

## **10-06-16 Proposed Resolution 16-MBA-122**

### **Purpose:**

To adopt a final 2017 MBA operating budget and Special Revenue Fund budget for the Minnesota Ballpark Authority.

### **Background:**

The MBA Board reviewed the proposed 2017 operating budget of \$725,000 at their July 7<sup>th</sup> meeting. The Board then authorized the Executive Director to submit the proposed 2017 MBA budget to Hennepin County for approval, as called for in the Grant Agreement between the Minnesota Ballpark Authority and Hennepin County. The Hennepin County Board of Commissioners reviewed the proposed budget at their September 8, 2016 board meeting and are scheduled to adopt a final budget in December, 2016.

The MBA is requesting a grant from Hennepin County Sales Tax in the amount of \$725,000, to fund the General Fund in 2017. No changes or amendments to the proposed General Fund budget are being submitted at this time. The General Fund budget for 2017 is shown in Schedule A, as attached.

Per the Lease Agreement between the Minnesota Ballpark Authority and Twins Ballpark, LLC, a capital reserve fund was established, upon completion of the ballpark, to account for future ballpark improvements. Annual contributions to the Twins Ballpark Capital Reserve Fund include rent from Twins Ballpark, LLC and a capital contribution from Hennepin County. Contributions from the County are provided in the amount of \$1,100,000, indexed for inflation. The annual requested capital contribution from Hennepin County for 2017 is \$1,223,617, and annual rent from the Twins, indexed for inflation, is calculated at \$967,427. A proposed Twins Ballpark Capital Reserve Fund budget of \$2,242,000 is hereby recommended, and is shown in Schedule B attached.

### **Action Requested:**

**BE IT RESOLVED** that the Minnesota Ballpark Authority Board hereby adopts a final 2017 General Fund budget of \$725,000, as incorporated herein and attached as Schedule A, pending final approval by the Hennepin County Board on December 13, 2016; and

**BE IT FURTHER RESOLVED** that the Minnesota Ballpark Authority Board hereby adopts a 2017 Special Revenue Fund budget of \$2,242,000, for the Ballpark Capital Reserve Fund, as incorporated herein and attached as Schedule B.

**SCHEDULE A  
2017 OPERATING BUDGET  
GENERAL FUND**

The General Fund provides for day-to-day operations of the MBA.

**Budget Summary - Fund 82:**

	2015 Actual	2016 Budget	2017 Budget
Beginning Fund Balance	\$ 1,096,572	\$ 1,066,703	\$ 1,066,703
<b>Revenues:</b>			
<i>County Grant</i>	600,000	790,000	725,000
<i>Interest Revenue</i>	7,201	-	-
<b>Total Revenue</b>	<b>\$ 607,201</b>	<b>\$ 790,000</b>	<b>\$ 725,000</b>
<b>Expenditures:</b>			
<i>Personal Services</i>	387,820	414,200	430,350
<i>Commodities</i>	9,641	17,500	6,900
<i>Contracted Services</i>	171,663	270,800	214,250
<i>Other</i>	67,946	87,500	73,500
<b>Total Expenses</b>	<b>\$ 637,070</b>	<b>\$ 790,000</b>	<b>\$ 725,000</b>
Ending Fund Balance	\$ 1,066,703	\$ 1,066,703	\$ 1,066,703

**SCHEDULE B  
2017 BUDGET  
TWINS BALLPARK CAPITAL RESERVE FUND**

A Special Revenue Fund accounts for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Twins Ballpark Capital Reserve Fund is a Special Revenue Fund established as required in the Ballpark Lease Agreement By and Between the Minnesota Ballpark Authority and Twins Ballpark, LLC. Revenue sources for this fund include rent from Twins Ballpark, LLC, capital contributions from Hennepin County and interest earned on investments. Expenditures from the fund are restricted to capital improvements of the ballpark. At this time, there are no specific capital projects projected to be financed from this fund for 2017.

**Budget Summary - Fund 83:**

	2015 Actual	2016 Budget	2017 Budget
Beginning Fund Balance	\$ 10,532,155	\$ 12,783,674	\$ 14,991,674
<b>Revenues:</b>			
<i>Annual Rent</i>	959,965	960,000	968,000
<i>Hennepin County Contribution</i>	1,209,936	1,210,000	1,224,000
<i>Investment earnings</i>	81,618	38,000	50,000
<b>Total Revenue</b>	<b>\$ 2,251,519</b>	<b>\$ 2,208,000</b>	<b>\$ 2,242,000</b>
<b>Expenditures:</b>			
<i>Future Capital Projects</i>	-	2,208,000	2,242,000
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ 2,208,000</b>	<b>\$ 2,242,000</b>
Ending Fund Balance	\$ 12,783,674	\$ 14,991,674	\$ 17,233,674