



SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

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SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT FINANCE COMMITTEE MEETING MINUTES March 12, 2019

SEWPBPD Conference Room
One Brewers Way
Milwaukee, WI 53214

Committee members present: Doug Stansil, *Chairman*; Karen Makoutz, *Vice-Chairperson*; Alec Fraser; Jim Ott; Keith Swartz

Committee members excused: Mark McCune

Others present: Michael Duckett, Kristi Kreklow, Shannon Schwingle, SEWPBPD Staff; Dave Anderson, PFM; Mark Tomsyck, Mortenson; Media and other interested parties.

1) Call to Order

Chairman Stansil called the meeting to order at 1:34 pm and stated for the record that a quorum of Committee members was present to conduct business.

a) Review Open Meeting Notice

Chairman Stansil noted that the agenda was properly noticed pursuant to open meeting laws. He asked if there were any members of the general public that would like to address the Committee. There were no comments.

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

MOTION: It was moved by Ms. Makoutz and seconded by Mr. Swartz to approve the minutes of the November 13, 2018 Finance Committee meeting. The meeting minutes were approved by unanimous voice vote.

2) Report of Chairman on Current Financial Status

Chairman Stansil introduced the Report on Current Financial Status and called upon Ms. Kreklow for comments. Ms. Kreklow reviewed the January 2019 treasurer's report along with detail on the Asset-Liability Matching fund, which is 91% funded with an average yield of 2.6%.

Ms. Kreklow reviewed the final 2018 budget. Overall, the District increased its operating fund balance by \$23.4 million during 2018, which is used to fund future debt payments and contractual obligations. This amount is higher than budgeted due to lower than anticipated expenses and higher than anticipated sales tax collections. Overall, sales tax collections increased 3.2% between 2017 and 2018.

Ms. Kreklow noted that the 2019 budget is tracking well and expects to be at or below budget at year-end. She noted the continued volatility in monthly sales tax receipts.

3) Consideration of Expenditures Relating to District Operations

Chairman Stansil presented the expenditure listings for December 2018, December B 2018, December C 2018, December D 2018, January 2019, and February 2019 that had been previously approved per Finance Committee Resolution FC 2009-01.

MOTION: After discussion, it was moved by Ms. Makoutz and seconded by Mr. Fraser to ratify the expenditure listings as presented. The motion was approved by a unanimous voice vote.

Chairman Stansil presented the expenditure listings for March 2019 in the amount of \$125,917.82.

MOTION: After discussion, it was moved by Mr. Fraser and seconded by Ms. Makoutz to approve the March 2019 expenditure listings as presented. The motion was approved by a unanimous voice vote.

4) Segregated Reserve Fund

a) Status of 2018 Projects

Chairman Stansil called upon Shannon Schwingle to provide an update on 2018 SRF 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) Status of 2019 Projects

Chairman Stansil called upon Shannon Schwingle to provide an update on 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 1st. Ms. Kreklow provided a brief overview of the wheel bearing and cylindrical expansion bearing replacement project that was completed in December. Discussion ensued on the 2019 SRF projects.

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

Chairman Stansil 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. Chairman Stansil then introduced Mark Tomczyk from Mortenson to provide an overview of the process and the recommended updated SRF Master Plan, as well as answer any questions.

Mr. Tomczyk provided the committee with an overview of the review process for items such as HVAC, vertical transportation, retractable roof and pavement. He also discussed the programmed improvements for seats, LED sports lights, scoreboard, ribbon board and the audio system. Mortenson's sports facility staff provided a review of each area, including input from experts in the industry. He noted that there was a recommended updated 2019 SRF master plan included at the end of the report that was based on their expert experience building and improving large facilities and sports arenas. He also noted that Mortenson recommends a contingency of 15 to 20 percent of total estimated costs. Discussion ensued on the report.

d) Consideration of Conceptual Approval of 2019 SRF Projects

Chairman Stansil introduced two SRF projects for Finance Committee consideration that had been previously discussed at the October 2018 Finance Committee meeting. Mr. Duckett reviewed the LED ribbon board and out-of-town scoreboard. The LED ribbon board and out-of-town scoreboard replacement project would replace the current boards that were installed for the 2006 season and that will be in operation for 14 years by the time they are replaced after this season. They are the second oldest boards in

major league baseball stadiums and are well past the typical replacement schedule. The parts and components of the boards are no longer available and must be refurbished, which is becoming increasingly difficult. The new boards to be installed have updated technology, clarity and have an improved design for outdoor use. Discussion ensued on the proposed LED ribbon board and out-of-town scoreboard replacement project.

Mr. Duckett reviewed the flat roof replacement. He noted that the flat roof had six different segments that the District plans to replace over the next six years. This would be the first replacement and include the section in most need of replacing in the right field corner above the Terrace Level offices. The new roof will have a 15-year manufacturers' warranty and all of the replaced sections of the flat roof are expected to last the remaining term of the lease.

Mr. Duckett noted that both of the projects were incorporated into the updated SRF master plan recommended by Mortenson. He also noted that SRF funds cannot be used for anything other than major capital repairs and improvements and that projects do not have an impact on the sales tax sunset date. Discussion ensued on the projects.

MOTION: After discussion, it was moved by Ms. Makoutz and seconded by Mr. Swartz to provide conceptual approval of SRF project #2019-13, LED ribbon board and out-of-town scoreboard replacement, and #2019-14, flat roof replacement, as presented. The motion was approved by a unanimous voice vote.

5) Associated Investment Report

Chairman Stansil provided the Associated investment report and noted that he has asked Associated to come to the Finance Committee's June meeting to provide an in-person update. Mr. Stansil noted the short duration on the operating account as the sunset date nears. Discussion ensued on the report.

6) Sikich Review of Future District Operations Cost Estimates

Chairman Stansil introduced a report from Sikich, an independent accounting and advisory firm. As part of the sales tax sunset date planning, the District engaged Sikich to review the District's estimates of future operating costs and property insurance premiums and provide a recommendation on a contingency amount for these obligations. Ms. Kreklow provided an overview of the report, noting that Sikich found the estimates reasonable and recommends a contingency of 10 to 20 percent of the total cost estimates. Discussion ensued on the report.

MOTION: After discussion, it was moved by Mr. Swartz and seconded by Ms. Makoutz to forward to the Board of Directors the Sikich report as presented. The motion was approved by a unanimous voice vote.

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

Chairman Stansil introduced the annual sales tax sunset date report and Dave Anderson from PFM. Mr. Anderson reviewed the 2019 sales tax sunset date report and noted that most of the uncertainty that could impact the sales tax sunset date has been removed. He also emphasized the relatively short timeframe until the potential sunset date and stated that the District has one more final defeasance to perform on \$38.7 million in future debt payments. The report concluded, "*Assuming no dramatic decline in sales tax receipts, we believe the District will have accumulated sufficient funds in late 2019 or early 2020, and therefore be in a position to begin the process to sunset the sales tax.*" Discussion ensued on the sales tax sunset date report.

MOTION: After discussion, it was moved by Mr. Ott and seconded by Ms. Makoutz to forward to the Board of Directors the Sales Tax Sunset Date Report as presented. The motion was approved by a unanimous voice vote.

8) Other Business

a) District 2019 Insurance Summary

Chairman Stansil provided an overview of the District's general liability and directors and officers insurance coverage and premium cost for 2019. He noted that the District secured competitive coverage through the Wisconsin Municipal Mutual Insurance Company (WMMIC) again. Ms. Kreklow noted the reduced cost of insurance broker services. Discussion ensued on the insurance coverage.

9) 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

The meeting did not convene into closed session.

10) Other Business

There was no other business to discuss.

11) Adjourn

MOTION: It was moved by Ms. Makoutz and seconded by Mr. Swartz to adjourn the meeting. The motion passed by unanimous voice vote and the meeting adjourned at 2:42 pm.