

Minutes
FINANCE COMMITTEE
Tuesday September 30, 2014
City Hall, Room 207
6:30 p.m.

MEMBERS: Alders Tom De Wane, Andy Nicholson, Tom Sladek and Guy Zima

OTHERS PRESENT: Dawn Foeller, Lynn Boland, Melanie Falk, Andy Rosendahl, Ald. Steuer, Ald. Nanning, Ald. Moore, Rick Jensen, Lynn Boland, Pat Webb, Ann Patterson, Steve Grenier, Kim Flom, Mayor Jim Schmitt, Greg Keuhl, Melanie Falk, Tom Molitor, Dave Litton and others.

1. Roll Call. All present except Ald. Nicholson that will be joining at a later time.
2. Approval of the Agenda.

A motion to hold items 4, 5, 6, 7 and 8 until Ald. Nicholson arrives made by Ald. Tom De Wane and carried to approve.

3. Approval of the minutes of the Finance Committee meeting of September 9, 2014.

A motion to approve the minutes made by Ald. Tom De Wane, seconded by Ald. Tom Sladek and carried to approve.

9. Report of the Claims Committee.

The Committee may convene in closed session pursuant to Sections 19.85(1)(e), Wis. Stats., for purposes of deliberating or negotiating the sale of public properties, investing of public funds or conducting other specified public business as necessary for competitive or bargaining reasons. The Committee may thereafter reconvene in open session pursuant to Section 19.85(2), Wis. Stats., to report the results of the closed session and consider the balance of the agenda.

A motion to receive and place on file the report of the claims committee made by Ald. Tom De Wane, seconded by Ald. Tom Sladek and approved.

10. Request approval to award the purchase of loose fire equipment for GBMFD to W.S. Darley and Co. for \$13,130.

Purchasing Manger, Rick Jensen, handed out the quote summary for the items being purchased. Each item was the low quote, with one exception being an item with a cost difference of \$30, which didn't make sense to issue a separate purchase order for that one item and will be purchased from W.S. Darley. A motion to approve made by Ald. Tom Sladek, seconded by Ald. Tom De Wane and carried to approve.

11. Request the approval to award the purchase of a fire hose, nozzles, and adapters for GBMFD to Five Alarm Fire & Safety for \$11,649.

A motion to approve made by Ald. Tom De Wane, seconded by Ald. Tom Sladek and carried to approve.

12. Report by the Finance Director

Finance Director, Dawn Foeller suggested some new potential dates for the committee and Common Council to take up the budget to accommodate a few of the Alderpersons. New dates would be:

- Handing out the budget document the week of Oct. 20, 2014.
 - Joint Finance / Personnel meeting to be held on November 4, 2014, starting at 4:00.
 - Common Council to take up the budget on Wednesday, November 12, 2014. Starting at 4:00.
4. Request by Ald. Andy Nicholson to review all City fees and permits with possible action.

Ald. Guy Zima asked if there will be any changes in the fees for next year.

Finance Director, Dawn Foeller responded that she is not aware of any changes in fee structure in the 2015 proposed budget.

A motion to receive and place on file made by Ald. Tom Sladek, seconded by Ald. Tom De Wane and carried to approve.

5. Request by Ald. Andy Nicholson to review the Stadium District Board.

Present for the meeting were Mr. Pat Webb and Mr. Greg Kuehl and Ms. Ann Patterson from the Stadium District Board. Mr. Webb and Mr. Keuhl are staff members of the District and Ms. Patterson is the City's representative and chair of the district board.

Ald. Andy Nicholson asked what Ann Patterson's vision is and what do you see for the future of the Stadium District Board.

Ms. Patterson presented an overview of the history of Stadium District Board and explained how the District was created after a referendum passed on September 12, 2000 to implement a half percent sales tax in order to support the expansion being proposed by the Packer organization to remain competitive in the NFL. The Stadium District was created through State legislation and is set up as a special purpose district

The board is made up of seven members, three of which are appointed by the city, three by Brown County and one member by the Village of Ashwaubenon. Upon the formation of the Stadium District Board, a new lease was entered into by the three parties, the Stadium District Board, the Green Bay Packers and the City of Green Bay, through our ownership of the bowl and land. The new lease is for thirty years, whereby the Packers pay the city rent for the bowl and started at \$500,000 in 2002. It has an annual escalator. The Packers do not pay rent to the Stadium District Board.

In 2001, the Stadium District issued \$175M in bonds, of which, \$164M went for this project in addition to a city user fee that was put in place.

With the new lease in place, Ms. Patterson stated that all the responsibilities of a landlord had been taken on by the Stadium District Board.

Ald. Zima asked if the Packers own the property but not the structure.

Ms. Patterson stated that the Packer Organization owns over \$300 million in improvements in the complex.

Mr. Webb clarified that the city owns the site, and they received a credit for their investment in the bowl of \$100 million dollar. Improvements that were done to the Stadium through the issuance of the \$160M bonds through the Stadium District Board would be shared collectively with all taxpayers in Brown County on a percentage basis. The Packers own the improvements that they paid for themselves. Ms. Patterson stated there are many things that need to be ironed out in this regard.

Ald. Guy Zima asked if the Stadium District was perpetual.

Pat Webb responded that it would be perpetual or could go out of business once it has fulfilled all of its legal obligations under the state legislation. Mr. Webb went on to say, the reason the district has ownership in the complex is because the District represents all the tax payers of Brown County not just the City tax payers and there are provisions in the lease and the legislative to state that the stadium represents all the tax payers.

Ald. Zima asked if the Stadium Board dissolved, would the complex revert to the City.

Mr. Webb responded that is defined in the statute all property of the stadium district will be disbursed to the underlining municipalities based on a formula developed by department of administration from the state of Wisconsin.

Ald. Zima responded but we don't know what that formula is.

Mr. Webb agreed that the formula is not known at this time.

Ms. Patterson responded that it's her belief that the City would take over the responsibilities of being the landlord but they may not have ownership over the entire complex. This would be subject to a formula determined by the Department of Administration.

Ald. Guy Zima what would it matter and who would make the decisions regarding the stadium in the future?

Ms. Patterson suggested a lease amendment would be required to make that designation.

Ald. Guy Zima asked if the owners of the Stadium would become all the municipalities of Brown County.

Dependent upon the formula and decisions made at the State level concerning ownership, Mr. Webb suggested that a 66.30 agreement may be required to be entered into for all the municipalities of Brown County. Mr. Webb stated that none of these actions are cast in stone and between himself and Mr. Keuhl, have put together questions and answers to provide the best information they can since they are the closest ones to it.

Ms. Patterson stated that before they are dissolved, there are certain things that would be required of the District including paying off the bonds, providing predetermined

funding source for the building maintenance of the facility, terminate the sales tax and transferring the ticket tax authority to another jurisdiction.

Ald. Zima asked if there was a date on when the sales tax will be ending.

Pat Webb responded it will be Oct. 1, 2015.

Ald. Zima asked if this is because in the agreement that we have to prefund a building maintenance fund with the predetermined amount of money.

Ms. Patterson responded yes, prefunding the building maintenance fund was set by state statutes and includes annual payments of \$3.4M plus an escalator that must be prefunded for each year of the remaining lease years before the sales tax can end.

Mr. Webb stated that amount is \$91M for years 2016 to 2031 for the maintenance and operations of the Stadium. Investments have been purchased that coincide with those payments.

Ald. Nicholson asked if there is any way that would be pushed out to December of 2015.

Mr. Webb responded that the only chance that would happen is if sales tax completely collapsed.

Ald. Guy Zima asked at that point and time would the duties of the Stadium District Board be completed and at what point would the Stadium Board decide to continue or not.

Ms. Patterson stated the three requirements for the District would need to be met including the payoff of the bonds, terminate the half percent sales tax and other contractual obligations including a transfer of the ticket-tax.

Ald. Zima stated that the public believes that the fans own the Packers.

Ms. Patterson agreed, the average person does not understand some of the more complex aspects regarding the ownership at the time of the referendum, these finer points weren't necessarily pivotal points being discussed at that time.

Ald. Guy Zima asked about the ticket tax and stated that goes to Lambeau Field. What does the City get out of this?

Ms. Ann Patterson responded the City receives its lease agreement payment which began at \$500,000 in 2002 for rent plus the escalator.

Finance Director, Dawn Foeller responded the City receives approximately \$780,000 as payment from the Packers for the rental of the bowl and parking lot.

Ms. Patterson wanted to make clear that they would not be able to dissolve for at least a year in order to wrap the sales tax piece of their responsibilities and the performance of other contractual obligations. The Stadium Board has obligation to see that ticket tax continue which could be enacted by the City, however, would require a change to the current state statutes. If each of those pieces is in place, an amendment would be required of the current lease agreement by all three parties, Packers, the City and the Stadium District to make the change.

Ald. Nicholson asked what the vision is of the Stadium Board when it comes to the amendment of the league.

Ms. Patterson responded they would have to identify all the requirements that would go into this. It would be at least a year before they could vote on this, however, the District has begun working on a cost benefit analysis to weigh out the options. The District is working on laying out an analysis within the current state statues and identifies any issues or questions that need to be answered prior to moving this forward. The District has met with the surrounding communities and the City of Green Bay to share their information.

Ald. Nicholson asked who specifically do they mean with the City?

Mr. Webb responded he has met with City and County staff, elected officials, and the Packers to lay out the basic facts as the District understands them so each party can be their individual decisions based on a common set of facts.

Ald. De Wane asked if they have a time table on when this will be completed.

Mr. Webb responded they have been working on all this information for a year, so that everyone is at the same level.

Ald. Nicholson asked what factors would make you want to dissolve or not to dissolve.

Ms. Patterson stated a lot of that would be based on how each community views the facts and what position they will take including what position the team will take. This is a situation where everyone needs to work together. Stadium Board prides themselves on building a consensus until all the issues are resolved.

Ald. Nicholson asked once the sales tax will come to an end, what the Stadium Board will oversee.

Mr. Webb responded that the board would oversee the landlord / tenant obligations and the cash management of the maintenance and economic development fund.

Ald. Nicholson asked where would be the revenue coming from.

Pat Webb responded the total cost to operate the Stadium District office is about \$270,000 with funding of \$100,000 from sales taxes tax revenue and \$120,000 special events and economic fund and roughly \$50,000 coming from other sources,

Ald. Christopher Wery asked if any of the board members are paid.

Mr. Webb stated no and they do not even claim mileage.

Ald. Zima asked how much of that is salary and fringe benefits.

Pat Webb stated \$160,000 is for salaries and fringe benefits for three part time employees.

Ald. Sladek stated how Mr. Webb had put together a number of documents back in February that had been very helpful and asked if they would have any objections to passing that information out.

Mr. Webb responded he would not have a problem with that and would give him some updated documents. (See attachments)

A motion to receive place on file made by Ald. De Wane, seconded by Ald. Tom Sladek and carried to approval.

6. Request by Ald. Zima to review the authority and chronological record of events surrounding the city purchase and role of the Clarion Hotel Property with possible recommendation and action.

Ald. Zima requested that a correction to the agenda item be made and that the item should have read "city purchase and sale of the Clarion" instead of "city purchase and role of the Clarion" Hotel Property with possible recommendation and action.

Ald. Zima walked through the timeline and documents which were included in the finance packet with the committee members. Ald. Zima spoke of his concerns about the purchase of the property not getting the proper public discussion as it should have and that very little action was reported out by the committees who took up the item.

Ald. Moore stated that when the RDA acts in closed session, there have been council members who have asked to bring certain items forward to the council, which he has done in the past.

A motion to receive place on file made by Ald. De Wane, seconded by Ald. Tom Sladek.

7. Request by Ald. Nicholson to review the status of Schauer & Schumacher building.

A motion to receive place on file made by Ald. Nicholson, seconded by Ald. Tom De Wane and carried to approval.

8. Request by Ald. Nicholson to ask the opinion of the League of Municipalities for legal representation for the City Council.

A motion to receive place on file made by Ald. Nicholson, seconded by Ald. Tom De Wane and carried to approval.

2014 Contingency Fund
\$110,000

- 1) **THIS MEETING IS AUDIO TAPED:** THE AUDIO OF THIS MEETING & MINUTES ARE AVAILABLE ON LINE AT WWW.CI.GREEN-BAY.WI.US.
- 2) **ACCESSIBILITY:** Any person wishing to attend who, because of a disability, requires special accommodation should contact the City Safety Manager at 448-3125 at least 48 hours before the scheduled meeting time so that arrangements can be made.
- 3) **QUORUM:** Please take notice that it is possible that additional members of the Council may attend this committee meeting resulting in a majority or quorum of the Common Council. This may constitute a meeting of the Common Council for purposes of discussion and information gathering relative to this agenda.
- 4) **REPRESENTATION:** The party requesting the communication, or their representative, should be present at this meeting.