



# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

MILLER PARK - ONE BREWER WAY, MILWAUKEE, WISCONSIN 53214  
PHONE (414) 902-4040 FAX (414) 902-4033



## SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT BOARD OF DIRECTORS MEETING MINUTES March 12, 2019

SEWPBPD Conference Room  
One Brewers Way  
Milwaukee, WI 53214

**Board members present:** Don Smiley, *Chairman*; Mark Thomsen, *Secretary*; Karen Makoutz, *Treasurer*; Alec Fraser; Kris O'Meara (*via phone*); Jim Ott; Jason Rae; Tom Schreiber; Doug Stansil; Keith Swartz; John Wenum

**Board members excused:** Mark McCune, *Vice Chairman*

**Others present:** Michael Duckett, Kristi Kreklow, Shannon Schwingle, SEWPBPD Staff; Dave Anderson, PFM; media and other interested parties.

### 1) Call to Order

Chairman Smiley called the meeting to order at 3:00 pm and stated for the record that a quorum of Board members was present to conduct business.

#### a) Review Open Meeting Notice

Chairman Smiley noted that the agenda was properly noticed pursuant to open meeting laws.

Chairman Smiley asked if there were any members of the general public that would like to address the Board. There were no comments.

#### b) Approval of Meeting Minutes – November 13, 2018 Meeting

**MOTION:** After discussion, it was moved by Mr. Thomsen and seconded by Ms. Makoutz to approve the minutes of the November 13, 2018 Board of Directors meeting as presented. The meeting minutes were approved by unanimous voice vote.

### 2) Report of the Chairman / Executive Director

#### a) Chairman Report

Chairman Smiley presented the Board of Director's current roster and committee assignments. He welcomed Jason Rae as the newly appointed Milwaukee County representative and thanked everyone for their volunteer service on the Board and Committees.

#### b) Executive Director Report

Mr. Duckett addressed the following items in the Executive Director Report:

- The 2019 meeting schedule for the Board of Directors and its Committees was presented. All meetings are subject to revision by the Board and/or Committee Chair.
- The 2018 moveable roof summary was presented. Mr. Duckett noted that 32 baseball games were played with the roof closed in 2018 and that the Brewers attracted over 2.8 million fans during the 2018 regular baseball season.
- A 2018 analysis by county was presented showing the approximate sales tax revenue from each county of the District.
- The 2018 sales tax collection by county report showed that the average resident of the District paid approximately \$12 towards the 0.1% Miller Park sales tax in 2018.
- A memo to Board members regarding guidelines related to the acceptance of gifts was presented.
- The contact information for the Milwaukee Brewers ticket representative was provided for Board members wishing to purchase game tickets.
- The dates for the “5-County Fridays” were provided. Residents of the five county District are able to purchase tickets at a 50% discount on reserved seats on these dates. During 2019, the five days are Friday evenings throughout the season.
- A briefing paper on the Miller Park sales tax sunset date was provided.

**c) Draft Committee Meeting Minutes**

Chairman Smiley provided a copy of the draft meeting minutes from the most recent Finance Committee meeting.

**3) Convene into Closed Session to discuss personnel issues, contract negotiations, litigation or potential litigation matters, deliberate or negotiate the purchase of public properties, the investment of public funds, or conduct other specified public business, whenever competitive or bargaining reasons require a closed session**

Chairman Smiley noted the need to convene to closed session to allow for further discussion regarding a legal opinion related to potential future litigation and to allow discussion with legal counsel related to ongoing lease discussions.

**MOTION:** It was moved by Mr. Fraser and seconded by Mr. Schreiber to convene into closed session. Chairman Smiley called for a roll call vote. The meeting convened into closed session at 3:10 pm on an 11 – 0 roll call vote.

**MOTION:** After discussion in closed session, it was moved by Mr. Wenum and seconded by Mr. Schreiber to re-convene the meeting in open session. The meeting re-convened into open session at 4:20 pm on an 11 – 0 roll call vote.

Chairman Smiley noted that, during closed session, the Board of Directors discussed pending litigation and ongoing lease discussions with its legal counsel.

**4) Report of Project Participation Committee**

**a) SEWPBPD Project Participation Report**

Mr. Thomsen provided the Board with the final 2018 targeted firm participation report, noting that the District had the goal of 10% targeted firm participation for professional service providers and 15% for improvement projects and that actual participation levels were 13.4% and 33.1%, respectively. Mr. Thomsen noted that there hasn't been significant activity in 2019 but the District anticipates it will meet or exceed its participation goals in 2019. A historical participation report was also presented, noting that a total of 20.9% participation has been achieved since the District began its post-construction program.

## **5) Report of Operations Committee**

### **a) 2018 Segregated Reserve Fund Report**

Chairman Smiley called upon Ms. O’Meara to present the report of the Operations Committee. Ms. O’Meara introduced the 2018 SRF report and noted that the projects were nearly complete and expected to be approximately \$400,000 under budget. She then called upon Shannon Schwingle to provide the Board with a brief overview of 2018 projects. Ms. Schwingle provided the committee with an update on several projects that have been recently completed, including a boiler replacement and expansion joint replacement. She also noted that the retractable roof structural steel painting of the 2R and 3R box chords and upstands will be completed this spring.

### **b) 2019 Segregated Reserve Fund Report**

Ms. O’Meara noted that an updated 2019 SRF report had been distributed prior to the Board meeting, based on actions taken by the Operations and Finance Committees earlier in the day. She then called upon Ms. Schwingle to provide an update on the 2019 SRF projects. Ms. Schwingle provided an overview of recently completed projects, including the life safety air-compressor, smoke curtain units and motor control center panel replacements, as well as a computer cooling room unit replacement and cooling tower rehabilitation. She noted that preseason retractable roof maintenance is scheduled for the week of April 1<sup>st</sup>. Ms. Kreklow provided a brief overview of the wheel bearing and cylindrical expansion bearing replacement project that was completed in December.

Mr. Duckett reviewed information provided on the two additional SRF projects approved by the Committees earlier in the day. He noted that the SRF is a jointly funded account dedicated solely for major capital repairs and replacements and that projects have no impact on the sales tax sunset date. Discussion ensued on the projects.

### **c) M.A. Mortenson Company Review of Segregated Reserve Fund Master Plan**

Ms. O’Meara introduced the report from Mortenson on the review of the SRF master plan. As part of the sales tax sunset date planning, the District engaged Mortenson to provide a thorough review and update of the SRF master plan and provide a recommendation on a contingency amount for its SRF obligations. Mortenson is an independent construction management firm with significant experience in building sports stadiums. Ms. O’Meara noted that the report provided an updated SRF master plan and recommended a contingency of between 15 and 20 percent of total estimated future costs, or \$10.7 million to \$14.3 million. She noted that the report was reviewed by the Operations and Finance Committees. Discussion ensued on the report.

**MOTION:** After discussion, it was moved by Mr. Thomsen and seconded by Ms. Makoutz to accept and place on file the Mortenson report as presented. The motion was approved by unanimous voice vote.

### **d) Miller Park Quarterly Maintenance Report**

Ms. O’Meara called upon Ms. Schwingle to provide an overview of the most recent maintenance report provided by Johnson Controls and the MBBC. Ms. Schwingle highlighted the solid safety record and the completion of preventative maintenance and demand maintenance work orders during the period. Discussion ensued on the maintenance report.

### **e) Discretionary Team Projects Update**

Ms. O’Meara provided a list of the Discretionary Team Projects the Milwaukee Brewers Baseball Club (MBBC) are completing in the off-season and called upon Ms. Schwingle to provide an overview of the projects. Ms. Schwingle provided photos of construction progress on the various office renovations being completed. Discussion ensued on the current and past Discretionary Team Projects.

## **6) Report of Finance Committee**

### **a) Report on Current Financial Status**

Chairman Smiley called upon Mr. Stansil to present the report of the Finance Committee. Mr. Stansil introduced the Report on Current Financial Status dated March 12, 2019 and called upon Ms. Kreklow to provide a financial update. Ms. Kreklow reviewed the Treasurer's Report, the final 2018 budget, and the 2019 budget. She noted that the District had approximately \$29.3 million in its unrestricted operating account, \$15.6 million in the restricted SRF account, and \$42 million in the restricted Asset-Liability Matching and Stabilization accounts and at the end of January. The District's 2018 operating budget expenses were under budget and it received more revenue than anticipated, increasing its operating fund balance a total of \$23.4 million, which is used for future debt payments and District obligations. The District's sales tax receipts and volatility were also reviewed, and it was noted that sales tax distributions for 2018 were approximately 3.2% more than 2017 receipts. Discussion ensued on the report.

**b) District Investment Report**

Mr. Stansil presented the Associated investment performance report for the four District investment accounts. He noted that the Finance Committee reviewed the report at its meeting earlier in the day and that the duration on the operating account continues to shorten as the sunset date draws near.

**c) District Insurance Summary**

Mr. Stansil presented the 2019 District insurance summary. He noted that the District procured its 2019 general liability and directors and officers insurance coverage through the Wisconsin Municipal Mutual Insurance Company (WMMIC).

**d) Sikich Review of Future District Operations Cost Estimates**

Mr. Stansil presented a report from Sikich, an independent accounting and advisory firm. As part of its sales tax sunset date planning, the District engaged Sikich to review the District's estimates of future operating costs and property insurance premiums as well as provide a recommendation on a contingency amount for these obligations. He noted that the report found the estimates to be reasonable and recommended a contingency of between 10 and 20 percent of total estimated future costs, or \$3.4 million to \$6.8 million. Discussion ensued on the report.

**MOTION:** After discussion, it was moved by Mr. Stansil and seconded by Ms. Makoutz to accept and place on file the Sikich report as presented. The motion was approved by unanimous voice vote.

**e) Public Financial Management (PFM) Report on Sales Tax Sunset Date**

Mr. Stansil introduced the annual sales tax sunset date report and Mr. Dave Anderson from PFM. Mr. Anderson reviewed the 2019 sales tax sunset date report, highlighting the fact that this would be the last sunset date report given the short timeframe until the sales tax would be sunset. Mr. Anderson noted that much of the uncertainty in the sales tax sunset date has been removed as the District has funded its Asset-Liability Matching and Stabilization Fund accounts. Mr. Anderson stated that, assuming no dramatic decline in sales tax receipts, the District will have accumulated sufficient funds in late 2019 or early 2020 to begin the final sales tax retirement process, including its final debt defeasance process. Discussion ensued on the report.

Mr. Anderson concluded his report by stating that he was confident that the District Board can plan to meet in March 2020 to certify the retirement of the 0.1% Miller Park sales tax. At that point, the District will have adequate funding to retire all remaining construction debt and to adequately fund escrow accounts for future contractual obligations – including contingencies within the recommended ranges provided by the District's outside, independent experts. Upon receipt of the December 2019 or January 2020 sales tax distribution, the District can initiate the sales tax sunset date process, including the final defeasance that will take 4 to 6 weeks and culminate in bond counsel's legal opinion that all District debt has been legally defeased. Discussion ensued on the report.

Chairman Smiley concluded discussion with the following statement.

*Based on the District's independent expert reports that we heard earlier today, all indications are that by March of 2020 the District will have fully retired all of its initial construction debt and will have adequate funds placed in escrow to meet all of the District's future contractual obligations.*

*Therefore, I'm pleased to concur and officially announce that barring severe unforeseen circumstances, all indications are that the District will be in a position to certify the end of the 0.1% Miller Park sales tax at its meeting in March of 2020.*

**MOTION:** After discussion, it was moved by Mr. Stansil and seconded by Mr. Schreiber to accept and place on file the 2019 Sales Tax Sunset Date Report as presented. The motion passed by unanimous voice vote.

## **7) Other Business**

### **a) Correspondence to be discussed**

Chairman Smiley asked Mr. Duckett if he had further correspondence to discuss. Mr. Duckett provided the Board of Directors with correspondence regarding Senate Bill 67.

### **b) Other communications**

Mr. Duckett indicated that tab 6b contains some of the pertinent communications the District has received or sent since the last Board meeting.

## **8) Adjourn**

**Motion:** It was moved by Mr. Wenum and seconded by Mr. Schreiber to adjourn the meeting. The motion passed by unanimous voice vote and the Board of Directors meeting was adjourned at 4:51 pm.