



Minnesota Ballpark Authority Meeting Minutes – November 18, 2011

Chair Steve Cramer called the meeting of the Minnesota Ballpark Authority for November 18, 2011 to order at 1:00 p.m. The roll was taken. Commissioners Barb Sykora, Martin Olav Sabo, and Joan Campbell and were present. Kathleen Lamb, Legal Counsel, was also present. Commissioner Paul D. Williams arrived after the roll was taken.

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

APPROVED

Commissioner Campbell moved approval of the July 28, 2011 meeting minutes, seconded by Commissioner Sabo and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

CHAIR REPORT

- Chair Cramer spoke regarding a 2014 All Star Game bid and deferred to Dave St. Peter, President of the MN Twins for comment. Mr. St. Peter stated that the Twins have spoken with Meet Minneapolis, the Mayor of Minneapolis and Hennepin County Commissioner Mike Opat on sending a bid to Commissioner Selig regarding the Twins and the City of Minneapolis hosting the 2014 All Star Game at Target Field. Mr. St. Peter is optimistic that Target Field is a strong candidate to be selected to host the 2014 All Star Game.

EXECUTIVE DIRECTOR REPORT

- Executive Director Kenney stated that he continues to work with the Interchange Project on preparing the Request For Proposals for Design-Build of the Interchange Project. There have been several meetings with the Urban Design Guidelines group and RFP's should be ready by December. Submissions will be required back by mid February, 2012.

ACTION ITEMS

11-18-11 Proposed Resolution 11-MBA-73

Purpose:

To authorize the Executive Director to proceed with publication of the Minnesota Ballpark Authority 2010 Annual Financial Report, upon receipt of the State Auditor's opinion letter.

Background:

The State Auditor's Office is completing their review of financial statements of the Minnesota Ballpark Authority for the period ended December 31, 2010. The MBA Audit Committee is scheduled to participate in an Exit Conference with Lisa Young and Randall Vogt, from the Minnesota State Auditor's office on December 6, 2011. 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 Board authorizes the Executive Director to proceed with publication of the Annual Financial Report, upon receipt of the State Auditor's opinion letter.

APPROVED

11-18-11 Proposed Resolution 11-MBA-74

Purpose:

To adopt a final 2012 operating budget and Special Revenue Fund budget for the Minnesota Ballpark Authority.

Background:

The proposed 2012 Minnesota Ballpark Authority operating budget of \$1,180,000 was presented to the MBA Board on July 25, 2011. The Board then authorized the Executive Director to submit the proposed 2012 MBA budget to Hennepin County for approval, as called for in the Grant Agreement between the Minnesota Ballpark Authority and Hennepin County. The MBA is requesting a grant from Hennepin County Sales Tax to cover a budget of \$1,180,000. No changes or amendments to the proposed budget are being submitted.

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 2012 is \$1,146,000, and annual rent, indexed for inflation, is budgeted at \$925,000. A proposed Twins Ballpark Capital Reserve Fund budget of \$2,091,000 is shown in Schedule B attached.

The Hennepin County Board is scheduled to approve the proposed 2012 MBA operating and special revenue fund budget on December 13, 2011. The attached budget reflects those costs.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority Board hereby adopts a final operating budget of \$1,180,000, as incorporated herein and attached as Schedule A, pending final approval by the Hennepin County Board on December 13, 2011;

BE IT FURTHER RESOLVED, that the Minnesota Ballpark Authority Board hereby adopts a Special Revenue Fund budget for the Twins Ballpark Capital Reserve Fund, as incorporated herein and attached as Schedule B.

APPROVED

11-18-11 Proposed Resolution 11-MBA-75

Purpose:

To set the 2012 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 Authority 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 their meeting schedule from monthly to quarterly meetings.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority 2012 quarterly board meetings will be held on Thursday, January 5th, Thursday, April 5th, Thursday, July 19th, and Thursday, October 4th. 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 staff determines necessary and appropriate.

APPROVED

11-18-11 Proposed Resolution 11-MBA-76

Purpose:

To adopt a formal resolution declaring the MBA Board's intent for spending the unrestricted portion of funds within the Ballpark Capital Project Fund, designating the funds as Assigned for purposes of District Enhancements and Public Infrastructure needs around the ballpark, and to declare the order of spending resources if an outlay can be classified in more than one category.

Background:

The Governmental Accounting Standards Board (GASB) is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. The GASB is recognized by governments as the official source of generally accepted accounting principles for state and local governments. In the exercise of its authority the GASB issues Statements of Governmental Accounting Standards and Interpretations relating to accounting for and presenting financial information. In 2009 the GASB Statement No. 54 was issued and is effective for fiscal years beginning after June 15, 2010. For the Minnesota Ballpark Authority, this applies to the fiscal year 2011. Some of the guidelines in this Statement must be approved before the end of the fiscal year, in order to be included in the annual financial statements for that year.

The purpose of GASB 54 is to provide clear and consistent guidelines for governmental fund balance types. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the strength of restrictions imposed upon the use of the funds.

Prior to GASB 54 fund balances were reported as Reserved, Unreserved, and Designated. GASB 54 states that fund balance must now be categorized into one of five categories. Each category has specific definitions as follows:

Category	Description
Nonspendable	Portion of net resources that cannot be spent because of their form (inventories, prepaids, receivables)
Restricted	Limitations imposed by creditors, grantor, contributors, or laws and regulations of other governments
Committed	Limitation imposed at highest level of decision making that requires formal action at the same level to remove
Assigned	Intended use established by highest level of decision make authority
Unassigned	Residual classification for general fund, includes all spendable amount not contained in the other classifications

Most of the MBA’s fund balances are clearly defined by either legislation or other external agreements, categorizing them as Restricted. Such is the case with fund balance in the Capital Reserve Fund, as the funds are all restricted by the Lease Agreement, the Development Agreement, and/or the Grant Agreement. The Capital Project has funds that are both restricted and unrestricted. The unrestricted portion is the MBA’s interest earnings. It is this unrestricted portion that requires discussion and direction from the Board.

Funds in a Capital Project fund that are not restricted or non-spendable must either be Committed or Assigned. Actions to Commit or Assign fund balance for a specific purpose must take place prior to the end of the fiscal year, though the dollar amount may be determined at a later point in time (i.e., once the audit results are known). The assigned fund balance category will cover the portion of fund balance that reflects a government’s intended use of resources. Such intent must be established at either the highest level of decision making, or by a body (e.g. audit committee) or an official designated for that purpose (Executive Director).

Considering that the MBA Board authorizes specific expenditures from this unrestricted portion of funds, it would seem appropriate for the Board to declare its intent for assigning these funds. Assigned funds are less restrictive than committed funds, and can be re-assigned to a different use, more specific use, or more general use. The Board could adopt a resolution later, committing a portion of those assigned funds to a specific use if they chose. The remaining funds would still be ‘Assigned’ for the Board’s original intended purpose.

GASB 54 also requires the governmental unit to have designated ‘flow assumptions’ for outlays. This refers to costs that may fall qualify as an expense from restricted and assigned funds. At this time the MBA has not had expenses that have fallen into both categories. All of the MBA outlays from the Capital Project Fund have been clearly defined from either restricted or unrestricted resources. However, when committed, assigned and unassigned resources can be used, the MBA must designate how outlays will be allocated among the various categories.

It is the recommendation of staff that the MBA Board declare intent for the unrestricted funds in the Capital Project Fund, assigning these funds for the purpose of District Enhancements and Public Infrastructure needs around the ballpark, and to declare the flow assumptions for spending resources if an outlay can be classified from more than one resource.

Action Requested:

BE IT RESOLVED that MBA Board declares intent for the unrestricted funds in the Capital Project Fund, from MBA resources, assigning these funds for the purpose of District Enhancements and Public Infrastructure needs around the ballpark; and

BE IT FURTHER RESOLVED that the MBA will spend resources in the following order, as appropriate for the expenditure, when fund balance exists in more than one category for the which the expenditure can be classified: Restricted resources, committed resources, assigned resources, and unassigned resources; and

BE IT FURTHER RESOLVED that any exceptions to the spending order must be approved by the Board.

APPROVED

DISCUSSION ITEMS

A. Target Field Operations Report – Matt Hoy, Ballpark Operations, MN Twins

Mr. Hoy reported that the organization is preparing Target Field for winter. Gary Glawe of Ballpark Operations stated that the Facilities 360 Program continues to operate in an efficient manner. The program just passed the 30,000 work order mark. Dave Horsman, Ballpark Operations, also reported the success of implementing the plan to conserve energy at Target Field. He said that the ballpark has reduced energy use by 12%. The Twins have applied for LEED Certification for Existing Buildings Operations and Maintenance. They are the second team to have applied and if they get the certification they will be the first sport facility to get a Construction and Operation & Maintenance LEED Certification. The San Francisco Giants have also applied.

Mr. Hoy stated that in 2012 the team will invest more than \$1.3 million in capital improvements and equipment for Target Field, this will include more public art, interior work, addressing accessibility issues, security and fan safety issues and more food and beverage options. Off season use of the stadium has been very good, many events have been scheduled and everyone is looking forward to the concert to be held this summer at Target Field with Kenny Chesney and Tim McGraw.

B. Hennepin County Interchange Project – Ed Hunter, Project Manager

Mr. Hunter gave a Power Point Presentation on the Urban Design Guideline Meetings. The upper plaza will be attached to the promenade side of Target Field and improve LRT accessibility. The Mid and lower level plaza's will be for retail and or green space. The Interchange Project has applied for a federal TIGER Grant and is waiting to hear if they will be approved for funding.

C. MBA Financial Report – Brenda Juneau, MBA Finance Coordinator

Ms Juneau stated that the Capital Project Fund is just over \$11,660,000. The General Operating Fund is \$168,000 under budget, which is to be expected for this time of year. The Twins Ballpark Capital Reserve Fund is close to \$3 million.

The MBA Board Meeting was adjourned at 2:05pm for the Closed Executive Session: Performance Evaluation of Executive Director, Dan Kenney. The meeting reconvened at 2:28pm for further business.

Next meeting: January 5, 2012 Target Field Tour Theatre

There being no further business, Chair Cramer moved to adjourn. The motion was approved unanimously -5 YEAS, 0 NAYS. The meeting of the Minnesota Ballpark Authority for November 18, 2011, was adjourned at 2:30P.M.