



### **MBA Audit Committee Meeting Minutes – July 25, 2011**

Chair Joan Campbell called to order the meeting of the MBA Audit Committee for July 25, 2011 at 1:30 p.m. Commissioner Steve Cramer and Commissioner Paul D. Williams were present.

Commissioner Cramer moved approval of the agenda, seconded by Commissioner Williams and approved unanimously – 3 YEAS, 0 NAYS.

**APPROVED**

#### **Resolutions**

##### **Resolution No. 11-MBA-F**

##### **Purpose:**

To authorize the Executive Director to submit the proposed 2012 MBA operating and capital reserve budget to the Minnesota Ballpark Authority Board and Hennepin County.

##### **Background:**

The Grant Agreement between the Minnesota Ballpark Authority and Hennepin County requires that by August of each calendar year, the Authority shall submit a proposed operating and capital improvement budget to the County and a request that the County make a grant for a designated amount of such costs. Unless waived by the County, the Authority's requests shall recur annually up through the year prior to the expiration of the initial term of the Use Agreement.

Attached is the MBA proposed operating budget for 2012. The total proposed budget represents \$386,000 less in expenditures than the 2011 budget, or a 24.7% decrease. The completion of ballpark design and construction activities is the biggest change driving this decrease. The MBA is requesting revenue from Hennepin County Sales Tax to cover a budget of \$1,180,000.

Per the Grant Agreement, Hennepin County agrees to make annual payments for 30 years into a restricted fund for ballpark Capital Improvement Expenses. The required annual share shall be \$1,100,000 in the first year and shall escalate by an inflation factor thereafter.

The inflation factor is defined in the Ballpark Lease Agreement as an annual CPI increase. This is defined as an increase calculated in the index known as the US Department of Labor Bureau of

Labor Statistics, Consumer Price Index, All Urban Consumers, Unites States City Average, All items. As calculated for the period beginning January 2010 through June 2011, the CPI increase is 4.17%.

**Action Requested:**

**BE IT RESOLVED** that the Minnesota Ballpark Authority Audit Committee authorizes the Executive Director to submit the proposed 2012 MBA operating budget to the Minnesota Ballpark Authority Board and Hennepin County, requesting a grant of \$1,180,000 from Hennepin County Ballpark Sales Tax.

**BE IT FURTHER RESOLVED** that the Minnesota Ballpark Authority Audit Committee authorizes the Executive Director to request the annual capital reserve contribution from Hennepin County Ballpark Sales Tax in the amount of \$1,145,866.

**APPROVED**

**Quarterly Update – MBA Investment Objectives and Policies – Brenda Juneau, Finance Coordinator**

Ms Juneau reviewed the MBA Investment Objectives and Policies with the Audit Committee. Ms Juneau explained the process of obtaining a fiscal/depository agent, and investment advisor. The MBA requested RFP's and through this process Hennepin County was chosen. Investment earnings in the new depository will be reflective in the next quarterly report. Investment earnings are doing well with a year to date annualized yield of 1.67%.

**MBA 2010 Audit Update – Brenda Juneau, Finance Coordinator**

Ms Juneau stated that because of the recent state shutdown, the Audit Report from the State of Minnesota may be delayed. The exit meeting most likely will occur at the end of September.

*There being no further business, Chair Campbell moved to adjourn. The meeting of the MBA Audit Committee for July 25, 2011 was adjourned at 1:50 p.m.*