit if there's a home playoff game. So a couple years ago when the Team hosted Seattle there was a \$1 million increase in that line item. Right now he hasn't budgeted any playoff games. Last year obviously didn't generate a lot of money because the two playoff games didn't have many fans in the stands. Mr. Lucius asked if this is where they'd see an increase with going to 17 games in the season as proposed. Mr. Webb agreed and added that if they had a home game the ticket tax would kick in.

Mr. Popkey made a point that the additional regular season game is a trade for a preseason game. So you would get some additional revenue but you'd have to see how that would compute. This wouldn't be an additional game weekend. The preseason would lose one and the regular season would gain one. Mr. Webb said it would still be more revenue because a regular season game generates more than a preseason game. Mr. Popkey agreed but wanted to clarify. Mr. Webb thanked him for the information.

Mr. Webb said the interest on the fund is about \$95,000. Some expenses are netted out before the transfer is made to the Team. One of them is obviously the transfer from the O&M Fund for insurance. There are certain expenses associated with collecting the ticket fees that are taken out. That represents \$110,000 – some qualified bank fees and other things are all charged to this O&M Fund prior to what the District transfers to the Team. If the District would get an extra \$1 million due to the Packers hosting a playoff game, that would increase that amount we pay the Team. There's nothing else the District can use those funds for.

Mr. Webb explained the last item which is the Economic Development Fund. In the budget there was nothing for special events. There was a small amount of interest. The transfer to the District operating fund was \$67,000 which matches the revenue referred to earlier. There were some special events that could have taken place in 2021 but most will not. In a normal year based on this there would have been \$120,000 coming out of the account. With only \$700,000 of available funds, the District definitely needs another special event. The only way to get money into this fund is with a special event of some kind. The Notre Dame game would have generated \$1 million and it was desperately needed to have this fund be liquid. Right now the District is in a holding mode with nothing to approve.

Mr. Webb feels this is worth reviewing on an annual basis to get everyone in the same frame of mind when he's referring to these funds and amounts.

Ms. Weycker asked about the funds being lower this year and the Packers aren't going to be able to do things through the capital improvements – will they be able to do some of the improvements. Mr. Webb said the Team is required to keep the stadium in the top 25% of all stadiums, and anything that is not available using the capital improvements funds, they have to pay for. Just like they are responsible for all the maintenance of the stadium.

The big different between the District's lease and legislation and Miller Park's lease and legislation is that almost all the District's funds were based on sum available and not based on some amount that they could be asked to pay. It isn't like they share half of the capital improvements – they only pay what's available in the fund. Last year when there was no ticket tax of \$7.8 million, the District didn't pay the Packers any more than the funds available – which was the \$5 million from the 8257 Fund plus the \$1 million from the Seattle game. Ms. Weycker asked if the Packers contribute and does the District see those numbers. Mr. Webb said they report on the projects they fund. He asked Mr. Kuehl to explain

in more detail. Mr. Kuehl said the Packers have funded many improvements to the stadium and for some the District has participated on a percentage basis with funds available. Many of the projects have been done by the Packers with their own money. The south end zone was completed with a bigger contribution from the Team as well as the expansion on the east side. They've done a host of things in this building that have not been paid for by the District. Mr. Webb said that Mr. Popkey was going to go over some of the recent improvements in the Director's Report. Ms. Weycker said she now understands more after this review.

Sen. Cowles asked about the cancelled events and how the District can recoup anything into the Economic Development Fund. Mr. Webb explained that as of now the events rescheduled have been pushed down. The District still has all the funds in its possession and hasn't transferred them to anybody. As of this point in time if the CVB reschedules an event for a later date he rolls the funds forward. If the Board wishes to have the events approved again, they could do so but there was an original commitment to fund those events if they take place. Sen. Cowles understands that and doesn't feel that is necessary.

Mr. Webb showed the Board the 8257 Fund diagram showing the order of things going into the fund as the legislation requires. It reiterates what was discussed earlier. He referred them to the narrative and told them he could recap anything after they've had a chance to read this at their leisure.

Mr. Graul asked about the total funds in the 8257 Fund. If he reads it right the total is \$62.3 million. Mr. Webb agreed that is the amount in the escrow account plus whatever was transferred from the escrow this year plus any of the escrow that hasn't been used because they've had all other revenues to offset part of it. Mr. Graul asked about the \$62 million and if it should grow with interest over time. Mr. Webb agreed and stated each of the line items make up a portion of that. Mr. Graul asked about the administrative fees and the \$1 million total. Mr. Webb agreed and stated the escrows can get tricky. He stated he thought early on that the interest rates were so low and now the market stands to make money if you'd cash it in – but then you'd have to reinvest so everything is now left to go to maturity as required.

Mr. Webb said he was done explaining the sources and uses. Chair Lamine thanked him for his explanation and agreed with Ms. Weycker about how he understands a bit better each time it is revisited.

8. SPECIAL EVENTS & ECONOMIC DEVELOPMENT FUND UPDATE:

A. January 13, 2021 Email from Joel Everts RE: 2021 Events

Mr. Webb explained he got this email about the rescheduled events. Some might take place this year and he wanted to let the Board know his plan was to roll them to the year in which they will take place.

Mr. Graul asked about the events that were approved for multiple years. Mr. Webb agreed some ran for more than one year and were pushed back. Chair Lamine agrees with the events being held without further approval and just carrying them over.

B. Detail of Special Events and Economic Development Fund

Mr. Webb said the District has had special events revenue over the years of \$2.1 million. The events are listed in the statement. The big event was UW versus LSU football game which was

\$912,000. The others were the Paul McCartney, Billy Joel and Chesney concerts. He reminded the Board that this revenue wouldn't been available if the District hadn't negotiated something to transfer the ticket tax to the District for these types of events. This negotiation took place shortly before the 2006 hockey game. This was an opportunity to give the Team some of things they wanted and give the District a chance to play a role in the economic development of the community.

Mr. Webb said the District has already spent \$2.7 million on various things detailed on the list provided. The WIAA girls basketball tournament was the first event brought to the area in 2013. It was a grant to the WIAA for \$25,000 for 2013 and 2014. This was a good move and he feels everyone is happy with the decision to fund the move of the tournament from Madison to Green Bay. The biggest contribution was the million dollars given to the County for the Expo Center which has strapped the District financially and put it in a holding pattern. The approved not paid items listed were detailed as well. This totals \$114,000 and leaves the District with \$740,000 available after this year.

Mr. Galvin asked about the WIAA playoffs and some of them being held in the new facility in the Fox Valley. Mr. Webb said they are committed to going back to doing girls basketball and volleyball with fans here. The facility may have been too big for events held without fans. Mr. Everts was asked about that. They changed the schedule of the fall sports to accommodate a spring session they had to shorten the basketball season. When they did that the Resch Center wasn't available on the new weekend. There was a 3-game home stint for the Gamblers that weekend. He reported that everything is back on for next year and the contract has been extended for another year to expire in 2026 rather than 2025. Hopefully everything will be back to normal by the volleyball tournaments this November. Mr. Galvin asked about the new arena and how they anticipate trying to meet the needs and help facilitate getting new events and organizations in the new facility. Mr. Everts said the WIAA announced the retirement of Dave Anderson and they would like to lock-in these events to a longer term. They like having the tournaments here at the Resch Center and appreciate the Rush to the Resch campaigns. If the discussion comes up they will be ready to discuss keeping the tournaments in Green Bay.

Mr. Webb said there are other events they'd like to have in the new Expo Center, but until there are more funds the District will not be able to help out. He explained the District's current contribution to the WIAA tournaments is to provide funds to award the school each division of the basketball and volleyball tournaments that sells the most tickets. He feels this is the most effective way to use the District's funds and boost the economic impact. The goal is to get over 40,000 tickets sold and they have come close.

Ms. Johnson asked if the District is still receiving requests for funding and how they are handled. Mr. Webb said that most of the requests come through the CVB lately. He stated they reached out to the District to help out with the USA hockey event but he denied the request.

Mr. Lucius asked about the sports facility study. Mr. Webb said they discussed a summary of the study at the last meeting. Mr. Kuehl thought a summary was provided with all the proposals and could make it available again. He said they are also waiting for the final report on the Expo Hall from the County. He offered to make the details available. A link was provided to the full report from the consultant which could be sent to anyone interested.

Mr. Lucius asked if anything has moved forward on that. Mr. Everts said there was a final presentation in early December. After that 2 or 3 various municipalities as well as Oneida Nation have come forward and they are meeting with them individually. He said he will pull all those parties together soon to discuss the options.

9. JANUARY AND FEBRUARY 2021 FINANCIAL REPORTS

Mr. Webb said it is early in the year and you really don't have a good feel for the budget yet. He didn't have any major things to report at this time.

There were no other questions on the financials.

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

10. DIRECTOR'S REPORT

Mr. Webb discussed the fund statement for Special Revenue. He mentioned that Mr. Graul asked about the 8257 Fund which is basically down to \$49 million but will continue to grow. The O&M Fund has the \$5.3 million balance which is really ticket tax from the first two playoff games that didn't have a lot of fans, plus the \$5 million transferred in from the 8257 Fund. There is cash of \$863,000 in the Special Revenue Fund.

Mr. Webb presented the Capital Projects Fund that shows the \$6 million taken out since the last meeting. There's about \$2.3 million in the fund at this time. In the past the District Board has wanted to keep \$2 million in this account to cover anything they might think is important for the District rather than just something important for the Team. He doesn't know exactly why but that is what was decided.

Mr. Popkey agreed to go over some of the projects the Team has accomplished in the last couple years and a report was provided to the Board.

Mr. Webb directed the Board to the fourth quarter maintenance report from the Team.

Mr. Webb reported on the brick and tile sales. The sales were \$22,000 for November and December. They were \$70,000 for the year which was the highest annual amount in a while.

Mr. Webb discussed the future meeting dates which are scheduled for the fourth Monday of the last month of every quarter at 2:00 p.m. The next meeting will be held June 28 and will hopefully be held in person.

Mr. Webb reported that the copy machine in the District's office is very old and the company that services it may not offer the maintenance option next year. There aren't any funds in the budget for a new one.

There were no other matters for the Director's Report

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

11. OTHER MATTERS AUTHORIZED BY LAW

There were no other matters.

12. MOTION TO ADJOURN

A MOTION WAS MADE BY SEN. COWLES AND SECONDED BY MARK GRAUL TO ADJOURN THE MEETING. A vote was taken. MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at approximately 3:25 P.M.

Respectfully submitted,

Diane Roskom
Administrative Specialist