



Minnesota Ballpark Authority Meeting Minutes – August 20, 2010

Chair Steve Cramer called the meeting of the Minnesota Ballpark Authority for August 20, 2010 to order at 1:00 p.m. The roll was taken. Commissioners Barb Sykora, Mike Vekich and Joan Campbell were present. Commissioner John Wade was absent. Kathleen Lamb, Legal Counsel, was also present.

Commissioner Vekich moved approval of the agenda, seconded by Commissioner Campbell and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

Commissioner Campbell moved approval of the June 25, 2010 meeting minutes, seconded by Commissioner Sykora and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

CHAIR REPORT

Chair Steve Cramer reported the following:

- Chair Cramer noted that the Target Field coffee table book authored by Steve Berg was unveiled at an event on July 20th at the Central Library. Chair Cramer spoke on behalf of the MBA at the book unveiling.

EXECUTIVE DIRECTOR REPORT

Executive Director Dan Kenney reported the following:

- Executive Director Kenney said that he and Commissioner Vekich have been working with staff of a draft 2011 MBA Operating budget which the Audit Committee reviewed earlier today. Commissioner Vekich will report on that in his Audit Report. Executive Director Kenney has been working with Ed Hunter, Project Manager of the Hennepin County Interchange Project, to assist with a path forward for the Interchange Project.

MBA AUDIT REPORT

Commissioner Mike Vekich reported the following:

- Representatives from the Office of the State Auditor, Mike Hance and Lisa Young, met with the Ballpark Audit Committee earlier today and received an unqualified opinion. No issues, discrepancies or problems were found. The final 2009 Annual Financial Report should be complete by September 15th.
- Brenda Juneau reported on the 2011 MBA Operating Budget. She said that there will be a 35% decrease due largely to the fact that construction has finished on the ballpark. Some dollars have been budgeted for contracting services should a need arise in 2011.

ACTION ITEMS

8-20-10 Proposed Resolution 10-MBA-59

Purpose:

To authorize the Executive Director to proceed with publication of the Minnesota Ballpark Authority Annual Financial Report, upon receipt of the State Auditor's opinion letter.

Background:

The State Auditor's Office has completed its review of the financial statements of the Minnesota Ballpark Authority for the period ended December 31, 2009. The MBA Audit Committee participated in an Exit Conference with Lisa Young and Mike Hance, from the Minnesota State Auditor's office on August 20, 2010. As soon as the State Auditor's opinion letter has been submitted, the MBA Executive Director can proceed with publication of the Annual Financial Report with authorization from the MBA Board.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes the Executive Director to proceed with publication of the Annual Financial Report, upon receipt of the State Auditor's opinion letter.

APPROVED

08-20-10 Proposed Resolution 10-MBA-60

Purpose:

To authorize the Executive Director to submit the proposed 2011 MBA operating and capital improvement budget to 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 2011. The total proposed budget represents \$842,000 less in expenditures than the 2010 budget, or a 34.9% 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 \$1,566,000.

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 July 2010, the CPI increase is 0.2%.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes the Executive Director to submit the proposed 2011 MBA operating budget to Hennepin County, requesting a grant of \$1,566,000 from Hennepin County Ballpark Sales Tax.

BE IT FURTHER RESOLVED that the Minnesota Ballpark Authority authorizes the Executive Director to request the annual capital improvement contribution from Hennepin County Ballpark Sales Tax in the amount of \$1,102,200.

APPROVED

08-20-10 Proposed Resolution 10-MBA-61

Purpose:

To approve a Statement of Investment Objectives and Policies for the Minnesota Ballpark Authority.

Background:

The Agreement and Declaration of Trust for Ballpark Construction Funds Trust outlines details for termination of the trust, after completion of ballpark, site and infrastructure costs have been paid. After this time, the MBA will establish accounts for the Ballpark's Capital Reserve Fund and the MBA Reserve Account.

In preparation for this, the MBA must plan for investment of future assets. A written policy will protect MBA assets by identifying investment objectives, addressing the issues of investment risks versus rewards, and providing framework for the establishment of controls, limitations and responsibilities of MBA employees and consultants in the performance of their fiduciary responsibilities.

MBA staff has prepared the attached Statement of Investment Objectives and Policies, which has been further reviewed by legal counsel and the MBA Audit Committee Chair. The policy includes guidelines for maintaining the MBA's investment portfolio. The basic premise underlying the Investment Objectives and Policies is to ensure that money is always available when needed while yielding the safest and highest yield on investments.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority hereby approves the attached Statement of Investment Objectives and Policies.

APPROVED

08-20-10 Proposed Resolution 10-MBA-62

Purpose:

To authorize the designation of up to \$1.5 million to develop additional public plaza and public realm improvements associated with Hennepin County's Interchange project, in the vicinity of Gate 6 at Target Field.

Background:

The Minnesota Ballpark Authority was created as part of the 2006 Ballpark legislation to oversee the design, construction, and long-term operation of a Major League ballpark for the Minnesota Twins. The legislation provided specific definitions for public infrastructure improvements and streetscapes:

“Public infrastructure” means all property, facilities, and improvements determined by the authority or the county to facilitate the development and use of the ballpark, including but not limited to property and improvements for drainage, environmental remediation, parking, roadways, walkways, skyways, pedestrian bridges, bicycle paths, and transit improvements to facilitate public access to the ballpark, lighting, landscaping, utilities, streets, and streetscapes.

“Streetscape” means improvements to streets and sidewalks or other public right-of-way for the purpose of enhancing the movement, safety, convenience, or enjoyment of ballpark patrons and other pedestrians, including decorative lighting and surfaces, plantings, display and exhibit space, adornments, seating, and transit and bus shelters, which are designated as streetscape by the county.

In April of 2008 the Minnesota Ballpark Authority Board adopted Resolution 08-MBA-05, which created the Ballpark District Enhancements and Public Art Incentive fund. The purpose of the fund was to allow the MBA to work with other government agencies and other interested parties to encourage the coordinated development of amenities that would serve both the long-term interests of the ballpark and this emerging area of the City.

Over the past two years, the MBA has partnered with a number of organizations and public entities to deliver public realm improvements around Target Field in advance of Opening Day. The Minnesota Twins and Target Corporation provided significant resources to enhance the base plaza design and that infusion of new money enabled the Ballpark Authority to commit to extending the plaza to 1st Avenue North. In addition, the Minnesota Department of Transportation funded the elevated walkway between Ramp A and the ballpark. The MBA also worked with Hennepin County to design and construct the pedestrian and bike improvements on Twins Way to connect the Cedar Lake Trail to the ballpark and transit options on the 5th Street side of the facility, and to design and construct the pedestrian improvements along 7th Street next to the HERC plant.

At the October 2009 MBA Work Session, Board Members expressed interest in looking beyond 2010, and developing policy guidance for staff relating to Strategy 2 in the MBA Mission and Vision statement:

The Minnesota Ballpark Authority uses designated resources to encourage and leverage investments by the private sector and other government agencies to maximize enhancements to the District to stimulate private investment, development and economic opportunity.

The MBA was an early advocate for building a second LRT platform near the ballpark for the Central Corridor, and that line is scheduled to become operational in 2014.

At the May 2010 MBA Board meeting, Ed Hunter presented an overview on the concept plan for Phase 1 of the Interchange Project, which will replace Hennepin County’s existing Environmental Services Building with an LRT platform and public plaza space, connecting directly to the ballpark’s promenade near the Vertical Circulation Building and Gate 6 at Target Field.

Transit use to Twins games has exceeded expectations. Metro Transit reports carrying more than 7000 fans to and from games on the Hiawatha LRT and Northstar commuter rail lines. While the Minnesota Twins and Metro Transit have done outstanding work managing post-game crowds, it can be a challenging pedestrian environment on both 5th Street and the ballpark’s promenade. The need for additional public queuing space will increase significantly with the 2014 commencement of Central Corridor LRT operations.

While the goal of the MBA's District Enhancements Incentive Fund was to support the construction of streetscape improvements in every direction around the ballpark, additional investments were not possible outside of the ballpark's left field corner before Opening Day. The site was constrained by Hennepin County's Environmental Services Building and the location of the Hiawatha LRT storage tracks. If coordinated properly, the Interchange project represents a unique opportunity to improve transit operations, to enhance the pedestrian environment for residents approaching both downtown and the ballpark, and to stimulate future private investment and development in the vicinity of Target Field.

MBA staff anticipates approximately \$1.5 million will remain in the Ballpark's Infrastructure Account after existing commitments are closed-out, and the Authority's Interest Income balance is approximately \$5.5 million. MBA staff recommends the MBA Board designate \$1.5 million to support public realm improvements as part of the Interchange Project, first from the remaining Ballpark Infrastructure budget balance, and then, if necessary, through the utilization of a portion of the Authority's interest earnings.

Action requested:

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes the designation of up to \$1.5 million from the remainder of the Ballpark Project's Infrastructure account, and if necessary, the Authority's interest earnings on construction bond proceeds, to assist in constructing public plaza and public realm improvements associated with the Interchange Project; and

BE IT FURTHER RESOLVED that the MBA convene a group consisting of City, County, and other public agency representatives, along with representatives of the Minnesota Twins, and other interested parties to identify areas of common interest for public realm improvements and potential development opportunities; and

BE IT FURTHER RESOLVED that MBA staff be directed, after consultation with the parties noted above, to make a recommendation or recommendations to the Board for its consideration; and

BE IT FURTHER RESOLVED that any expenditure of the designated funds shall be subject to the approval and authorization of the MBA Board.

APPROVED

DISCUSSION ITEMS

- A. Target Field Operations– Matt Hoy, Vice President, Twins Ballpark Operations**
Mr. Hoy said that minor flooding in certain areas of the ballpark after a few significant rainfalls has found that drain plates are not adequate and will be changed. Phase 2 of the Tradition Wall is under way. The sand under the statue bases and the Gold Glove has been replaced with concrete that resembles sand. Target Field has been nominated to receive a national award for accessibility as we have now been named the most accessible ballpark in the United States. Over 188 non-baseball events have been held at Target Field with over 50 thousand people attending these events. Public tours of the ballpark continue to do very well.

- B. MBA Financial Report – Brenda Juneau, MBA Finance Coordinator**
Ms. Juneau reported for the period ending July 31, 2010. There is 19M in the Capital Projects Fund, part of that is the Authority's 5.5 million for investment, and 2.5 million in the infrastructure account. The General Operating Fund is below budget which is common at this time of the year.

PERSONNEL EVALUATION

- A. Closed Executive Session: Performance Evaluation of Executive Director, Dan Kenney**

- B. Summary of Conclusions of Evaluation and Resolution**

08-20-10 Proposed Resolution 10-MBA-63

Purpose:

To authorize the Chair to execute an amendment to the employment agreement with the Executive Director of the Authority.

Background:

On August 18, 2006, the Minnesota Ballpark Authority entered into an employment agreement with Dan Kenney, Executive Director of the Authority. Among other terms and conditions, the agreement states that each year of the Executive Director's employment, the Authority shall review and may adjust the Executive Director's base salary in its sole discretion. This resolution authorizes the Chair to enter into an amendment to that agreement.

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes the Chair to enter into an amendment to the Employment Agreement with the Executive Director with the following terms:

1. Base Salary: Increase the annual base salary to an annual base salary of \$130,000, effective August 21, 2010.
2. Employment Term: Extend the term of employment through August 21, 2012.
3. All other terms and conditions of the employment agreement to remain the same.

Chair Cramer stated that Executive Director Kenney's contract with the MBA has been extended to August 21, 2012 and there will be a salary increase effective August 21, 2010.

Next meeting: November 20, 2010 Target Field Tour Theatre

There being no further business, Chair Cramer moved to adjourn. The motion was approved unanimously - 4 YEAS, 0 NAYS. The meeting of the Minnesota Ballpark Authority for August 20, 2010, was adjourned at 2:20P.M.