



# 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 FINANCE COMMITTEE MEETING MINUTES October 2, 2018

SEWPBPD Conference Room  
One Brewers Way  
Milwaukee, WI 53214

**Committee members present:** Doug Stansil, *Chairman*; Karen Makoutz, *Vice-Chairperson*; Alec Fraser (*via phone*); Mark McCune; Jim Ott

**Committee members excused:** Keith Swartz

**Others present:** Michael Duckett, Kristi Kreklow, Shannon Schwingle, SEWPBPD Staff; Mike Brockman, MBBC; Media and other interested parties.

### 1) Call to Order

Chairman Stansil called the meeting to order at 3:00 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 – September 11, 2018 Meeting

**MOTION:** It was moved by Ms. Makoutz and seconded by Mr. McCune to approve the minutes of the September 11, 2018 Finance Committee meeting as presented. The meeting minutes were approved by unanimous voice vote.

Chairman Stansil recognized the passing of Mr. Daniel “Jack” McKeithan, a friend and colleague who had served with both Karen Makoutz and Chairman Stansil on the Board of Directors since its inception in 1995. He had chaired the Operations Committee since Miller Park opened. Mr. McKeithan was a friend to all and provided 23 years of dedicated service to the Miller Park Board of Directors, dealing with a number of challenging issues during his tenure.

### 2) Report of Chairman on Current Financial Status

Mr. Stansil introduced the Report on Current Financial Status dated October 2, 2018 and called upon Ms. Kreklow to provide a financial update. Ms. Kreklow provided an overview of the August 2018 Treasurer’s Report, noting the District has a fund balance of \$13.7 million in the restricted Segregated Reserve Fund, \$33.3 million in the restricted Asset – Liability Matching and Stabilization Funds, and \$24.5 million in the

unrestricted Operating Fund. It was noted that the Asset – Liability Matching Fund is currently 74.5% funded with an average yield of 2.5% and is anticipated to be fully funded by May 2019.

Ms. Kreklow also reviewed the 2018 budget, including updated year-end projections. In all, the District anticipates increasing its operating fund balance by \$22.8 million during 2018, which will be used for future debt retirement and obligations. Discussion ensued on the 2018 budget and 2018 sales tax collections.

### **3) Segregated Reserve Fund (SRF)**

#### **a) Status of 2017 SRF Projects**

Chairman Stansil presented the 2017 SRF report and noted that the projects came in \$508,037 under budget. Ms. Kreklow reviewed the projects that led expenditures to be significantly lower than budgeted amounts. It was due to several factors, including an elevator door operator that did not need to be replaced, less than anticipated pavement repairs, and retractable roof maintenance and capital repairs coming in under budget.

#### **b) Status of 2018 SRF Projects**

Ms. Schwingle provided an update on the 2018 SRF projects. Ms. Schwingle discussed the boiler replacement and retractable roof steel painting. Discussion ensued on 2018 projects.

#### **c) Consideration of Conceptual Approval of 2019 SRF Program**

Mr. Duckett reviewed a memo provided to the Committee on the 2019 Recommended SRF Program. He noted that there were only 12 projects for consideration at this time but that the Brewers have requested the District consider replacement of the LED ribbon and out-of-town scoreboard during the 2019 / 2020 offseason. The Brewers are in the process of assembling additional information related to this request. The Committee discussed the LED ribbon board and the additional information the Brewers will be providing.

Mr. Duckett also explained that there may be other projects the Brewers would like the District to consider as part of the SRF program. Once the District and Brewers have an opportunity to discuss the LED ribbon board and other projects, the Finance Committee may be asked to convene a special meeting to consider additional project(s). Mr. Duckett noted that the Master Plan would be updated to reflect any changes related to the projects.

Mr. Mike Brockman reviewed retractable roof wheel bearing and cylindrical expansion bearing replacements. Mr. Duckett explained that the wheel bearing replacement is preventative in nature because the wheel bearing has not failed but has been emitting a noise that the wheel bearing manufacturer and the District's mechanical engineers cannot determine a reason for. A proactive replacement has been recommended, with further study of the bearing once it is removed. The project will also replace two cylindrical expansion bearings, a long-term maintenance item that has been recommended by the District's mechanical engineer. The work is expected to take place after post-season play and the Ed Sheeran concert. Discussion ensued on the project.

Ms. Schwingle provided detail and pictures on each of the 2019 recommended projects. Each of the projects in the 2019 program were reviewed and discussion ensued on the 2019 program.

*(Mr. Fraser was excused from the meeting.)*

The updated SRF master plan was presented, reflecting the 2019 SRF program as presented. Discussion ensued on the updated master plan and future capital projects.

**MOTION:** After discussion, it was moved by Ms. Makoutz and seconded by Mr. McCune to provide conceptual approval of the 2019 SRF program and Master Plan as presented. The motion was approved by a unanimous voice vote.

**4) Consideration of the 2019 Southeast Wisconsin Professional Baseball Park District Budget**

Chairman Stansil presented the 2019 proposed budget and explained that the Finance Committee would review the budget today, recommend a budget to be published and presented at a public hearing on November 13<sup>th</sup>, and meet after the public hearing to recommend a final budget to the Board of Directors at its meeting later that day.

Ms. Kreklow reviewed the 2019 proposed budget, noting that it includes additional efforts in several categories, including legal, financial advisor, audit services and outside services, to prepare for the sales tax sunset date. In addition, the District will be working with legal counsel on a lease amendment with the Brewers and will perform the first year of a two-year roof structural review. Discussion ensued on the additional efforts during 2019.

The Finance Committee discussed District Insurance and agreed that an insurance broker is no longer needed at this time. If conditions change with the Wisconsin Municipal Mutual Insurance Company (WMMIC), the use of a broker will be reevaluated.

The assumptions for sales tax revenue were discussed along with the investment income estimates provided by Associated. In total, the 2019 proposed budget would increase the operating fund balance by \$24.3 million, which will be used for future debt payments and obligations. Discussion ensued on the 2019 proposed budget.

**MOTION:** After discussion, it was moved by Ms. Makoutz and seconded by Mr. Ott to publish and present at a public hearing the 2019 proposed budget as presented. The motion was approved by a unanimous voice vote.

**5) Other Business**

Ms. Kreklow presented the press release from Moody's Investors Service, upgrading the District's sales tax debt to Aa3 from A2. Discussion ensued on the rating.

**6) 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.

**7) Adjourn**

**MOTION:** It was moved by Ms. Makoutz and seconded by Mr. Ott to adjourn the meeting. The motion passed by unanimous voice vote and the meeting adjourned at 4:25 pm.