



Minnesota Ballpark Authority Board Meeting Minutes – October 11, 2018

Chair Margaret Anderson Kelliher called the board meeting of the Minnesota Ballpark Authority for October 11, 2018 to order at 11:00 a.m. The roll was taken. Commissioners Joan Campbell, Commissioner Paul Williams, Commissioner James Campbell and Commissioner David Ybarra were present.

Commissioner James Campbell moved approval of the agenda, seconded by Commissioner Joan Campbell and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

Commissioner Paul Williams moved approval of the July 12, 2018 meeting minutes seconded by Commissioner Ybarra and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

Chair's Report – Chair Margaret Anderson Kelliher noted that she and Executive Director Kenney recently had their annual meeting with Twin's management regarding the team's audited financial statements for the year 2017. Based on the audit, the financial strength of the team is very good.

Executive Director's Report – Executive Director Dan Kenney reported that the MBA State Audit is almost complete and the Exit meeting will take place in November. Progress continues on the hotel being built next to Target Field Station. The vacant restaurant space at Target Center that opens to the Target Field plaza is undergoing a renovation and a new restaurant will be opening soon.

ACTION ITEMS

Resolution 18-MBA-144

Purpose:

To authorize the Executive Director to proceed with publication of the Minnesota Ballpark Authority 2017 Annual Financial Report, upon completion of the MBA Audit Exit meeting.

Background:

The State Auditor's Office is completing their review of financial statements of the Minnesota Ballpark Authority for the period ended December 31, 2017. When the State Auditor's Opinion Letter is submitted, the MBA Audit Committee will participate in an Audit Exit Meeting. After the Exit meeting, the MBA

Executive Director may proceed with publication of the Annual Financial Report with authorization from the MBA Board.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority Board authorizes the Executive Director to proceed with publication of the Annual Financial Report upon completion of the MBA Audit Exit meeting.

APPROVED

Resolution 18-MBA-145

Purpose:

To adopt a final 2019 MBA Operating budget and Special Revenue Fund budget for the Minnesota Ballpark Authority.

Background:

The MBA Board reviewed the proposed 2019 operating budget of \$700,000 at their July 12th meeting. The Board then authorized the Executive Director to submit the proposed 2019 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 18, 2018 board meeting and are scheduled to adopt a final budget on December 11, 2018.

The MBA is requesting a grant from Hennepin County Sales Tax in the amount of \$700,000, to fund the General Fund in 2019. No changes or amendments to the proposed General Fund budget are being submitted at this time. The General Fund budget for 2019 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 2019 is \$1,279,209, and annual rent from the Twins, indexed for inflation, is calculated at \$997,750. A proposed Twins Ballpark Capital Reserve Fund budget of \$2,375,000 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 2019 General Fund budget of \$700,000, as incorporated herein and attached as Schedule A, pending final approval by the Hennepin County Board on December 11, 2018; and

BE IT FURTHER RESOLVED that the Minnesota Ballpark Authority Board hereby adopts a 2019 Special Revenue Fund budget of \$2,375,000, for the Ballpark Capital Reserve Fund, as incorporated herein and attached as Schedule B.

**SCHEDULE A
2019 OPERATING BUDGET
GENERAL FUND**

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

Budget Summary - Fund 82:

	2017 Actual	2018 Budget	2019 Budget
Beginning Fund Balance	\$ 1,054,560	\$ 1,067,832	\$ 1,067,832
Revenues:			
<i>County Grant</i>	660,000	720,000	700,000
<i>Interest Revenue</i>	9,801	-	-
<i>Other</i>	73	-	-
Total Revenue	\$ 669,874	\$ 720,000	\$ 700,000
Expenditures:			
<i>Personal Services</i>	406,460	433,350	435,800
<i>Commodities</i>	1,954	6,900	6,900
<i>Contracted Services</i>	183,823	214,250	196,700
<i>Other</i>	64,365	65,500	60,600
Total Expenses	\$ 656,602	\$ 720,000	\$ 700,000
Ending Fund Balance	\$ 1,067,832	\$ 1,067,832	\$ 1,067,832

**SCHEDULE B
2019 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 2019.

Budget Summary - Fund 83:

	2017 Actual	2018 Budget	2019 Budget
Beginning Fund Balance	\$ 15,006,028	\$ 15,581,877	\$ 12,852,877
Revenues:			
<i>Annual Rent</i>	967,372	978,000	997,000
<i>Hennepin County Contribution</i>	1,223,515	1,243,000	1,278,000
<i>Investment earnings</i>	144,497	50,000	100,000
Total Revenue	\$ 2,335,384	\$ 2,271,000	\$ 2,375,000
Expenditures:			
<i>Future Capital Projects</i>	1,759,535	5,000,000	2,375,000
Total Expenses	\$ 1,759,535	\$ 5,000,000	\$ 2,375,000
Ending Fund Balance	\$ 15,581,877	\$ 12,852,877	\$ 15,227,877

APPROVED

Resolution 18-MBA-146

Purpose:

To set the 2019 Minnesota Ballpark Authority board meeting schedule.

Background:

The Minnesota Open Meeting Law anticipates that public bodies will set regular meetings. In August of 2006, the MBA passed a resolution establishing regular monthly board meetings. In June of 2010, upon completion of ballpark construction and the opening of Target Field, the MBA changed the board meeting schedule from monthly to quarterly meetings.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority 2019 quarterly board meetings will be held on Thursday, January 10th, Thursday, April 11th, Thursday, July 11th, and Thursday, October 10th. All meetings will begin at 1:00 p.m. at Target Field. Staff is directed to post the new schedule on the website and to post notification by such other means as they determine necessary and appropriate.

APPROVED

Resolution 18-MBA-147

Purpose:

To approve the Minnesota Twins request to proceed with ballpark alterations and enhancements proposed and funded by the team.

Background:

Minnesota Twins officials have met with Minnesota Ballpark Authority staff over the course of the year to discuss potential capital improvement projects to enhance the overall guest experience at Target Field.

The MBA Board of Commissioners approved the team’s preliminary plans to make alterations to Gate 34 and the plaza at the July 12 MBA Board meeting. This portion of the ballpark is located over the Interstate 394 corridor, which is part of the MBA’s lease agreement with the Minnesota Department of Transportation (MnDOT). Since the July MBA Board meeting, the Twins and MBA staff have had the opportunity to review the Gate 34 changes and plaza plans with MnDOT officials. It is our understanding that none of the proposed alterations will have an adverse impact on the bridges spanning over the freeway.

Attached is a letter from the team detailing the finalized scope of the project. In addition, the Twins provided MnDOT with a complete set of design plans for review and acceptance.

The team is committed to funding these projects internally and will not seek any financial participation from the MBA through the CapEx account. Pursuant to Article 8, Section 8.10 (a) of the Ballpark Lease Agreement, by and between Minnesota Ballpark Authority and Twins Ballpark, LLC, dated April 26, 2007 (the “Ballpark Lease”), the Twins are requesting approval to proceed with these ballpark alterations and enhancements.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority hereby grants approval to the Minnesota Twins to proceed with the alterations and enhancements to the configuration of Gate 34, the plaza, and the expanded space for fans and market vendors on the main concourse.

BE IT FURTHER RESOLVED that the Minnesota Twins shall submit the full plans, specifications, and the final budget for these projects to the Minnesota Ballpark Authority, in compliance with Section 8.10 of the Ballpark Lease.

APPROVED

DISCUSSION ITEMS

Target Field Operations Update – Gary Glawe – Senior Director of Facilities, MN Twins. Mr. Glawe provided an overview on building operations during 2018. He said that last April was one of the snowiest months for Target Field. The day before the Twins Home Opener we received five inches of snow and the grounds crew and employees worked around the clock to get the building and field cleared before Opening Day. A week after the home opener three games in a row had to be rescheduled due to 10 inches of snow so operationally it was a challenging start to the playing season. Target Field hosted four major concerts this year and all were well received and the facility held up well. Winterization of the facility will start within the next week. During an annual insurance audit performed by FM Global Property and Risk Insurance, insurance provider for all Major League Baseball Clubs, Target Field ranked number one. Out of FM Global's 1,205 facility clients, Target Field ranked 8th. Recently, Populous did a walk through of the facility and reported that the building is in excellent condition and made some minor repair recommendations.

Financial Report – Brenda Juneau, MBA Finance Coordinator. Ms. Juneau reported on the MBA Financial Report as of September 30, 2018. The Capital Reserve Fund balance is at \$10.7 million. The 2017 MBA State Audit process is nearing completion. The State Auditor's office is doing a final review of the MBA financial statements and then an exit meeting will be scheduled sometime in November.

There being no further business, Chair Anderson Kelliher moved to adjourn. The motion was approved unanimously 5 YEAS, 0 NAYS. The board meeting of the Minnesota Ballpark Authority for October 11, 2018 was adjourned at 11:36 A.M.

Next Meeting: January 10, 2019.