



MBA Audit Committee Meeting Minutes – June 28, 2019

Chair Joan Campbell called to order the meeting of the MBA Audit Committee for June 28, 2019 at 12:30 p.m. Commissioner Margaret Anderson Kelliher was present and Commissioner Paul Williams was absent.

Commissioner Anderson Kelliher moved approval of the agenda, seconded by Chair Campbell and approved unanimously – 2 YEAS, 0 NAYS.

APPROVED

MBA Audit Committee Approval of 2020 Operating and Capital Budget

Executive Director Dan Kenney and Brenda Juneau, MBA Finance Coordinator, presented the proposed 2020 MBA General Fund budget of \$700,000. Ms. Juneau noted that the 2020 proposed operating budget reflects no increase from the 2019 budget. She said that the MBA has a healthy positive fund balance to draw on if other unforeseen expenses would arise. The 2020 proposed budget request from Hennepin County for a Capital Reserve contribution is \$1,305,000. This is an increase of 2.07% from last year's budget. The Capital Reserve Fund revenue consists of investment earnings, tenant rent, and the annual capital contribution from Hennepin County. The proposed budget request for total tenant rent in 2020 is \$1,012,000, which is a 1.48% increase from the previous budgeted amount.

Chair Anderson Kelliher moved to recommend the proposed 2020 MBA General Fund and Capital Reserve Fund Budget to the MBA Board for approval at the July 9, 2019 meeting. Chair Campbell seconded the motion and it was approved unanimously. – 2 YEAS, 0 NAYS.

APPROVED

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

Hennepin County is the official depository for the MBA. Interest earnings are based on the MBA's monthly cash balance, as related to the entire cash balance of Hennepin County. Interest is earned and allocated separately to the MBA's three funds, the General Fund, the Capital Reserve Fund and the Capital Project Fund.

Ms. Juneau reviewed investment activity with the Audit Committee. The MBA's investment summary includes investment activity for 2018 through May 31, 2019. (See attached document)

MBA 2018 Audit Update

Ms. Juneau reported on the status of the 2018 MBA State Audit, noting the State Auditors will be doing most of the work in August.

There being no further business, Chair Campbell moved to adjourn. The motion was approved unanimously – 2 YEAS, 0 NAYS. The meeting of the MBA Audit Committee for June 28, 2019 was adjourned at 12:41 p.m.

INVESTMENT CASH BALANCES

Hennepin County is the official depository for the MBA. Interest earnings are based on the MBA's monthly cash balance, as related to the entire cash balance of Hennepin County. Interest is earned and allocated separately to the MBA's three funds, the General Fund, the Capital Reserve Fund and the Capital Project Fund.

SUMMARY OF INVESTMENT EARNINGS FOR 2018

2018 Investment Earnings By Fund				
Fund	Investment Income and Realized Gains and Losses	Net Decrease in the Fair Value of Investments	Total Investment Earnings 2018	
General	\$ 13,132	\$ (304)	\$ 12,828	
Capital Reserve	210,745	17,420	228,165	
Capital Project	119,600	(4,151)	115,449	

SUMMARY OF INVESTMENT EARNINGS FOR 2019

2019 Investment Earnings By Fund for period ending 5/31/2019				
Fund	Beginning Year Cash Balance	Investment Earnings for Period Ending 5/31/2019	Inv Fee paid to Hennepin County	Net Investment Earnings 2018
General	\$ 1,101,227	\$ 7,526	\$ 609	\$ 6,917
Capital Reserve	12,220,690	101,235	8,146	93,089
Capital Project	7,809,845	62,973	5,067	57,906

Minnesota Ballpark Authority

Capital Reserve Fund Interest Earnings

2010 - 2018

Year	Annual County Contribution	Annual Rent	Total Annual Contribution	Interest Earned	Fee Paid	Net Interest ¹	Cash Balance at Yr End
2010	\$ 1,100,000	\$ 900,000	\$ 2,000,000	\$ 1,550	\$ -	\$ 1,550	\$ 2,001,550
2011	\$ 1,106,488	\$ 903,539	\$ 2,010,027	\$ 37,250	\$ (5,627)	\$ 31,623	\$ 4,035,068
2012	\$ 1,145,866	\$ 925,018	\$ 2,070,884	\$ 48,889	\$ (10,171)	\$ 38,718	\$ 6,159,697
2013	\$ 1,164,933	\$ 935,418	\$ 2,100,351	\$ 69,523	\$ (16,120)	\$ 53,404	\$ 8,313,452
2014	\$ 1,185,371	\$ 946,556	\$ 2,131,927	\$ 96,746	\$ (21,394)	\$ 75,352	\$ 10,545,913
2015	\$ 1,209,936	\$ 959,965	\$ 2,169,901	\$ 144,064	\$ (26,730)	\$ 117,334	\$ 12,821,747
2016	\$ 1,211,433	\$ 960,782	\$ 2,172,215	\$ 184,075	\$ (32,582)	\$ 151,494	\$ 15,156,857
2017	\$ 1,223,515	\$ 967,372	\$ 2,190,887	\$ 215,999	\$ (37,764)	\$ 178,235	\$ 15,766,444
2018	\$ 1,243,501	\$ 978,273	\$ 2,221,774	\$ 231,156	\$ (20,411)	\$ 210,745	\$ 12,208,494

¹ Does not include Unrealized Gain/Loss