



Minnesota Sports Facilities Authority

Tentative Agenda

Friday, January 18, 2013
9:00 a.m.

Hubert H. Humphrey Metrodome
Halsey Hall Room
900 South Fifth Street, Minneapolis, MN 55415

1. CALL TO ORDER
2. ROLL CALL
3. ADOPTION OF AGENDA
4. APPROVAL OF AUTHORITY MEETING MINUTES – Regular Meeting, December 7, 2012
5. CHAIR’S REPORT
6. BUSINESS
 - a. Action Items
 - i. Approve Proposal & Award Contract – Government Relations
 - ii. Authorize Contract Extensions
 - Eberhardt Advisory
 - C.H. Skeim Consulting
 - i. Authorize issuance of RFQ/RFP for Insurance Broker Services
 - Property and Casualty
 - Stadium and Stadium Infrastructure
 - b. Report Items
 - i. Draft Equity Plan
7. OTHER
8. PUBLIC COMMENTS
9. DISCUSSION
10. ANNOUNCE FUTURE MEETINGS – Friday, February 8, 2013 at 9:00a.m. – Board Meeting
11. ADJOURNMENT

MINNESOTA SPORTS FACILITIES AUTHORITY

Regular Meeting
Friday, December 7, 2012
9:00 a.m.

Hubert H. Humphrey Metrodome
MSFA Conference Room
900 South 5th Street
Minneapolis, MN 55415

1. CALL TO ORDER

Chair Michele Kelm-Helgen called the meeting of the Minnesota Sports Facilities Authority to order at 9:00 a.m

2. ROLL CALL

Commissioners Present: Michele Kelm-Helgen, Barbara Butts Williams, Duane Benson, Bill McCarthy, John Griffith

Commissioners Absent: None

3. ADOPTION OF AGENDA

Chair Kelm-Helgen presented the agenda. *A motion was made by Commissioner Butts Williams and seconded by Commissioner Benson to adopt the agenda. Motion carried.*

4. APPROVAL OF AUTHORITY MEETING MINUTES

Approval of Authority Minutes for Regular Meeting of November 16, 2012 and Special Meeting of November 9, 2012. *A motion made by Commissioner Butts Williams and seconded by Commissioner Griffith to approve the minutes. Motion carried.*

5. CHAIR'S REPORT

The Authority has taken a big step in the project and has issued a Request for Proposal (RFP) for Construction Management Services. The Authority will be using the Construction Manager (CM) "at-risk" model, which is the same traditional model used for Target Field. The CM will be required to meet equity goals. This RFP has an aggressive timeline. Proposals are due January 8, a short list will be announced on January 11, and interviews will take place on the same day. Recommendations for a CM will be made on January 25. Construction is scheduled to begin October 2013. The successful proposer will have experience with sports stadium development and LEED certification.

The Preliminary Development Agreement (PDA) establishes procedures for making decisions, develops minimum design standards, and develops mechanisms for the initial funding disbursement. Chair Kelm-Helgen made the following recommendation.

RECOMMENDATION: That the Authority to authorize the Chair and CEO / Executive Director to execute the Preliminary Development Agreement. *A motion was made by Commissioner Griffith and seconded by Commissioner Butts Williams. Motion carried.*

6. BUSINESS

a. Action Items

i. Budget Report – October 31, 2012

Mary Fox-Stroman presented the budget report for the Minnesota Sports Facilities Authority for the period from January 1, 2012 through October 31, 2012. Copies of the report are on file in the Authority office. No action is required at this time.

ii. Adopt 2013 Operating Budget

Below is the 2013 Operating Budget for the Minnesota Sports Facilities Authority for the period from January 1, 2013 through December 31, 2013.

Included in the Operating Budget document is a summary of the budget, a description of the governance, stadium design and construction, economic and financial condition, background information, highlights of the 2013 Budget, and the 2013 Budget Summary.

RECOMMENDATION: *That the Authority approve and adopt the Year 2013 Operating Budget. A motion was made by Commissioner Benson and seconded by Commissioner Butts Williams. Motion carried.*

SUMMARY

A summary of the 2013 budget is shown below.

Beginning account balances	\$11,847,375
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The 2013 total budgeted operating revenues are:

Concessions	\$ 8,066,000
Admission tax	\$ 4,057,900
Rent	\$ 4,690,200
Charges for services	\$ 1,163,000

Parking	\$ 10,000
Miscellaneous revenues	<u>\$ 2,418,000</u>
Total	<u>\$20,405,100</u>

The 2013 total budgeted operating expenses are:

Concession costs	\$ 4,658,000
Tenants share of concessions	\$ 1,107,000
Facilities cost credit	\$ 3,565,200
Personal services	\$ 2,562,841
Contractual building services	\$ 2,055,000
Utilities	\$ 2,860,000
Miscellaneous	\$ 3,271,800
All other categories	<u>\$ 2,767,000</u>
Total	<u>\$22,846,841</u>

Operating loss	\$(2,441,741)
Non-Operating revenues/expenses	<u>\$ 90,000</u>
Change in account balances	\$(2,351,741)
Ending account balances	<u>\$ 9,495,634</u>

Non-Operating revenues and expenses include investment earnings of \$500,000, repair/replacements/improvement expenses of \$200,000 for equipment replacement in 2013, and concessions reserve expenses of \$210,000. The Concessions Reserve budgeted expenses of \$210,000 are for concessions regular maintenance and repairs for operations, equipment replacement and event promotions. Overall the budget shows a \$2,351,741 use of the Authority's reserves. The ending account balances (reserves) of \$9,495,634 are expected to fund future operations. The entire 2013 operating budget is on file in the Authority office.

iii. Approve 2013 Salary Recommendations.

The Authority's human resources consultant and staff reviewed salary and wage rate information from published salary surveys to assist in recommending an increase for 2013. The surveys projected salary budget increases of 2.9% - 3.0% for the national average, Minneapolis, and Minnesota. The 2013 salary structures were projected to increase 1.9% - 2.0% for the national average.

The Commissioner of Minnesota Management & Budget (MMB) approved a 2.2% increase in the compensation limit of employees of local and metropolitan units of government for 2013 based on the change in the consumer price index for the period from October 2011 to October 2012.

The Authority has an estimated annualized salary expense of \$1,224,872 for non-labor agreement employees. The cost of the recommendation for 2013 for the non-labor agreement personnel is \$31,957.

The labor agreement with the Construction and General Laborers' Local No. 563 for the maintenance employees was negotiated separately. That agreement expires February 28, 2014.

It is recommended that the salary and wage rate schedules be adjusted as follows:

1. 2.0% - cost of living increase for all non-labor agreement personnel, except for Scoreboard and Video positions.
2. 0.0% - no increase for Scoreboard and Video positions
3. 4.0% - additional salary adjustment for the Director of Facilities and Engineering
4. 2.0% - additional salary adjustment for the Director of Finance, Technical Services Manager, and Event Services Manager

RECOMMENDATION: *That the Authority approves the attached 2013 salary and wage schedule effective January 1, 2013. Motion made by Commissioner Benson and seconded by Commissioner Butts Williams. Motion carried.*

iv. Adopt Capital Budget

The Authority needs to establish an initial capital budget to allow the expenditure of funds for project costs that are related to stadium design and construction as authorized in the Preliminary Development Agreement.

RECOMMENDATION: *That the Authority approve and adopt the initial capital budget for the new stadium project consistent with the Preliminary Development Agreement. Motion made by Commissioner Griffith and seconded by Commissioner McCarthy. Motion carried.*

v. Construction Manager RFP

Steve Maki provided the following update: the Authority authorized issuance of a request for proposal (RFP) for Construction Management Services in August 2012 and advertisement and issuance of the RFP occurred today. Mr. Maki also discussed highlights of the 120 page RFP that can be found on the MSFA website. No motion required.

7. **PUBLIC COMMENT**

One individual came forward to address the MSFA Board.

Kevin Lindsay, Commissioner- MN Dept. of Human Rights; Topic: Human Rights Collaboration.

8. **DISCUSSION**

Chair Kelm-Helgen announced the 2013 Board meeting schedule. The meetings will now be monthly.

9. **ANNOUNCE FUTURE MEETINGS**

Friday, January 18, 2013 at 9:00am – MSFA Board Meeting, Halsey Hall

10. **ADJOURNMENT**

There being no further business to come before the Authority, a motion was made by Commissioner Benson and seconded by Commissioner McCarthy to adjourn the meeting. Motion carried. Chair Kelm-Helgen adjourned the meeting at 9:42 am

ADOPTED this 18 day of January, 2013 by the Minnesota Sports Facilities Authority

Duane Benson, Secretary

Ted Mondale, CEO/Executive Director



MINNESOTA SPORTS FACILITIES AUTHORITY
900 South 5th Street
Minneapolis, Minnesota 55415

January 18, 2013

MEMORANDUM

TO: MSFA Board Members

FROM: Ted Mondale / Steve Maki

SUBJECT: Approve Proposal & Award Contract – Governmental Relations Services

On December 19, 2012 at 1:00PM, two proposals were received for governmental relations services. One proposal was provided by Dorsey & Whitney and the other by Lockridge Grindal Nauen.

On December 21, 2012, the MSFA directed staff to negotiate with both proposers and return with a recommendation for contract award.

Staff recommends that this work be awarded to Lockridge Grindal Nauen.

Recommendation: The Authority accepts the proposal and awards the contract for Governmental Relations Services to Lockridge Grindal Nauen.



MINNESOTA SPORTS FACILITIES AUTHORITY
900 South 5th Street
Minneapolis, Minnesota 55415

January 18, 2013

MEMORANDUM

TO: MSFA Board Members

FROM: Ted Mondale

SUBJECT: Authorize Consulting Contracts with C.H. Skiem Consulting, LLC and Eberhardt Advisory, LLC

The Minnesota Sports Facilities Authority (Authority) has contracts with C.H. Skiem Consulting, LLC and Eberhardt Advisory, LLC which expired on December 31, 2012. C.H. Skiem Consulting, LLC provides financial advisory services specific to professional sports stadia and Eberhardt Advisory, LLC provides commercial real estate consulting services.

The Authority would like to continue its contractual relationship with these contractors as they provide high quality professional services at a competitive and reasonable price. Attached is Resolution No. 2013-01 which provides additional information.

Recommendation: The Authority approve the attached Resolution No. 2013-01 which authorizes the Chair and CEO/Executive Director to enter into negotiated proposed future contracts with C.H. Skiem Consulting, LLC and Eberhardt Advisory, LLC.

RESOLUTION NO. 2013-01

WHEREAS, the Minnesota Sports Facilities Authority (the “Authority”) has previously entered into contracts with C.H. Skiem Consulting, LLC (f/k/a Conventions, Sports & Leisure International or CSL) (“Skiem Consulting”) and Eberhardt Advisory, LLC (“Eberhardt Advisory”);

WHEREAS, these contracts expired on December 31, 2012;

WHEREAS, the Authority has received high-quality services from both Skiem Consulting and Eberhardt Advisory under its prior contracts;

WHEREAS, the Authority has negotiated potential future contracts with Skiem Consulting and Eberhardt Advisory, separately;

WHEREAS, the Authority believes that the negotiated potential future contracts are in the Authority’s economic interest, because they will provide for high-quality services at a competitive and reasonable price;

WHEREAS, the Authority does not believe that an additional competitive process - whether by obtaining additional quotations, sealed bids, advertisement, or other means – would yield superior results or a superior bargain for the Authority;

WHEREAS, the value of the negotiated potential future contracts for professional services exceed \$100,000 each; and

WHEREAS, the Authority Procurement Policy requires the Authority to engage in an unspecified “competitive process” for professional services exceeding \$100,000 “unless otherwise determined by the Authority.”

NOW THEREFORE, the Authority hereby determines:

1. The negotiated proposed future contract with Skiem Consulting offers the Authority high quality professional services at a competitive and reasonable price.
2. The negotiated proposed future contract with Eberhardt Advisory offers the Authority high quality professional services at a competitive and reasonable price.
3. No benefit would be gained from further competitive process in the award of contracts for the services described in the Skiem Consulting and Eberhardt Advisory contracts.
4. The Authority hereby determines that no further competitive process is required, in compliance with the Authority Procurement Policy.

5. The Authority hereby authorizes its Chair and its CEO/Executive Director, to enter into the negotiated proposed future contracts with Skiem Consulting and Eberhardt Advisory.
6. The amount of the contract with Skiem Consulting shall not exceed \$300,000.
7. The amount of the contract with Eberhardt Advisory shall not exceed \$200,000.

ADOPTED this 18th day of January 18, 2013, by the Minnesota Sports Facilities Authority.

Secretary / Treasurer

Moved by: _____

Seconded by: _____

CEO / Executive Director

Abstentions

Nays

Ayes



MINNESOTA SPORTS FACILITIES AUTHORITY
900 South 5th Street
Minneapolis, Minnesota 55415

January 18, 2013

MEMORANDUM

TO: MSFA Board Members

FROM: Ted Mondale/Mary Fox-Stroman

SUBJECT: Authorize Request for Qualifications/ Proposals (RFQ/RFP) for Insurance Brokerage Services for the Property and Casualty Program

The Minnesota Sports Facilities Authority (Authority) has utilized the services of Associated Insurance Agents (AIA) since 2008 as its broker of record for its property and casualty insurance program. AIA has had a successful history of providing brokerage services to the Authority for several years. AIA also provided services to the Metropolitan Sports Facilities Commission for its property program from 1999 to 2006.

Periodically the Authority initiates a process of competitive procurement for these services and solicits request for qualifications/proposals (RFQ/RFP). The RFQ/RFP will require a variety of services including: marketing the program to insurers to achieve effective service capabilities, receiving and analyzing quotes from prospective insurers, representing the Authority in negotiations with insurers, underwriters, and other parties concerning the insurance program, servicing the Authority's insurance policies including issuance of Certificates of Insurance, verifying rates and premiums, checking accuracy of policy wording and providing analysis and recommendations.

The Authority's property and casualty insurance program includes the following policies: auto liability, crime, commercial general liability, umbrella liability, property, boiler and machinery, roof deductible buy-back, property terrorism, public officials' liability, and workers compensation.

The Authority's goal is to select the broker who is best able to meet the unique insurance needs of the Authority.

Recommendation: The Authority authorizes the CEO/Executive Director to solicit Request for Qualifications/Proposals (RFQ/RFP) for insurance brokerage services for its property and casualty insurance program. A recommendation for contract award will be presented at a future meeting.



MINNESOTA SPORTS FACILITIES AUTHORITY
900 South 5th Street
Minneapolis, Minnesota 55415

January 18, 2013

MEMORANDUM

TO: MSFA Board Members

FROM: Ted Mondale/Mary Fox-Stroman

SUBJECT: Authorize Request for Qualifications/Proposals (RFQ/RFP) for Insurance Consulting and Brokerage Services for Stadium and Stadium Infrastructure

The Minnesota Sports Facilities Authority (Authority) together with the Minnesota Vikings, LLC (Team) plan to issue a Request for Qualifications/Proposals (RFQ/RFP) to seek an experienced broker to provide a broad range of insurance consulting, brokerage, and administration services to assist the Authority and Team in the design, evaluation, placement and administration of a comprehensive insurance program in connection with the development, design, and construction of a new Stadium and some or all of the related Stadium Infrastructure.

The Authority will initiate a process of competitive procurement for insurance brokerage services. The process will use a RFQ/RFP that seeks a broad range of insurance consulting, insurance brokerage, and OCIP administration services. Proposals will be solicited for the following services: consulting; brokerage, administration and servicing on one or more of the types of insurance desired such as Worker's Compensation, Commercial General Liability, OPPI, Pollution and Environmental Liability, Excess and/or Umbrella Excess Liability, and Builders Risk; brokerage on payment, performance and other bonds; and OCIP or CCIP administration.

The Authority and the Team intend to have the broker serve as the lead service liaison who will be responsible for coordinating other insurance service providers for the Authority and Team.

Recommendation: The Authority authorizes the CEO/Executive Director to solicit Request for Qualifications/Proposals (RFQ/RFP) for insurance consulting and brokerage services for Stadium and Stadium Infrastructure. A recommendation for contract award will be presented at a future meeting.