



Minnesota Ballpark Authority Board Meeting Minutes – July 13, 2017

Chair Margaret Anderson Kelliher called the board meeting of the Minnesota Ballpark Authority for July 13, 2017 to order at 1:00 p.m. The roll was taken. Commissioners Joan Campbell, David Ybarra and James Campbell were present. Commissioner Paul Williams was absent.

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

APPROVED

Commissioner Joan Campbell moved approval of the April 13, 2017 meeting minutes seconded by Commissioner Ybarra and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

Chair's Report – Chair Margaret Anderson Kelliher reported that she and Executive Director Kenney had their annual meeting with the Twins to review the team's 2016 financials and discuss their most recent Audit as outlined in the Lease Agreement.

Executive Director's Report – Executive Director Dan Kenney reported that progress continues on the Target Center renovations and they are on track to be complete sometime in October. United Properties is seeking approval from the City of Minneapolis to build a hotel and music venue near Target Field Station. Executive Director Kenney asked Susie Helget, MBA Administrative Manager, to give an update on the non-profit and school group use the MBA suite for the 2017 season. Ms. Helget reported that there has been a tremendous response to the MBA's invitation for non-profits and school groups to apply to use the MBA suite this season. Organizations were invited to apply through the MBA website and the application process closed at the end of May in an attempt to offer as many groups as possible dates who had applied at that point. To date, 46 organizations have been booked for suite use this season. Feedback from those who have used the suite has been very positive and many organizations are already inquiring about applying for use next season.

Audit Committee Report – Commissioner Joan Campbell stated that the Audit Committee met on June 26, 2017 and reviewed the proposed 2018 Operating and Capital Budget. The Committee recommended approval of the proposed budget to the MBA Board. Commissioner Campbell said that the State Auditor's office is conducting the annual MBA Audit and should be finished sometime in August.

ACTION ITEMS

Resolution 17-MBA-131

Purpose:

To authorize submittal of the proposed 2018 MBA Operating and Capital Reserve Budget to Hennepin County.

Background:

Minnesota Laws 2006, Chapter 257, Section 12, subdivision 11 provides that Hennepin County may use certain proceeds from the authorized sales tax revenue to pay for governmental operating costs of the Authority, other than operating and maintaining the Ballpark. And subdivision 1 authorizes Hennepin County to make grants to the Authority for reserves for Ballpark capital improvements. The MBA and Hennepin County have entered into a grant agreement that provides details regarding the annual grant for Authority operating costs along with annual payments into a reserve fund for Ballpark capital improvement expenses. The Grant Agreement requires the Authority to submit a proposed operating and capital improvement budget to Hennepin County before August of every year. A final budget is adopted by the MBA Board in October.

Attached is the MBA proposed operating budget for 2018. The MBA Audit Committee reviewed the proposed budget on Monday, June 26, 2017 and has recommended approval.

The total proposed General Fund budget represents a 0.7% decrease in expenditures from the 2017 budget.

Per the Grant Agreement, Hennepin County also agrees to make annual payments for 30 years into a special revenue fund for ballpark capital improvements. The required annual contribution shall be \$1,100,000 in the first year and escalates 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, United States City Average, All items. As calculated for the period beginning January 2010 through June 2017, the County capital contribution is proposed to be \$1,243,000, about 1.02% increase from the previous year.

The Ballpark Lease Agreement between the MBA and the Minnesota Twins, LLC Section 3.1 outlines annual Tenant rent of \$900,000, of which \$600,000 is indexed for inflation annually. As calculated for the period beginning January 2010 through June 2017 the Twin's rent amount is proposed to be \$978,000 for 2018.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority Board hereby approves the Audit Committee recommendation for a Proposed MBA General Fund Operating Budget of \$720,000, and authorizes the Executive Director to submit the proposed 2018 MBA operating budget, attached as Schedule A, to Hennepin County, requesting a grant of \$720,000 from Hennepin County Ballpark Sales Tax; and

BE IT FURTHER RESOLVED that the Minnesota Ballpark Authority Board hereby approves the Audit Committee recommendation for the Proposed MBA Capital Reserve Fund Budget of \$2,271,000, attached as Schedule B.

APPROVED

Resolution 17-MBA-132

Purpose:

To amend the Minnesota Ballpark Authority Code of Conduct.

Background:

At the April 13, 2017 Minnesota Ballpark Authority Board meeting the MBA Board adopted a revised suite use policy and an updated Code of Conduct.

The MBA Chair and the Executive Director have continued working with MBA legal counsel to review MBA policies in light of deliberations at the Legislature. The MBA follows the requirements of the Minnesota Open Meeting Law and this amendment adds specific reference to the law in the Minnesota Ballpark Authority Code of Conduct.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority adopts the attached amendment to the MBA Code of Conduct.

APPROVED

Resolution 17-MBA-133

Purpose:

To approve ballpark alterations and enhancements proposed and funded by the Minnesota Twins.

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.

Over the past several months, the team has been working with Populous and Mortenson to refine the scope and budget for capital improvements projects that may be accomplished in advance of Opening Day 2018.

Based on these efforts the team is now seeking authorization from the MBA to move forward on projects to expand the main concourse between Gates 29 and 34, reconfigure concession stands in that area, and enhancements to the Metropolitan Club.

The first alteration will widen the main concourse between Gates 29 and 34 to improve ingress/egress by addressing the existing pinch point. The concession stand adjacent to Gate 34 and the portable stands between the gates will also be reconfigured to improve space utilization.

For the Metropolitan Club, the key changes will remodel the space to open it up to the field by adding large operable windows. The project will also create a direct connection to the main concourse via new elevator and stairwell.

The team has 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. The team will present complete plans at the October MBA Board meeting.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority hereby grants approval to the Minnesota Twins to proceed with alterations and enhancements to the main concourse between Gates 29 and 34, and to the Metropolitan Club, as set forth in the concept drawings reviewed by the Executive Director of the Authority; and all such alterations and enhancements are to be paid for by the Minnesota Twins.

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 – Matt Hoy, Minnesota Twins Senior V.P. of Operations. Mr. Hoy reported that as of July 13, 2017 the Twins have a 45-43 record so much improved from last year. Ticket sales are up from last season. The most significant challenge this season has been the weather resulting in rain delays and postponement of games. Non-baseball events this season include the Billy Joel Concert on July 28, 2017 and the Florida-Georgia Line Concert with the Backstreet Boys, Nelly and Chris Lane on July 29, 2017. The St. Thomas/St. Johns college football game will be held on September 23, 2017 and over 20,000 tickets have been sold so far.

The application for LEED Gold Certification went through and has been awarded to Target Field. The annual Populous analysis of the building will focus on the structural steel elements of the facility this year.

Financial Report – Brenda Juneau, MBA Finance Coordinator. Ms. Juneau reported for the period ending June 30, 2017. The annual Capital Reserve Fund revenues from the Twins and Hennepin County are received in November or December and will be reflected in later budget documents.

There being no further business, Chair Anderson Kelliher moved to adjourn. The motion was approved unanimously - 4 YEAS, 0 NAYS. The board meeting of the Minnesota Ballpark Authority for July 13, 2017 was adjourned at 1:40 P.M.

Next Meeting: October 5, 2017.

MINNESOTA BALLPARK AUTHORITY

CODE OF CONDUCT

I. Purpose. The purpose of this Code of Conduct is to establish the general standards of conduct required of the Minnesota Ballpark Authority ("Authority"), its Commissioners and employees. This Code is intended to comply with both the letter and the spirit of Minnesota law, as amended from time to time.

This Code of Conduct will assist Commissioners and employees in identifying conflicts of interest, as well as situations in which the perception or appearance of a conflict may exist, and to establish procedures for Commissioners and employees to declare and monitor as these situations arise.

The Authority requires each Commissioner and employee to be advised of, and provided a copy of, this Code of Conduct immediately upon assuming their duties and to be periodically reminded of this Code and educated concerning its application. Every Commissioner and employee is responsible for knowing and observing the Code.

II. Conflicts Of Interest.

A. Conflicts of Interest Are Prohibited. Neither Commissioners nor employees shall voluntarily take part in any manner in making any sale, lease, or contract in the Commissioner's or employee's official capacity, in which the Commissioner or employee has a personal financial interest.

B. Potential Conflicts of Interest. A potential conflict of interest is present if a Commissioner or employee who in the discharge of official duties would be required to take an action or make a decision that would substantially affect the Commissioner's or employee's financial interests or those of an associated business, unless the effect on the Commissioner or employee is no greater than on other members of the Commissioner's or employee's business classification, profession, or occupation.

C. Potential Conflicts of Interest Must be Disclosed. Before taking an action or making a decision that would substantially affect the personal financial interests of the Commissioner or employee, or of his or her associated business, the Commissioner or employee must disclose the potential conflict by taking the following actions:

1. Prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest; and
2. Deliver copies of the statement to the Chair of the Authority.

If a potential conflict of interest presents itself and there is insufficient time to

provide the written statement under paragraphs 1 and 2, the Commissioner or employee must orally inform the Authority of the potential conflict in open meeting session.

D. Required Actions for Commissioner or Employee with Potential Conflict of Interest.

1. If an employee has a potential conflict of interest, the employee's supervisor shall immediately assign the matter in which the potential conflict arises, if possible, to another employee who does not have a conflict of interest.
2. If a Commissioner has a potential conflict of interest the Commissioner shall:
 - a. Abstain, if possible, from influence over the action or decision in question.
 - b. File a statement describing the potential conflict and the action taken, if the Commissioner is not permitted or is otherwise unable to abstain from action in connection with the matter. The statement shall be filed with the Authority, within a week of the action taken.
 - c. Not chair a meeting, participate in any vote, offer any motion or discussion, or otherwise attempt to influence other Commissioner's on the matter giving rise to the potential conflict of interest.

III. Authority May Approve Certain Affiliations. Even if a particular situation does not give rise to an actual or potential conflict of interest, the perception of a conflict of interest should also be avoided. Therefore, before an employee accepts a position of any type, paid or unpaid, or becomes a member of or participant with any vendor, contractor, supplier, or any party doing business with or contracting with the Authority, (the "Affiliation") the employee shall give notice describing such affiliation to the Executive Director of the Authority. The Executive Director shall present the proposed Affiliation in writing to the Board of Commissioners for approval or disapproval based on whether the perception of a conflict of interest may reasonably arise. The Board of Commissioners shall make its determination promptly and the Executive Director shall communicate such determination to the employee.

This paragraph is intended to supplement and not to replace the conflict of interest provisions contained elsewhere in this Code of Conduct.

IV. Conflict of Interest Pursuant to Minnesota Statutes Section 43A.38. The following actions by a Commissioner or employee shall be deemed a conflict of interest and subject to the procedures outlined in Section II:

Use or attempted use of the Commissioner's or employee's official position to secure benefits, privileges, exemptions or advantages for the Commissioner, employee or immediate family or organization with which they are associated which are different from those available to the general public.

V. Gifts Prohibited.

A. In General. No Commissioner or employee of the Authority shall directly or indirectly receive or agree to receive any compensation, gift, reward, or gratuity from any source except the Authority for any matter or proceedings connected with it or related to the duties of such Commissioner or employee unless otherwise provided for by this section. Honoraria or expenses paid for papers, talks, demonstrations, or appearances made by employees on their own time shall not be deemed a violation of this Section provided such activity is approved by the Authority.

B. Ethics in Government Act. A lobbyist or principal may not give a gift or request another to give a gift to a Commissioner or local official designated by the Authority. A Commissioner or local official may not accept a gift from a lobbyist or principal. "Gift" means money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment that is given and received without the giver receiving consideration of equal or higher value in return.

VI. Compliance with Minnesota Open Meeting Law.

A. In General. The Authority is subject to Minnesota Statutes, Chapter 13D, known as the Minnesota Open Meeting Law, which states that all meetings, including executive sessions, must be open to the public, unless there is an exception expressly provided by statute.

B. Meetings. The term "meeting" is not defined in the Minnesota Open Meeting Law. However, the Minnesota Supreme Court has determined that meetings are gatherings of a quorum or more members of the governing body, or a quorum of a committee thereof, at which members discuss, decide or receive information as a group on issues related to the official business of the governing body.

1. A quorum of the Authority is three members.

2. Serial meetings in groups of less than a quorum that are held in

order to avoid the requirements of the Open Meeting Law may violate the law.

3. Social gatherings are not meetings subject to the Open Meeting Law as long as there is not a quorum present, or if a quorum is present, as long as the quorum does not discuss, decide or receive information on official business.

C. Exceptions to the Open Meeting Law. The statute permits closing a public meeting under certain defined circumstances.

1. All closed meetings (except for those closed under attorney-client privilege) must be electronically recorded at the expense of the Authority. Unless otherwise provided, the recordings must be preserved for at least three years after the date of the meeting.
2. Examples of meetings that may be closed:
 - a. Labor negotiations;
 - b. Misconduct allegations or charges;
 - c. Performance evaluations;
 - d. Attorney-client privilege;
 - e. Purchase or sale of real property; and
 - f. Security reports.