



Minnesota Ballpark Authority Special Board Meeting Minutes – October 10, 2024

Vice Chair Jim Campbell called the board meeting of the Minnesota Ballpark Authority for October 10, 2024, to order at 3:00 p.m. The roll was taken. Commissioners David Ybarra and Justin Baylor were present. Commissioner Tony Sanneh arrived after the roll call. Chair Margaret Anderson Kelliher was absent.

Commissioner David Ybarra moved approval of the agenda, seconded by Commissioner Justin Baylor, and approved unanimously – 3 YEAS, 0 NAYS.

APPROVED

Commissioner Justin Baylor moved approval of the July 11, 2024, meeting minutes seconded by Commissioner David Ybarra and approved unanimously – 3 YEAS, 0 NAYS

APPROVED

Public Comment Period - No Public Comment

Chair’s Report – Vice Chair Jim Campbell deferred to Executive Director Kenney for his report.

Executive Director’s Report – in response to news that the Pohlad family is exploring a potential sale of the team, Executive Director Kenney read the following statement:

“Since July of 2006, the Minnesota Ballpark Authority has worked closely with the team and the Pohlad family to make Target Field a top-tier MLB facility.

We are confident that this proactive stewardship of the ballpark will be attractive to a potential new ownership group.

The Minnesota Ballpark Authority has strong lease and use agreements with the team, having just concluded the 15th season of the initial 30-year lease term. We look forward to continuing our partnership with the team, well into the future.”

Mr. Kenney said that the Washington State Baseball District who is the public authority that owns T-Mobile Park in Seattle Washington visited Target Field in July. The Twins provided a tour of the ballpark, and the group watched a game. The feedback from consultants, staff and board members was very positive in terms of how Target Field looks and performs during a game.

In September, on four different days, the Twins and MBA hosted legislators and staff from the Minnesota House and Senate to update them on where the ballpark is in year 15, how it is performing, and how we are looking to the future. The tour and conversations were productive and we made a favorable impression on those elected officials who learned not only about how the ballpark performs, but also the teams involvement in the community.

ACTION ITEMS

10-10-24 Proposed Resolution 24-MBA-206

Purpose:

To authorize the Executive Director to proceed with publication of the Minnesota Ballpark Authority 2023 Annual Financial Report, upon completion of the MBA Audit Exit meeting.

Background:

The State Auditor's Office is completing their review of financial statements of the Minnesota Ballpark Authority for the period ended December 31, 2023. When the State Auditor's Opinion Letter is submitted, the MBA Audit Committee will participate in an Audit Exit Meeting. After the Exit meeting, the MBA Executive Director may 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 completion of the MBA Audit Exit meeting.

APPROVED

10-10-24 Resolution 24-MBA-207

Purpose:

To adopt a 2025 MBA General Fund operating budget and Special Revenue Fund budget for the Minnesota Ballpark Authority.

Background:

The MBA Board reviewed the proposed 2025 General Fund operating budget of \$674,000

at the Audit Committee meeting on July 1, 2024. The Board then authorized the Executive Director to submit the proposed 2025 MBA budget to Hennepin County for approval, as called for in the Grant Agreement between the Minnesota Ballpark Authority and Hennepin County. The Hennepin County Board of Commissioners reviewed the proposed budget at their September 17, 2024, board meeting and are scheduled to adopt a final budget on December 12, 2024.

No changes or amendments to the proposed MBA General Fund budget are being requested currently. The MBA is requesting a grant from Hennepin County Sales Tax in the amount of \$674,000, as part of the General Fund operating budget for 2025. The General Fund budget for 2025 is shown in Schedule A, as attached.

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 annually in the amount of \$1,100,000, indexed for inflation. The annual calculated capital contribution from Hennepin County for 2025 is \$1,594,893, and annual rent from the Twins, indexed for inflation, is calculated at \$1,169,941. A Ballpark Capital Reserve Fund budget for 2025 of \$2,926,000 is hereby recommended and shown in Schedule B as attached.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority Board hereby adopts a final 2025 General Fund Operating budget of \$674,000, including 2.6 Full-Time Equivalents, as incorporated herein and attached as Schedule A, pending final approval by the Hennepin County Board on December 12, 2024; and

BE IT FURTHER RESOLVED that the Minnesota Ballpark Authority Board hereby adopts a 2025 Special Revenue Fund budget of \$2,926,000, for the Ballpark Capital Reserve Fund, as incorporated herein and attached as Schedule B.

**SCHEDULE A
2025 OPERATING BUDGET
GENERAL FUND**

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

Budget Summary - Fund 82

	2023 Actual	2024 Budget	2025 Budget
Beginning Fund Balance	\$ 1,080,826	\$ 1,152,951	\$ 1,152,951
Revenues:			
<i>County Grant</i>	660,000	655,000	674,000
<i>Local Grant</i>	30	-	-
<i>Interest Revenue</i>	40,829	-	-
<i>Other</i>	-	-	-
Total Revenue	\$ 700,859	\$ 655,000	\$ 674,000
Expenditures:			
<i>Personal Services</i>	457,670	463,300	490,980
<i>Commodities</i>	545	500	500
<i>Contracted Services</i>	119,418	142,000	133,320
<i>Other</i>	51,101	49,200	49,200
Total Expenses	\$ 628,734	\$ 655,000	\$ 674,000
Ending Fund Balance	<u>\$ 1,152,951</u>	<u>\$ 1,152,951</u>	<u>\$ 1,152,951</u>
Budgeted Positions (Full-Time Equivalents)	2.6	2.6	2.6

SCHEDULE B
2025 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

	2023 Actual	2024 Budget	2025 Budget
Beginning Fund Balance	\$ 8,630,187	\$ 11,936,033	\$ 11,936,033
Revenues:			
<i>Hennepin County contribution</i>	1,504,207	1,549,000	1,602,000
<i>Investment earnings</i>	744,019	150,000	150,000
<i>Lease revenue</i>	785,725	1,145,000	1,174,000
<i>Interest revenue</i>	677,262	-	-
<i>Other</i>	8,622	-	-
Total Revenue	\$ 3,719,835	\$ 2,844,000	\$ 2,926,000
Expenditures:			
<i>Capital Outlay</i>	413,989	-	-
<i>Future Capital Projects</i>	-	2,844,000	2,926,000
Total Expenses	\$ 413,989	\$ 2,844,000	\$ 2,926,000
Other Financing Sources (Uses):	-	-	-
Ending Fund Balance	<u>\$ 11,936,033</u>	<u>\$ 11,936,033</u>	<u>\$ 11,936,033</u>

APPROVED

10-10-24 Proposed Resolution 24-MBA-208

Purpose:

To set the 2025 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 MBA 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 the board meeting schedule from monthly to quarterly meetings.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority 2025 quarterly board meetings will be held on Thursday, January 9th, Thursday, April 10th, Thursday, July 17th, and Thursday, October 9th. All meetings will begin at 2:00 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 they determine necessary and appropriate.

APPROVED

10-10-24 Proposed Resolution 24-MBA-209

Purpose:

To authorize the expenditure of funds from the Minnesota Ballpark Authority's Ballpark Capital Projects Fund to reimburse the Minnesota Twins for costs associated with adding an additional exterior camera and equipment, in conjunction with the opening of the North Loop Green project; and to authorize the Chair and Executive Director to enter into any necessary agreements to provide for the expenditure of funds.

Background:

At the January 2020 meeting, the MBA Board adopted Resolution 20-159, delegating to the Chair and Executive Director the authority to negotiate and grant approval of Hines Interests proposed plans for the North Loop Green project.

The MBA, the team, and Hines executed a Construction Cooperation Agreement in September of 2021. As part of the agreement, Hines agreed to the installation of a static security camera on the exterior of the ballpark focused on the North Loop Green apartment tower.

The cost of the camera and related installation is being split. Hines has agreed to pay 50%, and the team and the MBA will each pay 25% of the project costs. During the term of the Ballpark Lease, the team will be responsible for the operation and maintenance of the equipment. The installation is complete, and the team has submitted an invoice for the MBA's share that is just under \$17,000.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes the expenditure of funds from the MBA's Ballpark Capital Projects Fund in an amount not-to-exceed \$17,000, to reimburse the Minnesota Twins for the costs of the new exterior security camera and equipment at Target Field.

BE IT FURTHER RESOLVED that the Chair and Executive Director are authorized to enter into any necessary agreements to provide for the expenditure of funds from the Ballpark Capital Projects Fund.

APPROVED

10-10-24 Proposed Resolution 24-MBA-210

Purpose:

To authorize the expenditure of funds from the Ballpark Capital Reserve Fund in support of the remodeling of two general concession stands at Sections 105 and 109, and replacement of the point-of-sale system (POS) in the Ballpark; to authorize MBA staff to finalize the scope, design and cost details with the Minnesota Twins; and to authorize the Chair and Executive Director to enter into any necessary agreements to achieve these improvements and provide for the expenditure of funds.

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.

As outlined in the attached letter, the team is seeking to create more efficient options to provide a better guest experience at two concession stands along the first base line on the main concourse. The team is working closely with Delaware North on this project, and these improvements could serve as a template for other concession stands in the ballpark. The team has focused on Sections 105 and 109 as this area of the ballpark has the lowest ratio of point-of-sale (POS) to guests, and the main course can get congested as lines form at the existing stands.

The ballpark's point-of-sale system has been discontinued and needs to be replaced. The

team and Delaware North have gone through an extensive RFP process. The team is confident they will be in a position to award the business in the near term, it will be in place for the 2025 season, and it will provide the best customer experience for all guests.

The team is requesting \$1.4 million from the Ballpark Capital Reserve to fund the purchase of the new POS system, and \$1.7 million to fund 50% of the cost to remodel the concessions at Sections 105 and 109.

The Ballpark Capital Reserve Fund was established in 2007, as part of the Ballpark Lease Agreement between the Minnesota Ballpark Authority and the Minnesota Twins. Annual contributions from Hennepin County and the Minnesota Twins began in 2010, and the Capital Reserve Fund balance will be approximately \$14.75 million after the 2024 payments are received in November. The use of these funds is restricted to payment for CapEx Work, which is defined in the Lease as:

- (a) all capital modifications, replacements or additions to the Ballpark that (i) taken as a whole, can be demonstrated to be reasonably necessary, directly or indirectly, for the Team to maintain its relative financial position within MLB with regard to revenues from the Ballpark; or (ii) are reasonably necessary to keep the Ballpark in first-class condition or to prevent the facilities and amenities of the Ballpark from becoming materially outdated or obsolete in comparison to other MLB ballparks constructed between 2002 and 2010; provided, however, that work described in this subparagraph (a) performed during the first two (2) years of the Term shall not be CapEx Work; and
- (b) all work, the cost of which may properly be capitalized under GAAP, that is reasonably required to be performed in and about the Ballpark to repair, restore or replace any elements of the Ballpark necessitated by any damage, destruction, ordinary wear and tear or obsolescence.

For reference, through 2023 the team has self-funded \$62.86 million for capital improvements at Target Field and the MBA Board has approved \$20.75 million for improvements funded through the Ballpark Capital Reserve Fund.

MBA staff is requesting authorization to work with the Minnesota Twins to enter into a cost reimbursement agreement in an amount not-to-exceed \$3.1 million to fund the replacement of the ballpark's point-of-sale system, and 50% of the cost for remodeling of the concession stands at Sections 105 and 109.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes the expenditure of funds from the Ballpark Capital Reserve Fund in an amount not-to-exceed \$3.1 million to

fund the replacement of the ballpark's point-of-sale system, and 50% of the cost for remodeling of the concession stands at Sections 105 and 109.

BE IT FURTHER RESOLVED that the MBA is not responsible for any additional project cost escalation or project cost overruns.

BE IT FURTHER RESOLVED that MBA staff is authorized to finalize the scope, design and cost details with the Minnesota Twins, and the Chair and Executive Director are authorized to enter into any necessary agreements to achieve these improvements and provide for the expenditure of funds from the Ballpark Capital Reserve.

BE IT FURTHER RESOLVED that the Minnesota Ballpark Authority approves a supplemental appropriation of \$3,100,000 to the 2025 Capital Reserve Budget, funded by a transfer from the Capital Reserve Fund balance for the Concession Stand Remodel and POS System Replacement Project; and

BE IT FURTHER RESOLVED that the Executive Director be authorized to transfer and disburse funds as directed.

DISCUSSION ITEMS

Target Field Operations Update – Matt Hoy, Senior VP, Operations, Minnesota Twins. Mr. Hoy said that the final attendance number for the season was 1.9 million and was slightly below expectations which were 2.2 or 2.3 million. There were three concerts at Target Field this season, two were sellouts and one was close to a sellout. All three went very well. The Twins are currently in the process of cleaning, emptying and winterizing all concessions and restrooms around the building. Mortenson executive leaders were in town this morning for a tour of the ballpark and the feedback was very positive regarding the condition of the building after 15 seasons. Replacement of concrete on the plaza is set to begin next week.

Financial Report – Dan Kenney, Executive Director, Minnesota Ballpark Authority. Executive Director Kenney reported that the quarterly financial report is in the meeting packet and MBA expenses are on target to be where they should be at this time of year.

There being no further business, Vice Chair Jim Campbell adjourned the meeting at 3:16 p.m. Next meeting: January 9, 2025