



**MINNESOTA SPORTS FACILITIES AUTHORITY REGULAR MEETING MINUTES**

**FRIDAY, JUNE 14, 2013, 9:00 A.M.**

**Hubert H. Humphrey Metrodome, Halsey Hall Room  
900 South 5<sup>th</sup> Street, Minneapolis, MN 55415**

**1. CALL TO ORDER**

Chair Michele Kelm-Helgen called the meeting of the Minnesota Sports Facilities Authority to order at 9:08 AM.

**2. ROLL CALL**

Commissioners Present: Chair Kelm-Helgen, Commissioner Butts Williams, Commissioner Benson, Commissioner McCarthy and Commissioner Griffith.

**3. ADOPTION OF AGENDA**

Chair Kelm-Helgen presented the agenda. Commissioner Benson moved approval of the agenda, seconded by Commissioner Butts Williams and approved unanimously – 5 YEAS, 0 NAYS.

**APPROVED**

**4. APPROVAL OF AUTHORITY MEETING MINUTES**

Approval of Authority Minutes for Regular Meeting of April 12, 2013 and Special Meeting of May 13, 2013. Commissioner Butts Williams moved approval of the April 12, 2013 Regular Meeting Minutes and the May 13, 2013 Special Meeting Minutes, seconded by Commissioner Benson and approved unanimously – 5 YEAS, 0 NAYS.

**APPROVED**



## 5. CHAIR'S REPORT

Chair Kelm-Helgen reported that it has been a busy couple of months for the Authority. The MSFA board has been involved in many activities, and MSFA staff has been working hard to accomplish many objectives, while working with the Team as partners. The Stadium Implementation Committee is working hard to review the schematic design. The Authority has been holding many detailed meetings with city staff as they look at a lot of moving parts.

Following the design unveiling, Chair Kelm-Helgen and Lester Bagley with the MN Vikings will be holding statewide public sessions. The tour will occur in the July/August/September time frame. A schedule will be available shortly as the Team and Authority make arrangements with these communities.

The accessibility committee held its first in-person meeting on June 5, 2013, and several conference calls have also occurred.

Chair Kelm-Helgen reported that the Authority is hiring an Equity Director. Both Commissioner Butts Williams and Kevin Warren from the MN Vikings led the search effort. Commissioner Butts Williams announced that the Authority has selected Alex Tittle. Mr. Tittle brings valuable experiences that will enhance the Authority's ability to achieve the equity goals. Approximately 17 individuals and groups were interviewed. Both Kevin Warren and Wanda Kirkpatrick aided the Authority in designing an interview process. Commissioner Butts Williams thanked Commissioner McCarthy, Lester Bagley with the Team, and Ted Mondale and Jenn Hathaway with the Authority for also participating on the interview panel. Chair Kelm-Helgen also acknowledged Wanda Kirkpatrick and Aaron Koski for their efforts throughout this whole process. It was through them that the Authority was able to begin its equity efforts on such a positive note.

Chair Kelm-Helgen gave an update on the Request for Proposal (RFP) for an Employment Assistance Firm. The Authority decided to wait until the Equity Director was on board before making a selection. The goal is make a decision at the next board meeting in July.

The Authority and Team just completed the first round of interviews for the food service concessionaire.

Chair Kelm-Helgen acknowledged that there has been many questions from targeted businesses on when bid packages will be released. It is looking like bid packages will come out in August and September. The Stadium Equity Oversight Committee will be looking at the project's workforce & targeted business goals. Given the fact that bid packages will be coming forth in the August/September time frame, the committee will be meeting soon so that various stakeholders can be informed of the process and schedule.

Chair Kelm-Helgen provided an update on the RFP for Parking Development. The Authority and Team just completed interviews with all three firms that applied. Essentially, there was one firm that was responsive to the items laid out in the RFP. At this point, the Authority and Team are analyzing options, but no decision has been made.



6. **BUSINESS**

**a. Action Items**

**i. Authorize Issuance of RFP for Tent Services**

The Project Services Agreement for Tent Services with Ultimate Events terminated at the conclusion of the 2012 Vikings football season. The MSFA has entered into a Project Services Agreement for the provision of tents for hospitality events and entrance covering and tent-related services at the Metrodome since the re-configuration of the Plaza to accommodate the LRT station. The MSFA provides a 20 meter by 40 meter (66' x 132') tent known as the VIP tent in the south parking structure, a 40 foot by 90 foot tent at the Gate D entrance and a tent covering the entrance to the Vikings Lounge, known as the Players Entrance Tent. The services include other food service prep tents and tents required on a game-by-game basis. The tent services include the permitting, installation, lighting, décor, furnishings, heating and air conditioning, maintenance, dismantling and other tent-related services as required. In 2012, the tent services payments were \$187,636.36

**Recommendation: The MSFA board authorizes the issuance of an RFP for Tent Services for the period of August 2013 through the last game of the Vikings 2013 football season, including any play-off games occurring in 2014. Commissioner Griffith moved to approve the recommendation. Commissioner Benson seconded the motion.**

**APPROVED**

**ii. Approve MSFA Insurance Renewal – Property & Casualty Program**

Team Minnesota-Associated Insurance Agents (AIA), RMCS, and Willis met with the incumbent carriers to ascertain their renewal pricing positions for the policy period from June 15, 2013 through June 15, 2014. Following is a summary of our property and casualty insurance renewal program.

**Property**

The Authority's current property program has a loss limit approach with four layers for a total property limit of \$315 million. A loss limit approach was necessary to achieve the required capacity, coverage, and cost parameters. Several carriers participated on this program including Lloyds of London, Aspen and Arch, Great American, RSUI, One Beacon, and Axis. The total renewal premium for this approach is \$587,257.91, which is a decrease of \$40,298.39 from the expiring policy premium.

The four layers for the loss limit approach with a total property limit of \$315 million:

Layer 1 - \$25 million – Lloyds of London

Layer 2 - \$25 million – Limit share shared by Aspen (50%) and Arch (50%)

Layer 3 - \$250 million – Limit shared by:

Great American (20%), RSUI (40%), One Beacon (40%)

Layer 4 - \$15 million – Axis Surplus Lines



This policy includes the following deductibles: property and time element and named storms \$50,000, flood and earth movement \$100,000, property in transit \$25,000, and roof \$500,000. The policy includes \$1 million terrorism coverage and provides business income coverage.

To streamline the loss adjustment process, the underwriters agreed to appoint an adjuster recommended by the Authority.

### **Boiler and Machinery/Equipment Breakdown**

The above property program excludes boiler and machinery/equipment breakdown coverage. A renewal quote was offered by Hartford Steam Boiler for \$9,004 an increase of \$144 from the previous year's premium. The policy limit is \$100 million for equipment breakdown and includes business income coverage. It has a deductible of \$50,000. The policy provides terrorism coverage.

### **Property Terrorism**

Underwriters at Lloyds offered to renew the property terrorism policy with the same coverage limits of \$150 million for \$77,295, which is a decrease of \$15.00 from the expiring policy premium. The policy limit is per occurrence and in the annual aggregate with a \$1 million deductible per occurrence.

### **Roof Deductible Buy-Back**

Mt. Hawley offered to renew the roof deductible buy back policy for a premium of \$53,060.44, which is a decrease of \$10.11 from the previous year's premium. The policy limit is \$475,000 in excess of a \$25,000 loss per occurrence and an annual aggregate of \$950,000. The policy provides terrorism coverage.

### **General Liability and Umbrella**

Axis Co. offered to renew the general liability policy for a premium of \$42,313 and the umbrella policy for a premium of \$17,960 for a combined total of \$60,273, which is a decrease of \$3,866 from the expiring policies' premium. This premium is not subject to audit.

General liability policy limits are \$1 million per occurrence, \$2 million general aggregate, \$2 million products/completed operations aggregate including \$1 million per occurrence and \$2 million aggregate limit for liquor liability, and \$300,000 fire legal liability. Deductible limit is \$0. Medical expense is not included. The policy provides terrorism coverage.

Umbrella policy limit is \$10 million with a self-insured retention of \$10,000 for losses not covered by the primary policies. The policy provides terrorism coverage.



## Commercial Automobile

Axis offered to renew the policy for a premium of \$1,158, which is \$157 more than the expiring policy's premium. Limits are the same as the prior policy: bodily injury/property damage \$1 million, uninsured and underinsured motorist \$1 million and personal injury protection \$20,000. Deductibles for physical damage are \$250 for comprehensive and \$500 for collision. This policy includes terrorism coverage.

## Crime

Chubb Group of Insurance Companies/Federal Insurance Co. offered a renewal quote for crime coverage for a premium of \$6,122, which is the same as the expiring policy's premium. The policy limits remain the same at \$1 million for employee dishonesty, forgery and alteration and computer theft and funds transfer fraud with a \$5,000 deductible. Coverage includes a \$10,000 limit for theft, disappearance or destruction of money and securities. This policy includes terrorism coverage.

## Workers Compensation

SFM offered a renewal quote for a premium of \$30,734, an increase of \$116.71 from the expiring policy's premium. Policy limits are statutory for Part A and \$1 million bodily injury by accident/disease for Part B employers' liability. The policy provides terrorism coverage. This premium is subject to an audit of payroll costs.

## Public Officials Liability

Darwin Insurance Co. offered a renewal quote for public officials liability coverage for a premium of \$14,341.12, which is an increase of \$1,129.75 from the expiring policy's premium. The policy limits are: \$3 million for each Wrongful Act and \$3 million annual aggregate with a \$10,000 self-insured retention for each loss. The policy is claims made and responds to claims brought against the insured public entity, its employees and volunteers for any alleged or actual breach of duty, neglect, error, misstatement or omission in the course of public duties including employment practices violations. The policy provides terrorism coverage. An optional quote was obtained to increase the policy limit from \$3 million to \$5 million for an additional premium of \$1,173.07 and RSUI offered to further increase the policy limit from \$5 million to \$10 million for an additional premium of \$15,417.97. Staff consulted with legal counsel and legal counsel recommends purchasing limits of only \$5 million for a total combined premium of \$15,514.19.

## INSURANCE CARRIER RATINGS:

Staff has followed the practice that no policy rating of less than A7 by Best will be acceptable unless approved by specific action of the Authority.

Best's Insurance Reports published annually by A.B. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.



**RATINGS:**

<u>Carrier</u>	<u>Coverage</u>	<u>A.M. Best's Rating</u>
Lloyds of London	Property	A XV
Aspen		A XV
RSUI		A XII
Great American		A XV
One Beacon		A XII
Axis		A XV
Arch		A+ XV
Hartford Steam Boiler	Boiler & Machinery/ Equipment Breakdown	A++X
Mt. Hawley	Roof deductible buy-back	A+ X
Underwriters at Lloyds	Property terrorism	A XV
Axis Surplus Lines	Gen Liability/ Umbrella	A XV
Federal Insurance (Chubb)	Auto	A++ XV
SFM	Crime	Not rated
Darwin	Workers Comp	A XV
	Public Officials	A XV

**Guide to Best Ratings Levels and Categories:**

<u>LEVEL</u>	<u>CATEGORY</u>
A++, A+	Superior
A, A-	Excellent
B++, B+	Very Good
B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Rating Suspended

**Recommendation: That the Authority authorizes the Chair and the CEO/Executive Director to execute the following insurance policies/contracts for the 2013-2014 property and casualty insurance renewal program:**

<u>Policy</u>	<u>Carrier</u>	<u>Premium</u>
Property	Layers: 1) Lloyds of London 2) Aspen, Arch 3) Great American, RSUI, One Beacon	\$587,257.91



	4) Axis	
Boiler & Machinery/ Equipment Breakdown	Hartford Steam Boiler	\$ 9,004.00
Property Terrorism	Underwriters at Lloyds	\$ 77,295.00
Roof Deductible Buy-Back	Mt Hawley	\$ 53,060.44
General Liability	Axis	\$ 42,313.00
Umbrella Liability	Axis	\$ 17,960.00
Commercial Auto	Axis	\$ 1,158.00
Crime	Chubb	\$ 6,122.00
Workers Compensation	SFM	\$ 30,734.00
Public Official Liability	Darwin/RSUI	<u>\$ 15,514.19</u>
	Subtotal	<u>\$840,418.54</u>
Associated Insurance Agents (annual fee \$30,000)	Annual fee (not included above)	<u>\$ 26,077.64</u>
	Total	<u><u>\$866,496.18</u></u>

A spreadsheet with the policy and premium information in columnar format is attached.

**Commissioner Griffith moved to approve the recommendation. Commissioner Butts Williams seconded the motion.**

**APPROVED**

**iii. Approve Proposal & Award Contract – OCIP Insurance Broker Services**

On February 25, 2013 the Minnesota Sports Facilities Authority (the Authority) and the Minnesota Vikings (Team) issued a Request for Qualifications/Proposals (RFQ/RFP) for a broad range of insurance consulting, brokerage, and administration services to assist the Authority and the Team in the design, evaluation, placement, and administration of a comprehensive insurance program for the development of the new stadium. Seven proposals were received on March 28, 2013. The seven proposals were reviewed and evaluated based on the criteria specified in the RFQ/RFP. Five proposers were selected for an interview.

Interviews were held on April 29, 2013 and the interview panel included many participants from both the Authority and the Team. Each proposer was asked to make a presentation and respond to a variety of questions. Creative ideas and suggestions were presented and extensive discussions regarding various potential project policies and their administration were held with each of the proposers.

Follow-up interviews and discussions were held with two firms. Based upon the materials submitted by the interviewees and the interviews, the interview panel recommends that the contract be awarded to Team Minnesota which is an association of Willis of Minnesota, Risk Management Consulting Services, Inc. and Associated Insurance Agents for a negotiated fee of \$235,000 to \$600,000 dependent upon which of many insurance options are chosen. For instance, the Authority can select either OCIP or Contractor Controlled Insurance Program (CCIP) and must also decide which bid credit method to use, gross-bid or net-bid, and each choice could affect the fee. As a further example, the contract value will be reduced by \$25,000 if one





professional liability type of policy is purchased rather than two and by \$40,000 if the builders risk policy is not placed by Team Minnesota.

**Recommendation: The Authority accepts the proposal for insurance consulting and brokerage services for stadium and stadium infrastructure from Team Minnesota and authorizes the Chair and the CEO/Executive Director to execute a professional services agreement with Team Minnesota for the above listed negotiated fees upon terms that the Chair and CEO/Executive Director determine are appropriate. Commissioner Benson moved to approve the recommendation. Commissioner Butts Williams seconded the motion.**

**APPROVED**

**iv. Approve Addition of Equity Director & 2013 Salary**

On April 19, 2013 the Authority published both a Request for Proposals (RFP) for Equity Management Consulting Services and an advertisement for an Equity Director. One response to the RFP and approximately 16 employment applications were received. Commissioner Butts Williams, Authority staff and the Minnesota Vikings interviewed the firm and candidates for the Equity Director position.

The consensus of the interview panel was to hire a full-time Equity Director. Major responsibilities for this position include:

- Provide guidance to the MSFA on the solicitation, evaluation and award of contracts to facilitate inclusion of minority and women owned businesses
- Oversee the Equity Plan and attend construction meetings to explain equity objectives and contractor requirements
- Act as liaison with minority and women owned businesses to inform them of procurement opportunities
- Coordinate community outreach meetings
- Direct the activities of the employment assistance firm who will coordinate outreach efforts for workforce training and recruitment of apprentices

**REQUEST FOR 2013 SALARY FOR NEW POSITION**

Staff recommends the following salary for the new position:

<b>Full-time Position:</b>	<b>2013</b>
<b>Exempt:</b>	<b><u>Salary</u></b>
Equity Director	\$98,000

The salary and benefits for this position will be funded 100% by the project.





**Recommendation: The Authority approves the addition of a full-time Equity Director position and the above 2013 salary for this position. Commissioner Butts Williams moved to approve the recommendation. Commissioner McCarthy seconded the motion.**

**APPROVED**

**b. Report Items**

**i. Parking Update**

Chair Kelm-Helgen had earlier provided an update on the RFP for Parking Development. The Authority and Team just completed interviews with all three firms that applied. Essentially, there was one firm that was responsive to the items laid out in the RFP. At this point, the Authority and Team are analyzing options, but no decision has been made.

**ii. Budget Report – 1<sup>st</sup> Quarter of 2013**

The March 2013 budget report is on file in the Authority office. Mary Fox-Stroman presented the first quarter 2013 budget report for the Minnesota Sports Facilities Authority, for the period from January 1, 2013 through March 31, 2013.

The report includes the Authority's adopted annual budget, actual revenues for the first quarter 2013, actual expenses for the first quarter 2013, the change in account balance, and the ending account balance as of March 31, 2013.

At the end of the Authority's first quarter 2013, the account balance decreased by \$1,158,515, total operating revenues were \$1,109,063, operating expenses totaled \$2,376,354, non-operating revenues and expenses totaled \$108,776, and the ending account balance at March 31, 2013 was \$10,921,708.

The stadium project trust account had total revenues of \$2,833,068, total expenses of \$2,833,068, and the ending account balance at March 31, 2013 was \$0. Project to date revenues totaled \$6,213,187 and project to date expenses totaled \$6,213,187 for a net balance of \$0.

Also included is the March 31, 2013 cash and investment summary and a detailed list of investments.

**Recommendation: No action is required at this time. This is for informational purposes only.**



7. **PUBLIC COMMENT**

One individual came forward to address the MSFA Board.

1. Jerry Kayser, United Veterans Legislative Council, Topic: Mr. Kayser applauded the selection of Alex Tittle as Equity Director as he brings extensive experience working with women, minority and veterans communities.

8. **DISCUSSION**

None

9. **ANNOUNCE FUTURE MEETINGS**

Friday, July 19, 2013 at 9:00am – MSFA Board Meeting, Halsey Hall.

10. **ADJOURNMENT**

There being no further business to come before the Authority, Commissioner Griffith moved to adjourn the meeting, seconded by Commissioner McCarthy and approved unanimously – 5 YEAS, 0 NAYS. Chair Kelm-Helgen adjourned the meeting at 9:47 am.

ADOPTED this 19th day of July, 2013 by the Minnesota Sports Facilities Authority

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Duane Benson, Secretary

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Ted Mondale, CEO/Executive Director