



**Minnesota Ballpark Authority Board Meeting Minutes – July 13, 2023**

Chair Margaret Anderson Kelliher called the board meeting of the Minnesota Ballpark Authority for July 13, 2023, to order at 9:00 a.m. The roll was taken. Commissioners Jim Campbell, Tony Sanneh, and David Ybarra were present.

Commissioner Tony Sanneh moved approval of the agenda, seconded by Commissioner David Ybarra, and approved unanimously – 4 YEAS, 0 NAYS.

**APPROVED**

Commissioner Tony Sanneh moved approval of the April 13, 2023 meeting minutes seconded by Commissioner Jim Campbell and approved unanimously – 4 YEAS, 0 NAYS

**APPROVED**

**Public Comment** – Mr. Alan Roebke addressed the MBA Board with the following items: (1) He asked that the use of alcohol into the 8<sup>th</sup> inning of games be moved back to the 7<sup>th</sup> inning; (2) He asked if the use of cannabis would be allowed at the ballpark now that it was legalized in Minnesota; (3) He asked that the MBA annual State Audit results be available earlier than December for the previous year; (4) He asked that MBA budget numbers be reported quarterly rather than annually.

**Chair’s Report** – Chair Margaret Anderson Kelliher asked Matt Hoy of the Twins to address the use of cannabis at the ballpark. Mr. Hoy said that there were no plans to allow the use of cannabis at the ballpark. Chair Anderson Kelliher stated that regarding the State Audit, the MBA is a small account for the State Auditor’s office along with many other state agencies and the results of the audit are done on the State’s timeline. The MBA begins working with the State Auditor’s office months before it is finalized but the majority is done in the fall and reported by December.

**Executive Director’s Report** – Executive Director Kenney reported that the draft of the Operations & Maintenance Agreement for the North Loop Green project is being finalized with the team. The document will then be transmitted to Hines Interests for review and comment. The agreement will be finalized and executed before the project opens in the first quarter of 2024. There will be a resolution at the October MBA Board meeting regarding capital improvements to the Promenade area by Target Field Station.

**Audit Report** – Chair David Ybarra reported that the Audit Committee met on June 23, 2023. The 2024 proposed operating budget reflects a decrease of 0.8%. The proposed budget request to Hennepin County is an increase of 2.6% from last year, and the proposed budget request for total tenant rent is an increase of 1.9%.

## **ACTION ITEMS**

### **Resolution 23-MBA-192**

#### **Purpose:**

To authorize submittal of the proposed 2024 MBA Operating and Capital Reserve Budget to Hennepin County.

#### **Background:**

Minnesota Laws, Chapter 473, Section 473.757, subdivision 11 provides that Hennepin County may use certain proceeds from the authorized sales and use 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 each year. A final budget will be adopted by the MBA Board in October.

Attached is the MBA proposed operating (Schedule A) and capital reserve (Schedule B) budget for 2024. The MBA Audit Committee reviewed the proposed budget on Thursday, June 29, 2023, and has recommended approval.

Schedule A summarizes the proposed General Fund budget for 2024, representing a 0.8% decrease in expenditures from the 2023 budget.

Per the Grant Agreement, Hennepin County also agrees to make annual payments for 30 years into a special revenue fund for future ballpark capital improvements. The authorized annual contribution shall be \$1,100,000 in the first year and escalates by an inflation index thereafter.

The Development Agreement between the Twins and MBA defines Consumer Price Index (CPI) increases for rent payments and capital contributions to the Special Revenue Fund. This increase is 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. It has been agreed to by all the parties that the change in CPI base will be calculated as the change from January 2010 to June of the current year then multiplied by the original 2010 contribution, resulting in an annual contribution for the following year.

The proposed budget for the Capital Reserve Fund includes estimated Twins Rent and Hennepin County capital contribution using the CIP change from January 2010 through June 2023. For Hennepin County, this payment will be \$1,548,870 in 2024.

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 2023 the Twin's rent amount will be \$1,144,848 for 2024.

**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 \$655,000 and 2.6 Full-Time Equivalents, and authorizes the Executive Director to submit the proposed 2024 MBA operating budget, attached as Schedule A, to Hennepin County, requesting a grant of \$655,000 from Hennepin County Ballpark Sales and Use 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 \$ 2,844,000, as shown in Schedule B.

**SCHEDULE A**  
**2024 PROPOSED OPERATING BUDGET**  
**GENERAL FUND**

The General Fund provides for day-to-day operations of the MBA.

**Budget Summary - Fund 82**

	2022 Actual	2023 Budget	2024 Proposed Budget
Beginning Fund Balance	\$ 1,099,098	\$ 1,097,992	\$ 1,097,992
<b>Revenues:</b>			
<i>County Grant</i>	620,000	660,000	655,000
<i>Local Grant</i>	494	-	-
<i>Interest Revenue</i>	(5,646)	-	-
<i>Other</i>	163	-	-
<b>Total Revenue</b>	<b>\$ 615,011</b>	<b>\$ 660,000</b>	<b>\$ 655,000</b>
<b>Expenditures:</b>			
<i>Personal Services</i>	436,055	466,900	463,300
<i>Commodities</i>	428	500	500
<i>Contracted Services</i>	137,205	143,100	142,000
<i>Other</i>	42,429	49,500	49,200
<b>Total Expenses</b>	<b>\$ 616,117</b>	<b>\$ 660,000</b>	<b>\$ 655,000</b>
Ending Fund Balance	<u>\$ 1,097,992</u>	<u>\$ 1,097,992</u>	<u>\$ 1,097,992</u>
Budgeted Positions (Full-Time Equivalents)	2.8	2.8	2.6

**SCHEDULE B**  
**2024 PROPOSED BUDGET**  
**BALLPARK CAPITAL RESERVE FUND**

A Special Revenue Fund accounts for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Ballpark Capital Reserve Fund is a Special Revenue Fund established as required in the Ballpark Lease Agreement By and Between the Minnesota Ballpark Authority and Twins Ballpark, LLC. Revenue sources for this fund include rent from Twins Ballpark, LLC, capital contributions from Hennepin County and interest earned on investments. Expenditures from the fund are restricted to capital improvements of the ballpark.

**Budget Summary - Fund 83**

	2022 Actual	2023 Budget	2024 Proposed Budget
Beginning Fund Balance	\$ 15,800,306	\$ 8,992,305	\$ 8,992,305
<b>Revenues:</b>			
<i>Hennepin County contribution</i>	1,379,250	1,052,000	1,549,000
<i>Investment earnings</i>	(545,493)	1,379,000	150,000
<i>Lease revenue</i>	677,430	150,000	1,145,000
<i>Interest revenue</i>	723,309	-	-
<b>Total Revenue</b>	<b>\$ 2,234,496</b>	<b>\$ 2,581,000</b>	<b>\$ 2,844,000</b>
<b>Expenditures:</b>			
<i>Capital Outlay</i>	9,042,497	-	-
<i>Future Capital Projects</i>	-	2,581,000	2,844,000
<b>Total Expenses</b>	<b>\$ 9,042,497</b>	<b>\$ 2,581,000</b>	<b>\$ 2,844,000</b>
Ending Fund Balance	<u>\$ 8,992,305</u>	<u>\$ 8,992,305</u>	<u>\$ 11,836,305</u>

**APPROVED**

## **Resolution 23-MBA-193**

### **Purpose:**

To authorize the expenditure of Minnesota Ballpark Authority funding from the Ballpark Capital Projects Fund for security perimeter improvements required for SAFETY Act certification and designation for Target Field; to authorize MBA staff to finalize the scope, design, and cost details with the Minnesota Twins and to execute a cost participation agreement; and to authorize the Executive Director to seek potential federal grant funding to support the project and to authorize the Chair and Executive Director to enter into any necessary agreements to achieve these improvements.

### **Background:**

In 2019, in preparation for seeking SAFETY Act certification and designation for Target Field, the Minnesota Twins and Minnesota Ballpark Authority engaged Walter P Moore to conduct a Threat, Vulnerability, and Risk Assessment (TVRA).

The consultants conducted a thorough review of the existing conditions around the ballpark and developed recommendations on mitigation strategies to address potential security risks. The team has self-funded several projects in response to the assessment. Over the last three years the team has added or will be adding blast film to all major exterior glazing areas to protect against glass shatter injuries. All of the areas along 7th Street and that face the Plaza are done. The glazing on 5th Street will be completed in the next two months, and the team will have invested approximately \$500,000 in this scope of work.

The Risk Assessment found the existing ballpark security perimeter, installed in advance of the 2014 All-Star Game, to be insufficient to meet the SAFETY Act certification requirements.

The security perimeter needs to be upgraded in three areas: The replacement of operable vehicle barriers at the parking lot entrance, replacement of the granite blocks along 7th Street, and replacement of the granite blocks along 5th Street. The new perimeter would feature concrete-reinforced bollards, like the ones installed in front of Target Center along First Avenue. The not-to-exceed budget for the project, with contingencies, is estimated at approximately \$3.2 million. This work may qualify for a federal grant, offsetting some of the total project costs. MBA staff is working with the consultants to identify the most appropriate program to seek federal funding participation.

With or without a federal grant, the team is proposing a 50/50 cost split with the MBA, which is how the 2014 perimeter security project was funded. The MBA's proposed contribution would be paid from the Ballpark Capital Project Fund, which has a current balance of just over \$8 million.

**Action Requested:**

**BE IT RESOLVED** that the MBA Board authorizes the expenditure of Minnesota Ballpark Authority funding from the Ballpark Capital Projects Fund for security perimeter improvements; to authorize MBA staff to finalize the scope, design, and cost details with the Minnesota Twins and to execute a cost participation agreement; and to authorize the Executive Director to seek potential federal grant funding to support the project and to authorize the Chair and Executive Director to enter into any necessary agreements to achieve these improvements.

**APPROVED**

**DISCUSSION ITEMS**

**Target Field Operations Update – Matt Hoy, Senior VP, Operations, Minnesota Twins.** Mr. Hoy reported that the scoreboard replacement project is mostly complete. There have been a few issues with lighting on the celebration sign, but they are being addressed. Two beams near the Northstar vertical circulation building on the promenade need to be replaced after the season. The team has begun work on some of the perimeter security issues, the anti-blast film has been applied to the glass on the 7<sup>th</sup> Street side and plaza side of the building.

**Financial Report – Brenda Juneau, MBA Finance Coordinator.** Ms. Juneau reported the Capital Reserve Fund budget has been updated to include June CPI numbers. Ms. Juneau also explained GASB Statement No.87, Leases, require government lessors to recognize a lease receivable and deferred inflow of resources, in addition to reporting the leased assets. Lessors then report lease revenue, interest income, and note disclosures about the leases. This statement was effective for the MBA on January 1, 2022. This will be a different way of looking at the balance sheet but does not change the MBA's financial position. The Capital Reserve Fund is at \$9 million and remains the same. The State Auditors have begun the review of documents, and audit work will likely begin in August.

*There being no further business, Chair Margaret Anderson Kelliher adjourned the meeting at 9:23 a.m.*

*Next meeting: Because of a conflict, the regularly scheduled October 12, 2023 MBA Board meeting will be moved to an alternative October date.*