

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 was held on **Wednesday, July 27, 2011**, at 3:30 p.m. at 1265 Lombardi Avenue, Green Bay, Wisconsin.

PRESENT: Ann Patteson, Margaret Jensen, Ken Golomski, Sen. Cowles and Chuck Lamine.

ABSENT: Mark Anderson, Ron Antonneau

ALSO PRESENT: Pat Webb, Greg Kuehl, William Vande Castle, and media

1. CALL MEETING TO ORDER

The meeting was called to order by Chair Patteson at approximately 3:30 p.m.

2. ROLL CALL

Roll call was taken. All Board members were present except Ron Antonneau and Mark Anderson.

3. PLEDGE OF ALLEGIANCE

The Board recited the Pledge of Allegiance.

4. APPROVE/MODIFY AGENDA

Mr. Webb mentioned that there were late communications distributed.

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

5. REQUEST FOR APPROVAL OF THE MINUTES – MAY 19, 2011 AND JUNE 29, 2011

A MOTION WAS MADE BY MARGARET JENSEN AND SECONDED BY KEN GOLOMSKI TO APPROVE THE MINUTES. Vote taken. MOTION CARRIED UNANIMOUSLY.

6. COMMUNICATIONS

A. *Wall Street Journal* Article "A Stadium's Costly Legacy Throws Taxpayers for a Loss"

Mr. Webb discussed the article, which he was actually interviewed for but they didn't include his comments. They mention the problems Cincinnati has had. The other stadium paid for by one tax jurisdiction is Brown County. The article makes it clear that other stadiums are not doing quite as well as Lambeau. That is a credit to the Board and the structure set up and the overall community. He reminded the Board about the bond markets freezing up in 2008 and some of those districts had auction rate securities in that market when it collapsed. They refinanced at high percentage rates because those rates got reset every week. Many of them had to convert to fixed rate bonds. When this District was faced with that it was able to pay off the bonds. Everything worked well for this District but it doesn't sound like much went right for Cincinnati.

B. Late Communications (if any)

STADIUM DISTRICT MINUTES

July 27, 2011

Page 2

Mr. Webb presented an article that reported the lockout ended and the players were starting to come back. He thinks it is good that everything is falling back into place. The ticket tax will be there and the arrangements with the Team for O&M won't be affected. The District will be able to use the ticket tax for ten years in the calculations for the escrow account.

The Packers have their shareholders meeting this week and an article reported the Team's net income. Mr. Webb feels the Superbowl trip helped. As usual, the Team will present the financials in detail at a future Board meeting.

Mr. Webb presented the District's press release that announces the prepayment of all outstanding debt. He gave a brief history about how the District was formed in June of 2000 and the referendum took place that summer and passed. The sales tax was implemented on November 1, 2000. The first money from the sales tax came to the District in January of 2001. The bonds were issued in May of 2001 and the projection at that time to pay off debt was in the area of 2018-2020. The District is obviously paying the bonds off way ahead of schedule in 2011. There were a lot of positive reasons why that took place. One was how the District was formed. Initially the legislation called for the District to consist of two members appointed by the Governor and other members appointed by local officials. The local officials here argued that those appointments should all be made locally. This was crucial because it allowed the District to structure the financing the way the District felt was the best. Therefore, they got a state trust fund loan with the Department of Land Trusts, variable rate debt, structured the call features and more closely matched the timetable. There were also Board members appointed that had a lot of banking, investment, and legal backgrounds which allowed the District to negotiate a good lease with the Team. It also allowed the District to structure the debt in such a way to get into investments that locked in the rate at 5.5% from 2001 to February 2011. When other people were earning .3% and .5% on their investments the District was earning 5.5% on their sales tax dollars. Of course, this meant the District paid arbitrage. The continuity the District had with Chair Patteson continuing her service to the Board and the staff also remained consistent. He feels this all contributed to the wonderful event that will take place on Monday. He congratulated everybody involved in the payment of the debt and feels it is quite an accomplishment. Chair Patteson also commented that this is a significant milestone. The construction project was on time and on budget and high quality. The financing went extremely well and she stated it was interesting to be involved in the original process of negotiations and to be fortunate enough to continue to serve. She wanted to make sure Mr. Webb didn't omit his contributions to the whole process. She feels he is an overly modest financial guru. She wanted to personally recognize him for his guidance that he provided with the financial recommendations he gave the District. She feels it is rare that a government entity is profitable and the District fared much better than others. She feels it is nice to see how Brown County is doing economically. It is a testament to the people of Brown County. She recognized it wasn't a unanimous decision to do this project but once it was done she felt more people started to support the idea for the benefit of the local economy. Vice-Chair Golomski asked Mr. Webb about whether he had a chance to reflect on why it worked here and didn't work at other places. He wanted to know if the formula used here could be used at other places. Mr. Webb feels this could work at other places, but he feels that every decision this Board made was the right decision and that's what is really amazing. The local leaders fought to have the Board be all local and the way the debt was structured mattered. With the potential naming rights the District needed to have a taxable portion of this debt. This meant that if you would have been out in the market you would have had about a 7% rate and locked it in for ten years using a normal model. But because Board members had a relationship with the State Land Trust the District was able to borrow that money at 5.20% and then later reduce it to 3.95%. The ability to locally select the District's underwriter (Robert W. Baird who had large retail outlets) rather than using the State's

normal approach was extremely beneficial. They figured it would be a hot bond issue in the retail market. So just starting out the District was at Baird selling the bonds and the underwriters came back to him and said they were oversold and had to reduce the interest rate. Then the District got involved in the guaranteed investment contracts that were suggested by Baird. They went out for bid and came back with something from a German government that paid 5.5% for ten years. Nobody knew at that time that 5.5% would be that big of a deal. However, it did matter because interest rates ended up going down and the District was paying .6% on the variable rate debt and earning 5.5% on investments. The District also negotiated with the local banks and got good interest rates during the construction. The staff was already a team before at another municipality which allowed them to hit the ground running. The projects worked on previously were similar such as the Resch Center and the staff was familiar with Baird and Godfrey & Kahn and the market. A lot of things came into play and worked out well. There was also some luck involved. Chair Patteson added that it looks as though nothing went right on the Cincinnati project.

A MOTION WAS MADE BY MARGARET JENSEN AND SECONDED BY CHUCK LAMINE TO RECEIVE THE COMMUNICATIONS AND PLACE THEM ON FILE. Vote taken. MOTION CARRIED UNANIMOUSLY

7. ARBITRAGE REBATE REPORT/PAYMENT

Mr. Webb presented the report. He explained that every five years the District has to make a payment. This year the payment was \$244,000. The District's other payments were \$497,000 and \$38,000. Total paid is almost \$750,000 that the District rebated to the federal government. He sees it as not all bad. The District could have had a negative arbitrage if the GIC's didn't exist. The District took full advantage of them and they worked great. He stated that over a year ago the Board was asked about the opportunity to earn the 5.5% and concentrate all the funds into one bank which would not be normally looked upon as a good investment vehicle. The alternative was a .3% rate so the Board opted to go with the 5.5% rate which turned out to be the correct decision. The District still owes about \$97,000 in arbitrage and will start the process soon. The final arbitrage rebate report will be in November.

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

A MOTION WAS MADE BY CHUCK LAMINE AND SECONDED BY MARGARET JENSEN TO APPROVE THE ARBITRAGE REBATE REPORT/PAYMENT. Vote taken. MOTION CARRIED UNANIMOUSLY

8. 2010 AUDIT REPORT

Chair Patteson noted that the audit report mentioned that 99% of the District's investments at the end of the year were in one account. She also noted that there is no separation of duties because of the fact there are only three staff members. Mr. Webb reported that the auditing firm understands the limitations facing the District staff. There were no comments or questions about the report.

A MOTION WAS MADE BY KEN GOLOMSKI AND SECONDED BY MARGARET JENSEN TO APPROVE THE 2010 AUDIT REPORT. Vote taken. MOTION CARRIED UNANIMOUSLY

9. DIRECTOR'S REPORT

STADIUM DISTRICT MINUTES

July 27, 2011

Page 4

Mr. Webb reported on the capital projects and area development plans. He pointed to the new sound system installed in the stadium. The project is almost complete and they will test it at future events before final acceptance. Mr. Webb feels the first real test will be at Family Night. This does not solve the problem of lack of concourse speakers. He said there were more speakers added to the first level concourse but there are still some holes on the second floor. The speakers inside the club seating and in the atrium area are now better. Chair Patteson asked if there was a need for an emergency evacuation if they could utilize the cell phone texting service like the one they use for fans to text complaints about other issues. Mr. Webb will discuss this with the Team. He thought that Twitter might be a resource for that. He feels the ushers would be available to assist with an evacuation. Chair Patteson mentioned that the staff on the Family Night she attended was remarkably uneducated. She wanted to make it easier to get the official status. Mr. Webb thought a problem might occur because cell phones weren't working due to lack of service.

Mr. Webb presented the latest sales tax figures. It shows this month's numbers were not very good. He wanted to add that last year's August numbers were really low. Sen. Cowles added that the collections were still up \$400,000. Mr. Webb agreed. Sales tax figures can vary greatly due to number of reports processed in that month and that may be affected by how many employees are on furlough, etc. The Department of Revenue did present reasons for the varying figures to the Board at a previous meeting.

Mr. Webb presented the fund statements. Special Revenue Funds are shown. He mentioned that the impact of the revenue collected with brick sales, license plates, income tax checkoff and the first \$500,000 of ticket tax can't be overlooked. Almost one-third of the 8257 fund is from other sources. If there were still \$10 million of sales tax not available to pay off the bonds it would mean another 4 or 5 months. Ms. Jensen asked about once the sales tax goes away would the District still be collecting for the other fund. Mr. Webb stated the District may or may not have the first \$500,000 of ticket tax because it may be able to be used in the calculation of the escrow fund. He feels the license plate sales, brick and tile sales, and income tax checkoff numbers are too uncertain to use in the calculation. The only parking fees the District gets is from special events and that money cannot be used for the 8257 Fund.

There is \$185,000 in the Special Events Fund and the District is still working with the Team and PMI on the parking revenue from the Chesney concert.

The Debt Service Fund contains \$206 million worth of sales tax. He will bring a full breakdown with charts about what will happen in the Debt Service Fund now that it will be done.

Mr. Webb mentioned that \$8.2 million of construction interest is directly related to what the Board did. The administrative rebate that Sen. Cowles helped the District get through his legislation is the gift that keeps giving. He pointed out the principle and interest that the District will pay is around \$47 million. That would have been much higher every year the bonds were outstanding. The rest will be \$174 million in principle. The transfer to the operation and maintenance fund is shown on the statements. Further breakdown on charts will be presented to show it more clearly.

The Bond detail shows the District needed \$1.697 million and got \$1.8 million. The Capital Projects fund shows \$13 million balance. No payments were made on the sound system yet.

Mr. Webb presented the license plate revenue for 2011. It is the State's fiscal year from July – June. There was \$393,000 sold which is slight down from last year but still around the \$400,000 mark.

Mr. Webb mentioned that Mr. Kuehl is working on the final report from the Chesney concert. The Board got some of the highlights from the event last month. A full report will be provided at the next meeting. Mr. Webb feels it was a successful concert. The amount of ticket tax collected was \$419,000 and expenses submitted by PMI were \$491,000. Parking fees are still in discussion as to what the correct settlement will be.

Mr. Webb asked Mr. Vande Castle to update the Board on the concealed carry bill. Mr. Vande Castle had hoped to provide some quick summaries of the new rules and regulations but they are still being developed. He offered to give the Board a thumbnail sketch of how some of it is anticipated to work. The first thing to understand with the new legislation is that in order for someone to carry a concealed weapon they have to be licensed. They have to go through training programs, a background check, and then get a license from the state. Once a license is obtained the rules read they have to keep the license with them plus the proper ID. The interesting thing about the legislation is it deals with more than concealed carry. It goes beyond that because if you are licensed to concealed carry you can also carry it not concealed (in the open). The regulation of how to deal with this new law from a facility standpoint is dealt with from a trespass standpoint. It is how you post on your property to regulate who can come and go on your property. The same thing will happen with bringing a weapon onto your property. The legislation creates a number of boxes depending upon what type of property you have (residential, multi-family, non-residential, government, and special event properties). There are different rules that relate to each of those properties. There are different rules that relate whether you are the owner of the property, the occupant, a tenant, or an employee. The decision of how you implement those rules is going to have to be an institutional one. That means that the Board has to make decisions of how they want to apply those rules and so will the tenants (the Packers, Levy, etc.). The decisions will have to be made together. There are some issues that need to be addressed that there aren't answers to yet. For example, the different boxes of property. They talked about coming onto the property and parking. There are different rules that relate to vehicles. The legislation talks about parking facilities. Unfortunately, there is no definition of a parking facility in the legislation. There is some other legislation that contain definitions of a parking facility but those rules talk about a parking facility as a structure. Some types of properties are dealt with in the legislation and expand on the definition by saying the grounds on which a parking facility is located which could be interpreted to be a parking lot. It never mentions parking lots so there may be issues dealing with weapon regulation on the parking lot at the stadium. This will have to be worked through. A second issue that will need to be worked through relates to the extent to which the facility represents a government building. Portions are rented to private entities that have different rules so there will have to be some coordination of the rules with the tenants for those portions that are subject to the tenancy rules. A third issue relates to how we deal with the function of the facility. There are going to be different rules that apply to someone coming into the atrium, for example, as opposed to some coming into the bowl where technically you never go inside. There are different rules for inside buildings and outside buildings. Another issue that will need to be addressed is going to relate to the game day situation. There are rules that deal with special events and they create separate regulations for the carry of weapons on the property during special events. Within the definition of a special event, a game day would qualify so there may be different rules on those days versus a regular non-game day. There are also different rules that relate to employees. Players and staff may have different rules that affect them. A patron coming in to visit one of the restaurants may have different rules as well. There are also issues related to people who are walking onto the property as opposed to those driving onto it. There are different rules for people who have weapons in their vehicles. Those rules may change whether it is a game day or a non-game day. These are all things that need protocols developed to handle these situations. It will take a cooperative effort with the Team, the tenants, and the District. There

are also different notification requirements depending on who is giving the notice. There are references in the statutes regarding type of signage that has to be available. He spoke about a conversation he had with someone from another facility in another state that has similar regulations to ours. They ran into a problem where the signage was located near entrances. The loading dock had signage on the outside of the building but not on the loading dock. The question became that if you failed to provide notice at one entrance did that invalidate the notice at all the other entrances. The legislation states that all entrances have to have notice. They missed one entrance and that essentially invalidated all of them. There are a lot of things to deal with and determine. There may be different notices on the building itself and along the parking lot. They may have to be changed on game days.

Mr. Lamine asked if the state identified a date that this new law goes into effect and does the District's efforts parallel the rule development process. Mr. Vande Castle answered there is a bit of a gap in some of it because some parts of it are already in effect and some parts take effect in November. The key is going back to the first part and the fact that in order for any of it to apply the weapon holders have to be licensed. Nobody can become licensed until the state does so. They can't license them until they come up with the rules on how to issue the licenses. Even though some of the law is in effect already and some goes into effect in November, operationally it may not be in effect until the state starts to issue licenses. That will probably be announced when people can start applying for licenses. There are some things that are still being worked out regarding that. One of the other requirements might be a training program that will be required and whether or not they will allow something on line.

Chair Patteson wanted to boil that all down to a couple simple concepts. It seems that with the passage of this law people can carry a concealed weapon with a few exceptions like schools and things like that. They can carry concealed weapons if they have the proper licenses unless they go to some place where it is posted they can't have them. She asked with respect to this facility who would make that decision. Mr. Vande Castle thinks this decision will be made at various levels. One of them will be the District but will have to coordinate with the Team because they are a major tenant in the building. This shouldn't be hard to accomplish. For the special events regulations the legislation says the organizer of the special event is the one responsible for noticing. If that were something the Stadium District would be sponsoring would they be considered the organizer or would maybe PMI be the organizer. This needs to be a shared responsibility as long as it is documented. You can also provide written and oral notice to people. The Miller Park people are talking about putting notices on the tickets. This would be permitted. Chair Patteson asked if there was any reason to wait to figure out what the determination is and to ascertain what their decisions are. It sounds like the law is difficult to understand but complete from a legislative standpoint. The District probably should as soon as possible look at determining what this Board wants to see with respect to the stadium and then hopefully the Team will be on the same page. It seems there are different levels of control based upon different parts of the facility and with respect to the different functions. She thinks the Board should figure out what they want and then work out how to best reach that decision. She thinks they would want recommendations from the NFL, the Team, the City, the County, law enforcement officers and others. She doesn't want the Board to make this decision based on their own personal knowledge but rather rely on somebody who has more expertise. Mr. Webb agreed and stated the District has had some preliminary meetings with the City police department and some discussions with the Team. He feels safety is the number one issue. He stated the NFL has a rule that no guns are allowed in stadiums. He suggests Mr. Vande Castle continues to gather information and bring a resolution to the next meeting regarding this issue. He assumes the Board wants to put the safety of everyone first. Chair Patteson didn't know a good

reason why somebody should carry a weapon into the stadium but wants to keep an open mind. She feels that law enforcement's input should be considered; however, it sounds as if the NFL already has a policy and the Packers are going to want to take a position similar to the NFL. She would like recommendations from the other organizations to make sure her initial reaction is similar to theirs. Mr. Webb feels it is still a work in progress. Mr. Vande Castle stated that the Team is meeting on Monday and will continue to meet. His opinion of this is that it is an ongoing process and it will be developed by all the parties. Vice-Chair Golomski asked that if he had access to every policy of every team in the NFL that there would be a great variance or would they all be on the same page. Mr. Vande Castle stated that the laws in the states are all different. The concept of not having weapons in the stadium is consistent, but how to get to that point is different. The posting requirements are different in different facilities. He mentioned one state posts in the parking lot as a warning that they couldn't go into the building with weapons. This state requires the postings be on the building. Some states have different regulations for vehicles. There are many variances.

Chair Patteson asked if there were any other questions or comments regarding concealed carry. There were none.

Mr. Webb moved onto the maintenance monitoring. He mentioned that the District contracts with Sigma to do an annual review. As part of their annual review they found some issues with the brick panels on the building. He feels this is a valuable expense because they did find this issue. They made some recommendations to the Packers. The Packers hired an engineer to look at the panels and gave the recommendation to the supplier (International Concrete Products) who then fixed the problem. Then there was an assessment of the fix. Sigma deserves a lot of credit for finding this problem. The Packers willingly accepts their recommendations, but the District ensured this facility functions to its highest efficiency and stays safe and maintained to the highest level. Mr. Kuehl added that the clips used did not accommodate for expansion and contraction. The movement was horizontal and that would bend the clips. New joints were put in to allow for movement. The clips don't bear the weight of the panels but rather stop them from tipping away from the building. The weight of the panel is borne by the panels underlying it. The clips just keep the panels from falling away. The Team, Sigma, ICP, the District and the consulting engineer looked at them in a walkthrough. They even knocked through some drywall to look at a hidden clip to see if there were any issues and there weren't. The issues were common on the north side of the stadium and there were no issues found elsewhere or any hidden problems. He feels everybody is satisfied at this point that the solution proposed to replace the connectors to allow for more horizontal movement seems to be a reasonable solution. They recommend that the District continue to monitor this. Chair Patteson asked about the level of risk of personal injury or property damage from the panels. Mr. Kuehl said that wasn't discussed. All the weight is borne down and he's not sure what it would have taken to knock them over. He feels it wasn't an eminent threat but no percentage of likelihood was given. Mr. Webb added the Sigma will present to the Board in October and Mr. Kuehl will bring it up to them during an August 9 meeting. Mr. Kuehl agreed and will ask them to bring photos of the old clips that were damaged and the new clips. Ms. Jensen thought a vertical shift of the panels was discussed at the last meeting. Mr. Kuehl explained that the original clips were designed to accommodate some vertical movement but not horizontal movement. The new clips will accommodate both.

Mr. Webb mentioned that the program and staffing review has been on the agenda for five months now. He feels the gist of the report is that although some things changed for the District specifically around bonding but the majority of the duties of the District will be here until 2015. There are some optional things to decide; for example, how long to keep the brick/tile program in place. He feels

this is the most time-consuming labor issue. The Team would need to help with this. The program is still making money but if it ever gets to the point where it isn't it may have to be discontinued. The chart supplied shows that the sales increased with the recent success of the Team. Changes can be made for the next budget. He feels this report is a good summary of what the District does and what they are trying to accomplish. There were no questions on this report.

Mr. Webb mentioned the issue with the interest in the debt service reserve interest account. As it turns out the District will not use this money for debt retirement. It certainly provides the District a lot of flexibility to do things for the betterment of items within the initial goals (tourism, etc.). Although this might cut a quarter of a month off the sales tax in August of 2015, he recommends this money be held in this fund and he feels the Board should make a motion to do so.

There was no additional discussion. Chair Patteson mentioned she is in support of this decision with so many things up in the air with respect to area development, future special events, etc. It seems like it would be better to retain these funds.

A MOTION WAS MADE BY MARGARET JENSEN AND SECONDED BY KEN GOLOMSKI TO RETAIN THE APPROXIMATELY \$2.5 MILLION IN THE DEBT SERVICE INTEREST EARNINGS FUND. Vote taken. MOTION CARRIED UNANIMOUSLY.

Mr. Kuehl reported that he is still waiting for the annual MBE/WBE report from the independent monitor. It should be arriving quite soon. He reported that there was a staff change at NWTC. Tim Noble is the District's contact and Mr. Kuehl received notice he is no longer with the school; therefore, the new contact will be one of the associate deans. The District will continue to work with NWTC and monitor the changes there.

Mr. Webb presented the brick and tile sales. One chart represents the trends through August of 2009 when the District converted to the new system. There seems to be very little trend to tell which months are bigger than others – other than January and December because of holiday sales. July sales are usually higher due to Father's Day. He feels that the Christmas season has the most impact on sales. The other chart compares 2010 and 2011 sales. This is the net amount of sales. It shows the improvement in sales after the Super bowl win. June sales last year improved and then kept improving with the season. This is a program that is very unpredictable and the District will continue to monitor the sales. One of the keys to this program should the District decide to end it would be to end it with a complete section. If the sales start to drop the District would look at ending it, but the sales may continue strong until 2015.

Mr. Webb asked if there were any other questions or matters. There were none.

A MOTION WAS MADE BY MARGARET JENSEN AND SECONDED BY KEN GOLOMSKI TO APPROVE THE DIRECTOR'S REPORT. Vote taken. MOTION CARRIED UNANIMOUSLY.

10. MAY AND JUNE 2011 FINANCIAL REPORTS

Mr. Webb presented the financial reports and stated everything is on schedule. He reported that the July report will show the conference he attended in San Antonio was a bit over budget.

STADIUM DISTRICT MINUTES

July 27, 2011

Page 9

A MOTION WAS MADE BY KEN GOLOMSKI AND SECONDED BY CHUCK LAMINE TO APPROVE THE FINANCIAL REPORTS. Vote taken. MOTION CARRIED UNANIMOUSLY.

11. OTHER MATTERS AUTHORIZED BY LAW

Mr. Webb stated there would be no meeting in August. The Team will make a presentation in September and Sigma will present in October.

Mr. Webb reminded the Board to call if they cannot make a meeting because of the difficulty in the past with getting enough for a quorum.

12. MOTION TO ADJOURN

A MOTION WAS MADE BY CHUCK LAMINE AND SECONDED BY KEN GOLOMSKI TO ADJOURN THE MEETING AT APPROXIMATELY 4:55 P.M. A vote was taken. MOTION CARRIED UNANIMOUSLY.

Respectfully submitted,

Diane Roskom
Administrative Specialist