



MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – March 15, 2019 at 9:00 A.M.
Mill City Museum
710 South 2nd Street Minneapolis, MN 55401

1. CALL TO ORDER

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 9:00 A.M.

2. ROLL CALL

Commissioners present: Chair Michael Vekich, Barbara Butts Williams, Bill McCarthy, and Tony Sertich

3. APPROVAL OF MEETING MINUTES – January 18, 2019. See, Exhibit A.

4. BUSINESS

a. Action Items

i. Approve Insurance Brokerage Services Contract

Mary Fox-Stroman, Director of Finance for the MSFA, stated that the MSFA received three proposals in response to the request for proposals (RFP) for insurance brokerage services for the property and casualty program, which includes: auto and garage keepers’ legal liability, crime, cyber/privacy liability, general and excess liability, property, public officials, and workers’ compensation. Based on the proposals, the MSFA staff recommends that the casualty insurance program be awarded to CBIZ for a negotiated annual fee of \$30,000, and WillisTowersWatson for property insurance for an annual fee of the lesser of 10% commission of gross premium or a fee of \$48,500. See, Exhibit B.

Chair Vekich asked Ms. Fox-Stroman if the brokers' fees increased from the prior year. Ms. Fox-Stroman stated that the annual CBIZ fees remained the same, and WillisTowersWatson agreed to reduce their commission from 15% to 10% and capped the commission at \$48,500.

Commissioner Sertich moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority accepts the proposal for insurance brokerage services for the property and casualty insurance program and authorizes the Chair and the Executive Director to execute a professional services agreement with CBIZ for an annual fee of \$30,000 and a separate professional services agreement with WillisTowersWatson for an annual fee equal to the lesser of 10% commission on gross premium or \$48,500.

ii. Approve Amp Room Cooling Contract

James Farstad, Executive Director of the MSFA, stated that the MSFA authorized a contract with Harris Companies for the first phase of the amp room cooling project for \$135,000, and said that staff has subsequently determined that the entire project should be completed in this fiscal year. He also stated that the temperature in the amp room should not exceed 70° F, and the cooling units all needed to keep the room below the 70° F limit. See, Exhibit C.

Commissioner Sertich moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority authorizes the Chair and the Executive Director to execute a contract with Harris Companies for the amp room cooling project for a total cost of \$415,880.

iii. 2018-2019 Capital Budget (Capital Reserve Project Budget & Concession Capital Reserve Project Budget)

Capital Reserve Project Budget

Mr. Farstad stated that the MSFA board approved the 2018-2019 Capital Reserve Account budget at the June 28, 2018 meeting, with a total capital expenses budget of \$8,912,063.00. However, there are currently 37 capital projects in progress or have been completed for a total budget of \$8,028,104.29. Per Section 5.6(a)(ii) of the Use Agreement, the Minnesota Vikings (Team) may designate \$750,000 per year over a five-year period in capital improvements to the stadium, and recently the team submitted a request to designate additional capital improvements for a total expense of \$510,000.00. See, Exhibit D.

Commissioner Butts Williams moved and Commissioner Sertich seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority approves the 2018-2019 revised capital reserve project plan and budget and approves inclusion of the Minnesota Vikings designated capital projects in the plan.

Concession Capital Reserve Account Budget and Plan:

Mr. Farstad stated that the MSFA board approved the 2018-2019 Concession Capital Reserve Account budget at the June 28, 2018 meeting, which included a total concession capital project expenses of \$1,085,055. He stated that Aramark recently recommended additional capital projects totaling \$448,049.00. The concession capital reserve project budget and plan was revised to include these projects. See, Exhibit E.

Commissioner Sertich asked Mr. Farstad for more clarification about the line item titled "Equipment" in the Concession Capital Reserve Account. Mr. Farstad stated that the "equipment" relates to the addition of concession equipment to many concessions stands on the main concourse and the upper concourse of the stadium. He stated that they will also be adding a Caribou Coffee Stand on the upper concourse, which will require new equipment for the buildout of the stand.

Commissioner Sertich moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority approves the 2018-2019 revised concession capital reserve account project budget and plan.

iv. Approve Integration of Operating and Capital Improvement Equity Plans

Mr. Farstad stated that the MSFA would like to integrate the Operations Equity Plan with the Capital Equity Plan. He stated that the plan is designed to further the MSFA's evolution as a leader in equity, inclusion, and diversity. *See, Exhibit F.*

Chair Vekich asked Mr. Farstad if any significant changes have been made to the integrated equity plan, and Mr. Farstad stated that there are no major changes.

Commissioner McCarthy moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority adopts the attached Amended Operations and Capital Improvement Equity Plan. The MSFA authorizes the Chair and the Executive Director to implement the plan.

v. Approve Equity Advisor Contract

Mr. Farstad stated that on January 15, 2019, the MSFA published an RFP to attract a creative community leader or team - with a shared vision and commitment to enhance the fulfillment of the MSFA's Equity Plan and serve as Equity Advisor. He noted that the selected Advisor will identify and develop relationships with key community leaders and partners, maintain and provide updated database of outreach contacts, and prioritize key opportunities to grow the stadium's network of community stakeholders and associations. Mr. Farstad and Commissioner Butts Williams have interviewed two very qualified companies, and that a decision should be made in the next few weeks. *See, Exhibit G.*

Chair Vekich thanked Commissioner Butts Williams for participating in the selection of the equity advisor. Commissioner Butts Williams stated that both candidates are top notch, and that she will be pleased with the outcome of the chosen company.

Commissioner Butts Williams moved and Commissioner McCarthy seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority authorizes the Chair and the Executive Director to execute a contract with the selected Equity Advisor for an amount not to exceed \$80,000 per year.

vi. Approve Artificial Playing Surface Contract

Mr. Farstad stated that U.S. Bank Stadium's original artificial playing surface was estimated to last five years; however, due to the many concerts, corporate events, religious events, dirt events, and the constant covering and uncovering of the field turf cover, the life of the field turf has been reduced. Mr. Farstad stated that on December 11, 2018, the MSFA published an RFP to attract proposals for a new artificial playing surface solution, and that three qualified candidates have been interviewed, which include: Act Global, Kieffer USA, and Hellas Construction. The installation of the artificial playing surface will take 18 days to install, and the project will be completed by the end of May. *See, Exhibit H.*

Commissioner Sertich moved and Commissioner McCarthy seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority authorizes the Chair and the Executive Director to finalize negotiations and execute a contract with the selected artificial playing surface contractor for an amount not to exceed \$1,300,000.

b. Report Items

i. Final Four Update (Facility Transformation, Final Four Procurement, & Staffing)

Patrick Talty, General Manager of SMG, gave an update on the Final Four. See, Exhibit I.

Following Mr. Talty's presentation, Chair Vekich asked Mr. Talty to provide information about the Final Four Reese's event that will take place on Friday April 5, 2019. Mr. Talty stated that the event is open and free to the public, and that stadium doors will open at 10:00 am. The stadium is expecting an attendance of 20,000 and 30,000 people. These guests can watch the final four teams practice on the court, as well as attend the All-Star Game, which begins at 3:30 pm. Commissioner Butts Williams asked Mr. Talty about the anticipated crowd flow for the events, and Mr. Talty stated that stadium officials are expecting over 72,000 people to visit the stadium, which is a larger crowd than Super Bowl. He noted that there will be additional seating in the bowl, and that more concession stands will be brought in to reduce wait time, and keep lines shorter. Stadium officials expect that people who attend the Final Four activities will most likely be eating two meals a day in the stadium, so additional food will be made, and more point of sale stations will be installed. He also stated that this will be the first NCAA Final Four in history where alcohol (beer and wine) will be served.

ii. Executive Director's Report

Mr. Farstad reported that external resources have assisted in the monitoring of the MSFA and the stadium's exchange servers and firewalls. He noted that the stadium has been using the same company since 2012, and believes it is time for the MSFA to publish a request for proposal (RFP) so additional entities can submit bids. The RFP was published on January 18, 2019, and the MSFA has received five proposals from reputable companies. Mr. Farstad stated that the MSFA staff is in the process of reviewing the proposals, and will soon chose two to three finalists. Staff will then present a vendor recommendation at a future meeting.

Mr. Farstad stated that the MSFA would like to redesign its website, as it has not been updated in many years. He stated that MSFA staff found a woman-owned company located in Duluth, MN, and

expressed the importance in selecting companies throughout the state of Minnesota, and not only companies located in the Twin Cities

5. PUBLIC COMMENTS

There were no public comments.

6. DISCUSSION

There was no discussion.

7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on April 19, 2019, at U.S. Bank Stadium in the Medtronic Club at 9:00 A.M.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 9:45 A.M.

Approved and adopted the 26th day of April 2019, by the Minnesota Sports Facilities Authority.



Tony Sertich, Secretary/Treasurer



James Farstad, Executive Director

5-3-19



EXHIBIT A

MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes January 18, 2019 at 9:00 A.M.
U.S. Bank Stadium Medtronic Club
1005 South 4th Street
Minneapolis, MN 55415

1. CALL TO ORDER

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 9:03 A.M.

2. ROLL CALL

Commissioners present: Chair Michael Vekich, Barbara Butts Williams, Tony Sertich, and Bill McCarthy

3. APPROVAL OF MEETING MINUTES – October 21, 2018. See, Exhibit A.

4. BUSINESS

a. Action Items

i. Approve Contract Amendment with Chicago Flyhouse

The MSFA entered into a contract on June 28, 2018 with Chicago Flyhouse to provide a darkening solution for U.S. Bank Stadium in an amount of \$1,257,425.10. The MSFA now wishes to amend the contract and increase the amount by \$186,870.00 for the addition of two acoustical curtains located on the east and west side windows, as well as additional bushel storage hampers. See, Exhibit B.

Commissioner McCarthy moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The MSFA authorizes the Chair and Executive Director to amend the contract with Chicago Flyhouse for a total contract amount of \$1,444,295.10.

ii. Election of Officers

Chair Vekich asked the Board if they had any nominations for the Vice-Chair and the Secretary/Treasurer positions. Commissioner McCarthy nominated Commissioner Butts Williams for the Vice-Chair, and also nominated Commissioner Sertich as the Secretary/Treasurer. All the Commissioners supported his nominations, and the motion was adopted.

b. Report Items

i. First Quarter Budget Report

Ms. Fox-Stroman, Director of Finance at the MSFA, gave a report on the MSFA's first quarter budget. See, Exhibit C.

ii. U.S. Bank Stadium Event Update

Patrick Talty, General Manager of SMG, provided the MSFA board with an update of events at U.S. Bank Stadium. Mr. Talty stated that the stadium closed out the year with a great Vikings season, and that his event day staff were praised by the fans for their friendliness and engagement. He stated that United Rentals held their annual event on the field, and that Aramark provided an excellent meal serving over 700 people. Buick also held an event at the stadium where the company honored their top sales representatives.

Mr. Talty then gave an update on the Final Four Tournament preparations. He stated that the event is only 70 days away, and that stadium officials and the NCAA are working out the fine details for the tournament. He noted that the NCAA does not have many consultants to prepare the stadium for the Final Four, and that the majority of the prep work is falling onto the stadium employees, which has kept

everyone very busy. Stadium officials are also working with the City of Minneapolis to figure out how to reduce traffic and make transportation to the stadium easier for all guests. Mr. Talty also stated that a big part of planning the Final Four is the cleaning in between days, as well as providing enough food for all the guests. Because the event is four days long, employees will have to clean the stadium overnight, as well as restock concession stands as it is estimated that each guest will eat roughly 2 meals throughout the day.

Mr. Talty also recognized Lisa Niess, the Marketing and Communications Manager at SMG, as won an award for being included in the “30 under 30” list.

Chair Vekich asked Mr. Talty if he has any concerns about the Final Four preparations, and Mr. Talty stated that there is nothing major that he worries about. His main concern is that the stadium does not forget any details regarding the preparation for the stadium, as there is a tremendous amount of build-out that is required, such as building the additional seating on the court, hanging the large score board, and all of the IT work that needs to be completed.

Chair Vekich asked Mr. Talty when the interior stadium preparations will begin, and also when the NCAA representatives will arrive in Minneapolis. Mr. Talty stated that the NCAA reps will arrive during the first week of March, and that interior set up will begin the last week of February.

iii. Executive Director’s Report

Jim Farstad, Executive Director of the MSFA, reported that the darkening solution is well underway, and is almost complete. The majority of the hardware has been installed, and Bluemedia is now flying portions of the fabric across the ETFE for testing. Chicago Flyhouse recently installed their lifelines to ensure that their workers are safe when they begin hanging the curtains, and the curtain will begin the week of January 21st.

Mr. Farstad stated that in addition to the darkening solution, the MSFA is currently adding drink rails to the ADA seating for safety purposes, and that the main concourse’s rails will be completed and ready by the time the NCAA Final Four Tournament begins.

Commissioner McCarthy asked Mr. Farstad who is doing the work for the darkening solution, and Mr. Farstad stated that both Bluemedia and Chicago Flyhouse are bringing in level 3 climbers, who are very specialized and knowledgeable about the project. Commissioner McCarthy also inquired if the employees are tradesmen, and Mr. Farstad confirmed that they are. Commissioner Butts Williams asked Mr. Farstad if anyone from the City of Minneapolis is coming to the stadium to inspect the work, and Mr. Farstad stated that the city is coming into the stadium for inspection, and that the MSFA have been working with Steve Poor to insure all the work is up to code.

5. DISCUSSION

Chair Vekich stated that U.S. Bank Stadium and the city of Minneapolis are very fortunate to have been awarded the Super Bowl and the Final Four Tournament. He stated that these events are very complex, and that they take so much work, but it showcases that the stadium is prepared to handle any size and type of event. Chair Vekich then called upon Mr. Talty to discuss how hosting the Super Bowl and the Final Four has impacted the marketing for the stadium. Mr. Talty stated that the majority of stadiums are unable to host the Super Bowl or Final Four, and only few are able to host both. Because of the Super Bowl and Final Four, he stated that there has been very positive national press, and that many people now want to host an event at the stadium, such as annual meetings, conventions, concerts, and sporting games. Mr. Talty noted that ESPN's X-Games have signed an additional two years at the stadium, which has also put the stadium on a national stage.

Commissioner Sertich asked Mr. Talty if he could provide some details as to how the Final Four differed from the Super Bowl. Mr. Talty stated that the Final Four is a week-long event, unlike the Super Bowl. He noted that in some aspects the Final Four are more complex than the Super Bowl, because the building is being transformed into a basketball court, which is an event that the building wasn't designed for.

Commissioner McCarthy asked Mr. Talty what the total seating capacity will be for the Final Four, and Mr. Talty stated that it will be expanded up to 72,000.

6. PUBLIC COMMENTS

1. Constance Pepin:

Ms. Pepin addressed the MSFA to discuss the installation of the darkening solution curtains for the NCAA Final Four Tournament. She noted that the black curtains that are part of the window curtain system will increase glass reflectivity and, therefore, increase the amount of bird collisions. Ms. Pepin is also concerned that the blackout curtains will be used for more than just the Final Four Tournament, but for other events as well, which will create even more bird collisions. Because the curtains will be hung from mid-March to mid-June, she is concerned that it will have a great impact Spring migration, and she requested that the curtains not be kept in place in between events. She also requested and that the stadium not use the curtains for events during the Spring or Fall migration.

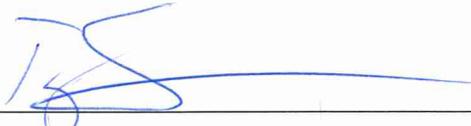
7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on February 15 2019, at Mill City Museum at 9 am. The address is: 710 South 2nd Street, Minneapolis, MN

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 9:45 A.M.

Approved and adopted the 15th day of February 2019, by the Minnesota Sports Facilities Authority.



Tony Sertich, Secretary/Treasurer



James Farstad, Executive Director



EXHIBIT A

MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – December 21, 2018 at 9:00 A.M.
U.S. Bank Stadium Medtronic Club
1005 South 4th Street
Minneapolis, MN 55415

1. CALL TO ORDER

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 9:07 A.M.

2. ROLL CALL

Commissioners present: Chair Michael Vekich, Barbara Butts Williams, Laura Bishop, and Tony Sertich
Commissioners Absent: Bill McCarthy

3. APPROVAL OF MEETING MINUTES – October 21, 2018. *See, Exhibit A.*

4. BUSINESS

a. Action Items

i. Approve MSFA Guiding Principles

Chair Vekich, stated that the MSFA wanted to align the Stadium Partners as a unified team, working together to make U.S. Bank Stadium successful on every front, which includes: State of Minnesota, Minnesota Vikings, City of Minneapolis, SMG, and Aramark. As the planning process progressed, Chair Vekich stated that the MSFA made the development of the Guiding Principles a key priority. The Guiding Principles include: the MSFA core values, stadium and MSFA purpose, shared mission, and shared vision.

Chair Vekich noted that the draft version of the MSFA's Guiding Principles were reviewed by each MSFA board member. The board's collective input led to valuable refinements, including the identification of equity, community focus, and involvement as one of the MSFA's core values. See, Exhibit B.

Commissioner Butts Williams thanked Chair Vekich for the update and for bringing the Guiding Principles document to life. She believes that communicating these principles to the community is a necessity, as the MSFA needs to continue to demonstrate its transparency to the public.

Commissioner Sertich moved and Commissioner Bishop seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority adopts the attached MSFA Guiding Principles. The Authority authorizes the Chair and the Executive Director to continue the strategic planning process.

ii. Approve Amended FY 2018-2019 Budget

Mary Fox-Stroman reported the 2018-2019 Amended Budget for the fiscal period from July 1, 2018 to June 30, 2019 for the Operating account, Capital Reserve account, and the Concession Capital Reserve account. This amended budget reflects the updated beginning account balances as of July 1, 2018 and it includes revised revenues and expenses for the NCAA Men's Basketball Final Four 2019 tournament. See, Exhibit C.

Commissioner Butts Williams moved and Commissioner Sertich seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority adopts the attached 2018-2019 Amended Budget for the fiscal period from July 1, 2018 through June 30, 2019 for the operating account, the capital reserve account, and the concession capital reserve account. The Authority authorizes the Chair and the Executive Director to make adjustments to the detailed revenue and expense budget lines within the operating account budget.

iii. Approve Revised Operations Equity Plan

James Farstad discussed the newly amended MSFA Operations Equity Plan. He stated that this amended plan reflects an alignment with the MSFA Guiding Principles and State of Minnesota Statute § 473J.12, which is designed to further the Authority's evolution as a leader in equity, inclusion, and diversity. Mr. Farstad stated that the MSFA hosts quarterly meetings for women, minority, and veteran owned businesses, to discuss the opportunities for work that may be available in the near future. He noted that the MSFA now includes a job fair at these meetings. The equity meetings will have food catered from women, minority, an/or veteran owned local restaurants within the community. See, Exhibit D.

Chair Vekich thanked Commissioner Butts Williams for attending and speaking at the equity meeting. He stated that there was great discussion with a large and diverse audience. Commissioner Butts Williams stated that she has enjoyed working in collaboration with all stadium partners, and she is hopeful that the stadium will continue to maintain its equity goals.

Commissioner Bishop moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority adopts the attached Amended Operations Equity Plan. The Authority authorizes the Chair and the Executive Director to implement the plan.

iv. Approve Amended Contract for CH Skiem Consulting, LLC

Mr. Farstad stated that on December 15, 2017 the MSFA authorized the Chair and Executive Director to enter into a contract with C. H. Skiem Consulting, LLC for financial advisory services related to stadium construction and operations for an amount up to \$120,000 for the period from January 1, 2018 through December 31 2018. See, Exhibit E.

Commissioner Sertich moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The MSFA authorizes the Chair and Executive Director to execute a contract amendment with C.H. Skiem Consulting, LLC, and to increase the contract maximum amount to \$121,587 for the above listed term.

v. Approve Final Four Local Organizing Committee (LOC) Contract (including update on Final Four)

Before presenting the proposed Final Four Local Organizing Committee contract to the board, Chair Vekich asked Patrick Talty, SMG's General Manager, to provide a stadium update on the Final Four. Mr. Talty stated that unlike the Super Bowl, there are less consultants to help with the planning, so a lot of the work is being delegated to stadium staff. He noted that the stadium is having monthly meetings with the NCAA and the LOC, and a lot of planning decisions have been made before the new year. He noted that the perimeter of the stadium for the Final Four will be less expensive and less expensive than the Super Bowl, but will have the same security procedures. In order to make the event feel special for the athletes, Mr. Talty stated that the stadium will put a focus on branding on the service level of the stadium, which is where the student athletes will gather. He also stated that the Final Four tournament will be the largest event that U.S. Bank Stadium has hosted, as additional seating will be installed on the field level surrounding the courts. Because of this additional seating, U.S. Bank Stadium will be ready to host 72,000 people. Mr. Talty also announced that for the first time in NCAA Final Four history, beer and wine will be available for purchase at the stadium; however, there will be very stringent alcohol policy. Lastly, Mr. Talty stated that he is excited that the games will bring in true fans, and unlike the Super Bowl, the Final Four will be a much more family friendly event. Commissioner Butts Williams stated that she would be interested in an overview report that states the challenges of hosting large events such as the Final Four and concerts. She asked Mr. Talty if there is anything the MSFA should consider when planning these events, and also asked about flexibility with storage and the media. Lastly, she asked Mr. Talty to comment on how these events could turn into future investments. Mr. Talty responded by saying that the biggest asset of the stadium is its flexibility for events. The stadium has hosted an array of different events, and because of this flexibility, many people are able to attend events that suit their interests. Mr. Talty stated that one of the biggest challenges is storage, as many of these large events require the storing of materials within the stadium. He noted that the loading dock is a great asset as it is located inside the stadium and is very close to the field. He also stated that the

technology in the building is state-of-the-art, and for the first time ever, the NCAA will be able to have media located on the field.

Lastly, Mr. Talty stated that the LOC is responsible for all events located outside of the stadium, all the fundraising, and the volunteer program.

Following Mr. Talty's stadium update, Chair Vekich discussed the Final Four LOC Contract with the MSFA Board. He stated that the MSFA and SMG staff have worked with the Final Four Local Organizing Committee to finalize event plans and preparations for the 2019 NCAA Final Four Men's Basketball tournament, which will be held from April 6, 2019 through April 8, 2019. He stated that the Event Support and Funding Agreement has been finalized and is ready for signature by the MSFA and Minneapolis Local Organizing Committee. *See, Exhibit F.*

Commissioner Butts Williams moved and Commissioner Sertich seconded the motion to approve the following recommended motion, which was unanimously adopted:

The MSFA authorizes the Chair and Executive Director to execute the Event Support and Funding Agreement with the Minnesota Local Organizing Committee for the 2019 NCAA Men's Basketball Final Four.

vi. Accept Comprehensive Annual Financial Report - June 30, 2018

Ms. Fox-Stroman presented the Comprehensive Annual Financial Report. She stated that The CAFR has three major sections: introductory, financial, and statistical. The financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements including the notes to the financial statements, and required supplementary information. This is the first year that an independent audit firm, CliftonLarsonAllen LLP (CLA), conducted the audit. *See, Exhibit G.*

Christopher Knopik and Michelle Hoffman from CliftonLarsonAllen then discussed the audit.

Chair Vekich thanked CliftonLarsonAllen for their great work. He noted that receiving a clean audit and having no material adjustments is a difficult task, and he complimented both Mary Fox-Stroman and Sue

Arcand for their hard work. Chair Vekich then asked Mr. Knopik and Ms. Hoffman if there are any concerns that the MSFA should be aware of, and Mr. Knopik stated that there are no concerns. Ms. Hoffman then stated that Ms. Fox-Stroman and Ms. Arcand were great to work with and that they were very responsive to any questions that the CliftonLarsonAllen had.

Commissioner Sertich moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The MSFA accepts the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

b. Report Items

i. Comprehensive Annual Financial Report

As the Comprehensive Annual Financial Report was discussed in the action items, Ms. Fox-Stroman suggested that the MSFA move on to the next report item.

ii. 4th Quarter Budget Report – June 30, 2018

Ms. Fox-Stroman provided the board with two budget reports. The first, was the fiscal year 2017-2018 budget report for the fiscal year ended June 30, 2018 for the operating account, capital reserve account, and concession capital reserve account. Second, was the project-to-date budget report for the U. S. Bank Stadium project trust account from project inception through June 30, 2018. See, Exhibit H.

iii. Executive Director's Report

Mr. Farstad reported that the MSFA, along with the Minnesota Twins, hosted a Home Plate Unveiling ceremony to celebrate the years of baseball played in the H.H.H. Metrodome. He thanked Aramark for making the event so special, and noted that they “hit it out of the park”. Mr. Farstad also announced that Northland Community College used the latest drone technology to capture images of the stadium

in order to detect any damage to the building, and if any repairs needed to be made. Mr. Farstad touched on the status of capital projects that are in progress in the stadium, including: the darkening solution acoustic curtain, ADA seating, broadcast cabling, field turf request for proposals, restroom gates prototypes, integration of Excel Energy meters into the building's automation system, Verizon Gate's matting installation, elevator audio installation, and the Polaris/Ecolab Gates' stairway repairs. Regarding the operations projects, Mr. Farstad stated that x-ray security screen tests are in progress, the concession energy management pilot has been finalized, the LEED operational certification purchase order has been submitted, and the request for proposals for IT Services, Equity Advisor, and Casualty/Property Insurance are being finalized.

iv. Patrick Talty Stadium Event Update

Mr. Talty presented a stadium update to the MSFA Board regarding 2018 events. *See, Exhibit I.* Commissioner Butts Williams asked Mr. Talty if there are any concerns regarding the turf, as U.S. Bank Stadium has hosted so many events. Mr. Talty stated that U.S. Bank Stadium has the best turf in the country, and that the Vikings always make sure it is of the highest quality. He stated that usually field turf is replaced after 5-6 years of use, but Mr. Talty stated that he hopes it will be replaced earlier. Chair Vekich then asked Mr. Talty to discuss the press conference with Garth Brooks and Governor Mark Dayton. Mr. Talty reported that Garth Brooks had a phone interview with Governor Dayton, and that the Governor was encouraging Garth Brooks to add a second show at U.S. Bank Stadium as the tickets to his show on May 4, 2019 were in high-demand. Garth Brooks agreed to a second show, which will be held on May 3, 2019. Lastly, Mr. Talty introduced Anne Dune, the new assistant General Manager of U.S. Bank Stadium, to the MSFA Board.

v. Steve Fletcher

Chair Vekich called Steve Fletcher, Minneapolis City Council member of Ward 3 to address the board. Mr. Fletcher stated that he is the city council member in the Downtown East district, and praised U.S. Bank Stadium for the contribution it has made to the neighborhood. He stated that it is exciting to see all the activity and events that take place at the stadium, and if any issues affect the neighborhood, the MSFA is very responsive in correcting any concerns that the surrounding community may have, especially with the stadium lighting at night. Mr. Fletcher stated that he wants to continue to grow his

relationship with the MSFA and stadium partners, and he is proud that the stadium shares the same values and morals as the City of Minneapolis' ward 3.

5. PUBLIC COMMENTS

1. Jerry Bahls: Mr. Bahls stated that in 2018, the Audubon Chapter of Minneapolis brought in three world's top experts on bird collision in order to compile current scientific information to help the MSFA develop a solution to the bird collision issue. He stated that the Audubon Chapter of Minneapolis is in the process of drafting recommendations and ideas as to make U.S. Bank Stadium more bird friendly. He noted that their plan is to complete the recommendation by the end of the year, and to present it to the Audubon Chapter of Minnesota research team, so they can incorporate it into their report to the MSFA in early 2019. Mr. Bahls is hoping that the stadium will be retrofitted with a bird safe solution by migration time in spring of 2019.

2. Constance Pepin: Ms. Pepin stated that the Audubon Chapter of Minneapolis's coalition of bird conservation groups has been eager to learn the purpose of the current study; however, the information remains private. Ms. Pepin noted that they asked Audubon Minnesota to share the research questions and the hypotheses they are testing but declined, citing the Memorandum of Understanding. Ms. Pepin and the Audubon Chapter of Minneapolis believes that the information of the study, should be made public to the citizens. She stated that she is concerned about whether the study will produce results that effectively inform local policy and management decisions to solve the known problem of bird deaths at the Stadium, and that it is evident that the stadium is killing a significant number of birds as it is on the Mississippi River flyway. Ms. Pepin urged the MSFA to take immediate action to retrofit the stadium and that she would like to meet stadium officials about the issue in early 2019.

3. Ann Laughlin: Ms. Laughlin reported that U.S. Bank Stadium has been receiving negative publicity nationally in regards to the bird deaths. In October, the National Audubon Society published an article titled "Minnesota's Newest Sports Stadiums Take Very Different Approaches to Bird Safety." She noted that the article draws a detailed comparison between U.S. Bank Stadium and Allianz Field, the new St. Paul soccer stadium, with regard to preventing bird deaths. She read an excerpt from the article that stated "Buildings are just one of the threats that migrants encounter as they cover

hundreds to thousands of miles twice a year. Considering birds in the blueprints, as McGuire has done, and retrofitting existing structures, as the Vikings have indicated they might do, is a significant step in helping ensure safer passage on their incredible journeys.” Lastly, Ms. Laughlin hopes that the Vikings and MSFA can generate some positive publicity by joining the efforts of Minnesota United FC by “doing the right thing” to protect migratory birds.

4. Phyllis Kahn: Representative Phyllis Kahn stated that as being the scientist in legislature, she noticed that MN now has a state statute to use bird safe glass, which wasn’t passed into law until after the construction of U.S. Bank Stadium was completed. She stated that U.S. Bank Stadium is the only state that has a law regarding bird safe glass, and U.S. Bank Stadium should be an example to the rest of the country. She kindly asked the MSFA to reconsider their decision, in order to prevent future bird deaths.

6. DISCUSSION

Chair Vekich stated that it has been great to work with the excellent MSFA staff as well as stadium staff throughout the year. He noted that the MSFA has completed a lot of hard work, which wouldn’t have been possible without the MSFA’s wonderful partners. Chair Vekich then thanked MSFA staff, Patrick Talty and his team at SMG, John Fitzgibbon and his staff at Aramark, as well as the Minnesota Vikings. He noted that they have been great partners, and he is excited to see the Vikings compete in the playoffs.

7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on January 18 2019, at U.S. Bank Stadium in the Hyundai Club at 9:00 A.M.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 10:55 A.M.

Approved and adopted the 18th day of January 2019, by the Minnesota Sports Facilities Authority.



Tony Sertich, Secretary/Treasurer



James Farstad, Executive Director



March 15, 2019

EXHIBIT B

MEMORANDUM

TO: MSFA Members

FROM: James Farstad, Executive Director
Mary Fox-Stroman, Director of Finance

SUBJECT: Authorize the Award of the Agreements for Insurance Broker Services for the Property and Casualty Insurance Program

On or before February 1, 2019 the Minnesota Sports Facilities Authority received three proposals in response to the request for proposals (RFP) for insurance brokerage services for the property and casualty program. The property and casualty insurance program includes the following insurance policies: auto and garage keepers' legal liability, crime, cyber/privacy liability, general and excess liability, property, public officials, and workers' compensation. The three proposals were reviewed and evaluated based on the criteria specified in the RFP.

Based on the proposal materials submitted staff recommends that the insurance brokerage services contract be awarded to CBIZ for the casualty insurance program for a negotiated annual fee of \$30,000 and WillisTowersWatson for the property insurance program for a negotiated annual fee of the lesser of a 10% commission of gross premium or a fee of \$48,500.

CBIZ and WillisTowersWatson have a partnership relationship and together they have been the MSFA's brokers since 2013.

Recommended Motion: The Minnesota Sports Facilities Authority accepts the proposal for insurance brokerage services for the property and casualty insurance program and authorizes the Chair and the Executive Director to execute a professional services agreement with CBIZ for an annual fee of \$30,000 and a separate professional services agreement with WillisTowersWatson for an annual fee equal to the lesser of 10% commission on gross premium or \$48,500.



March 15, 2019

EXHIBIT C

MEMORANDUM

TO: MSFA Members

FROM: James Farstad, Executive Director

SUBJECT: Authorize the Award of the Amp Rooms Cooling Contract

On October 12, 2018, the MSFA authorized negotiation and execution of a contract with Harris Companies for the first phase of the amp room cooling project for \$135,000. The amp room has a large volume of equipment that emit heats during use. The maximum temperature of the room should not exceed 70° F to maximum usage of the equipment. In order to reduce the temperature in this room additional cooling units are needed. This project will reduce energy consumption costs.

Staff has subsequently determined that the entire project should be completed during this fiscal year for a total project cost of \$415,880.

Recommended Motion: *The Minnesota Sports Facilities Authority authorizes the Chair and the Executive Director to execute a contract with Harris Companies for the amp room cooling project for a total cost of \$415,880.*



March 15, 2019

EXHIBIT D

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad and Mary Fox-Stroman

SUBJECT: Approval of 2018 – 2019 Capital Project Budget

Capital Reserve Account Budget and Plan

The MSFA board approved the 2018-2019 Capital Reserve Account budget and plan at its June 28, 2018 meeting. This budget included total capital expenses of \$8,912,063.00. During the year the capital project plan was modified by the executive director and additional projects were added to the plan. Currently, there are 37 capital projects that are in progress or have been completed for a total budget of \$8,028,104.29.

Per Section 5.6(a)(ii) of the Use Agreement, the Team may designate \$750,000 per year over a five-year period in capital improvements to the stadium. The Team did not designate capital improvements for the stadium's first year of operations, however, six Team designated capital improvements were completed during the stadium's second year of operations for a total expense of \$114,998.00. This year thirteen Team designated capital projects have been completed for a total expense of \$373,958.71. Recently, the Team submitted a request for five additional Team designated capital improvements for a total expense of \$510,000.00 and recommended that these projects be completed by June 30, 2019 so that the improvements would benefit the Minnesota Vikings 2019 football season.

Attached is the 2018-2019 revised capital reserve project budget and plan.

Recommended Motion: *The Minnesota Sports Facilities Authority approves the 2018-2019 revised capital reserve project plan and budget and approves inclusion of the Minnesota Vikings designated capital projects in the plan.*

Minnesota Sports Facilities Authority
Capital Reserve Account
2018 - 2019 Revised Capital Reserve Account Project Plan

CAPITAL RESERVE ACCOUNT:

<u>Item #</u>	<u>Project Description</u>	<u>Project Budget</u>
1	High speed overhead doors	\$ 102,600.00
2	MSFA conference room painting	\$ 1,142.00
3	Ticket office furniture - chairs	\$ 1,893.97
4	Televisions - attic stock	\$ 4,245.40
5	Restore plaza restrooms	\$ 57,100.00
6	Direct TV equipment and installation	\$ 17,131.72
7	Submetering in electrical room	\$ 61,023.22
8	Wayfinding sign cabinets	\$ 7,139.25
9	Wayfinding signage	\$ 4,007.81
10	SMG IT event vehicle	\$ 6,514.03
11	Power outlets outside law enforcement area	\$ 4,829.00
12	Tie in to Xcel meters	\$ 3,070.00
13	Partition walls elevator & cleaning	\$ 9,180.00
14	Signage services-additional stadium décor	\$ 26,377.02
15	Darkening Solution	\$ 5,200,000.00
16	Add monitoring sewage/sumps	\$ 23,877.00
17	Cleaning services offices furniture	\$ 5,162.48
18	Electrical services	\$ 71,361.25
19	Capital equity reporting	\$ 2,100.00
20	Advertising costs and delivery services	\$ 1,227.37
21	Pantry room cooling	\$ 76,450.00
22	AMP room cooling	\$ 415,880.00
23	Artificial playing surface	\$ 675,000.00
24	Artificial playing surface reserve	\$ 625,000.00
25	ADA platform/railings	\$ 207,842.00
26	ADA platform/railings - paint, locks, stanchions	\$ 35,000.00
27	Gephart Broadcast cabling	\$ 49,090.00
28	Gephart - ADA cabling ramps	\$ 28,332.44
29	Gephart-MSFA conference room	\$ 10,496.00
30	LEED Operations and Maintenance	\$ 43,350.00
31	OTIS elevator repair	\$ 9,688.00
32	Exterior gate project	\$ 60,000.00
33	Fencing Vikings storage	\$ 70,000.00
34	SMG capital procurement services	\$ 76,800.00
35	Wireless communication system	\$ 10,000.00
36	Visiting Team locker room upgrade	\$ 25,000.00
37	Undesignated capital projects	\$ 194.33
	Subtotal	\$ 8,028,104.29
<u>Minnesota Vikings designated capital projects:</u>		
V1	Logo installation on charging stations	\$ 1,341.71
V2	Additional electrical services	\$ 100,169.75
V3	Player benches	\$ 34,359.00
V4	Charging stations	\$ 45,170.72
V5	Shipping costs	\$ 34.12
V6	Signage services-additional stadium décor	\$ 51,111.35
V7	Counter top on ledge in control room	\$ 6,436.00
V8	Mother's room/sensory room	\$ 34,307.35
V9	Tables for Club Purple couches	\$ 20,039.07
V10	Ticket office furniture	\$ 3,524.31
V11	Delta Club video wall	\$ 33,688.10
V12	Elevator audio	\$ 39,416.00
V13	Matting at Verizon gate	\$ 4,361.23
	Subtotal	\$ 373,958.71
<u>New projects - Minnesota Vikings designated capital projects:</u>		
V14	Kipro hardware	\$ 7,500.00
V15	Vikings Voyage redesign	\$ 150,000.00
V16	SKOL Line branding on platform/drum platform/Gjallahorn honoree display	\$ 27,500.00
V17	Branding enhancements (Bring it Home, POW, Tunnels)	\$ 275,000.00
V18	Drink rails throughout concourse/more high top tables	\$ 50,000.00
	Subtotal	\$ 510,000.00
	Total	\$ 8,912,063.00



March 15, 2019

EXHIBIT E

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad and Mary Fox-Stroman

SUBJECT: Approval of 2018 – 2019 Capital Project Budget

Concession Capital Reserve Account Budget and Plan

The MSFA board approved the 2018-2019 Concession Capital Reserve Account budget and plan at its June 28, 2018 meeting. This budget included total concession capital project expenses of \$1,085,055. Many of these projects have been completed. Recently Aramark recommended and prioritized additional concession capital improvements that should be part of the 2018-2019 concession capital budget. The additional concession capital projects total \$448,049. Aramark also recommended that these projects be completed by June 30, 2019 so that the requested improvements to the food and beverage, catering, and concession operation would benefit the Minnesota Vikings 2019 football season.

Attached is the 2018-2019 revised concession capital reserve project budget and plan.

Recommended Motion: *The Minnesota Sports Facilities Authority approves the 2018-2019 revised concession capital reserve account project budget and plan.*

**Minnesota Sports Facilities Authority
 Concession Capital Reserve Account
 2018 - 2019 Revised Concession Capital Reserve Account Project Budget and Plan**

CONCESSION CAPITAL RESERVE ACCOUNT:

<u>Item #</u>	<u>Project Description</u>	<u>Project Budget</u>
	Projects in progress/completed-	
1	Concession signage	\$ 16,894.80
2	Premium foodservice presentation	\$ 4,321.81
3	Smallwares presentation	\$ 149,246.40
4	Suites construction	\$ 13,243.00
5	Food safety equipment	\$ 36,656.69
6	Electrical add-on's/modifications	\$ 56,302.00
7	Doughnuts/peanut roasters	\$ 6,547.00
8	130 Bar	\$ 5,477.34
9	Technology device procurement	\$ 2,725.32
10	Freedom pay devices	\$ 1,423.54
11	Flex stand video wall addition	\$ 46,594.63
12	Vault/count room modifications - design	\$ 13,005.90
13	Fire protection	\$ 3,481.77
14	Repipe ansul systems	\$ 5,162.06
15	Food services equipment	\$ 77,452.79
16	Revisions to rustic tables	\$ 11,922.98
17	Vault/count room modifications - construction	\$ 165,004.72
18	Asset inventory bar code software/hardware	\$ 21,000.00
19	Advertising costs	\$ 543.00
	Subtotal	<u>\$ 637,005.75</u>
	New projects-	
C19.001	Equipment	\$ 248,166.53
C19.002	Electrical power	\$ 18,400.00
C19.003	Digital signage	\$ 163,932.72
C19.004	Construction/installation	\$ 11,800.00
C19.005	Ansul system	\$ 5,750.00
	Subtotal	<u>\$ 448,049.25</u>
	Total 2018-2019 Revised Concession Capital Budget	<u><u>\$ 1,085,055.00</u></u>



March 15, 2019

EXHIBIT F

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: Approve Integration of the Operations and Capital Improvement Equity Plans

Attached is the Amended MSFA Operations and Capital Improvement Equity Plan. This amended plan reflects the integration of the Operations and Capital Improvement plans with the MSFA's Guiding Principles and the State of Minnesota Statute § 473J.12. This plan is designed to further the MSFA's evolution as a leader in equity, inclusion, and diversity.

Recommended Motion: *The Minnesota Sports Facilities Authority adopts the attached Amended Operations and Capital Improvement Equity Plan. The Authority authorizes the Chair and the Executive Director to implement the plan.*



March 15, 2019

EXHIBIT G

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad

SUBJECT: Approve Equity Advisor Contract

Equity is core to the Purpose, Mission and Vision of the Minnesota Sports Facilities Authority. We are committed to ensure the workforce we have is representative of the people we serve.

On January 15, 2019, the MSFA published an RFP to attract a creative community leader or team - with a shared vision and commitment to enhance the fulfillment of the MSFA's Equity Plan - to serve as Equity Advisor. We are in the process of selecting an Equity Advisor who can effectively collaborate with these constituencies to help us drive critical focus areas, strengthen our performance as a community leader, and expand our inclusive talent and targeted business pipelines.

The selected Advisor will identify and develop relationships with key community leaders and partners, maintain and provide updated database of outreach contacts, and prioritize key opportunities to grow the stadium's network of community stakeholders and associations.

The Advisor will collaborate with Summit Academy OIC, SMG, Aramark, Whelan Event Security Services and G4S, and other stakeholders to introduce potential innovations in job fair strategies and to expand the stadium's diverse workforce and targeted business recruitment.

In addition, the Equity Advisor will participate in the MSFA's quarterly equity meetings with stakeholders, and as directed, in the MSFA strategic planning process.

The MSFA gathers workforce and procurement data and reports on a quarterly basis. The Advisor will work with MSFA staff and the stadium's enterprise leadership team to implement key strategies and achieve the MSFA's equity goals.

Staff has reviewed the proposals and interviewed the two finalist teams on March 14, 2019. The finalists included Tempo Creative and Diversity ACT JV. Based on the proposals submitted, the results of interviews, and final submittals, MSFA staff will make a final selection of an Equity Advisor. The Equity Advisor contract is for an 18-month period and estimated to begin on April 1, 2019.

Recommended Motion: *The Minnesota Sports Facilities Authority authorizes the Chair and the Executive Director to execute a contract with the selected Equity Advisor for an amount not to exceed \$80,000 per year.*



March 15, 2019

EXHIBIT H

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad

SUBJECT: Approve Artificial Playing Surface Contract

U.S. Bank Stadium's artificial playing surface is a critical asset and key to athlete safety. The original estimate of the useful life of the artificial playing surface was five years. As a result of the tremendous success of field events during the past three years and constant covering and uncovering of the artificial playing surface for concerts, corporate and religious events, X-Games, MotoCross, and Monster Truck shows, its useful life has been reduced.

On December 11, 2018, the MSFA published an RFP to attract proposals for a new artificial playing surface solution. This RFP is focused on the selection of a proposer who will provide the best value to the MSFA in the design, manufacture, coordination, supply, construction, installation, testing, commissioning, and retesting of the artificial playing surface.

The selected Contractor will:

- Acquire all permits and conform to state and local building codes.
- Remove and dispose of existing artificial playing surface.
- Prepare asphalt and concrete surfaces to accept turf system(s).
- Design, provide/manufacture, install, coordinate, test, and inspect all items required to complete the work associated with the project.
- Coordinate installation with existing conditions, walls, floor boxes, transitions, padding, openings, embeds, etc.
- Provide testing and commissioning of the artificial playing surface.
- Provide an independent testing after the system is installed to verify compliance with player safety standards, this testing will include all NFL requirements, vertical deformation, impact attenuation, and rotational resistance at a minimum.

Staff reviewed the received proposals, and interviewed three finalist proposers on March 14, 2019. The finalists included Act Global, Kieffer USA, and Hellas Construction. Based on the best and final proposals, results of the interviews, and final submittals, the Chair and Executive Director will make a final selection of a contractor. The artificial playing surface installation will take 18 days to complete, and we plan to have it installed between May 13 and May 31, 2019.

Recommended Motion: *The Minnesota Sports Facilities Authority authorizes the Chair and the Executive Director to finalize negotiations and execute a contract with the selected artificial playing surface contractor for an amount not to exceed \$1,300,000.*

EXHIBIT I

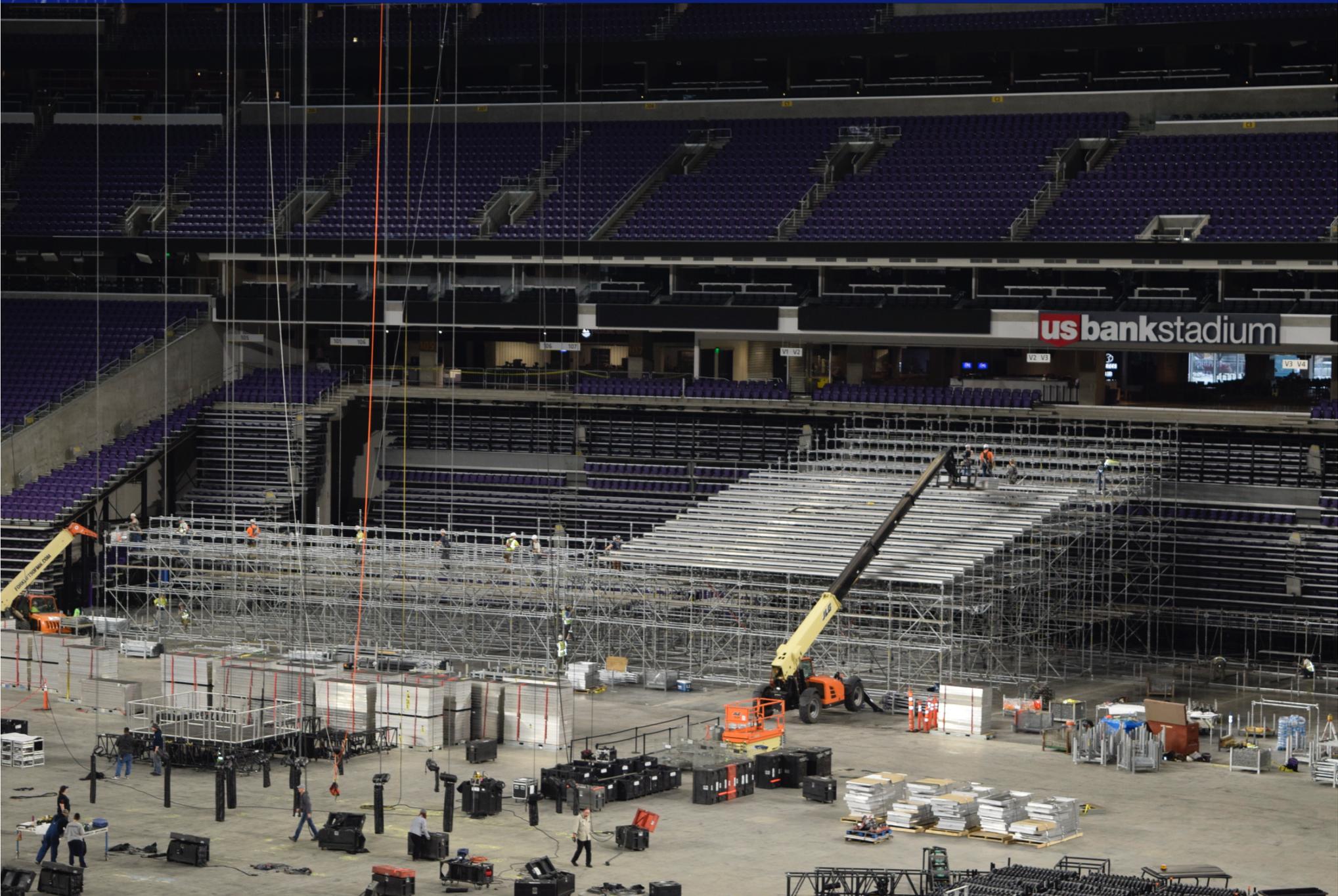
Final Four Update

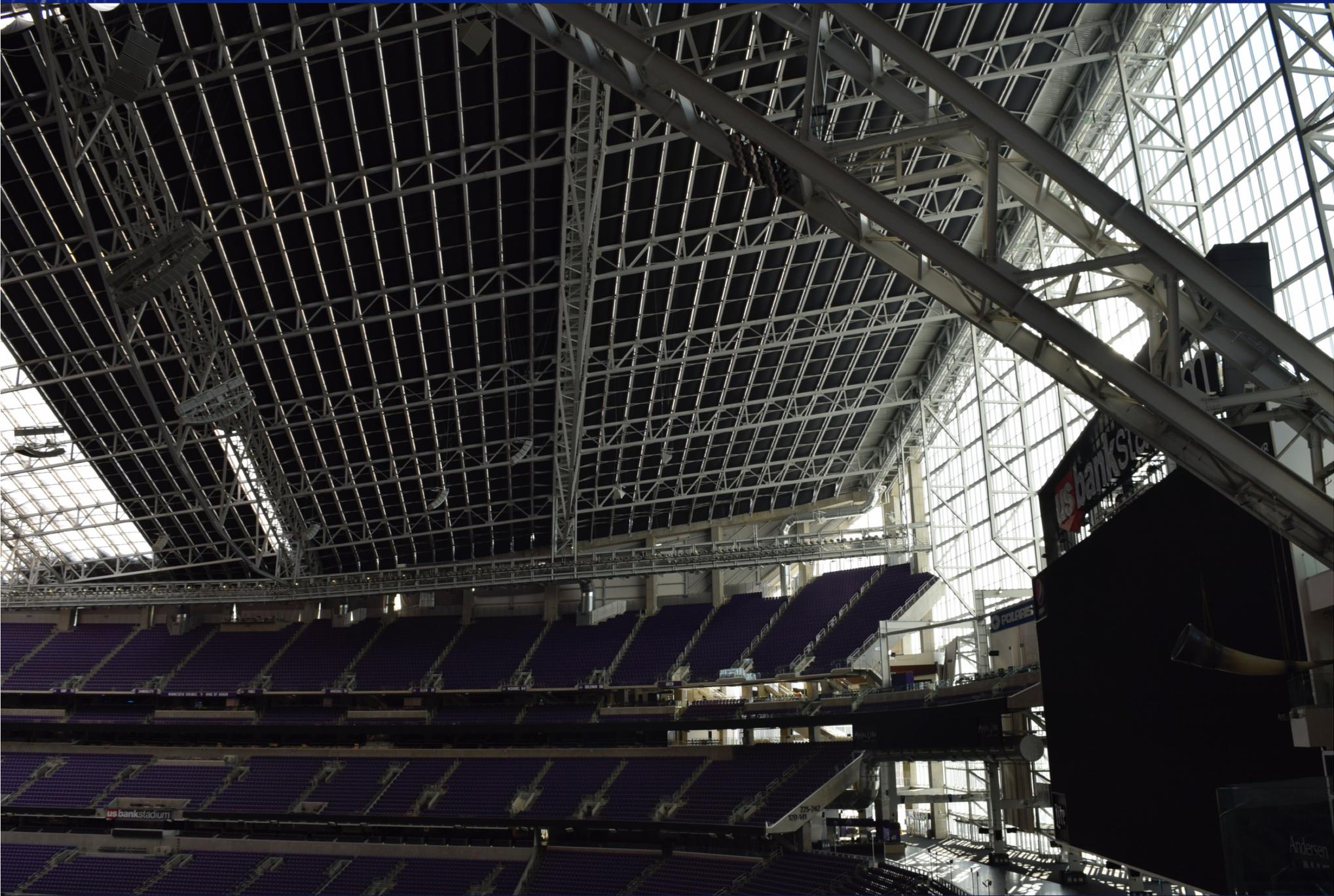
Patrick Talty, SMG General Manager

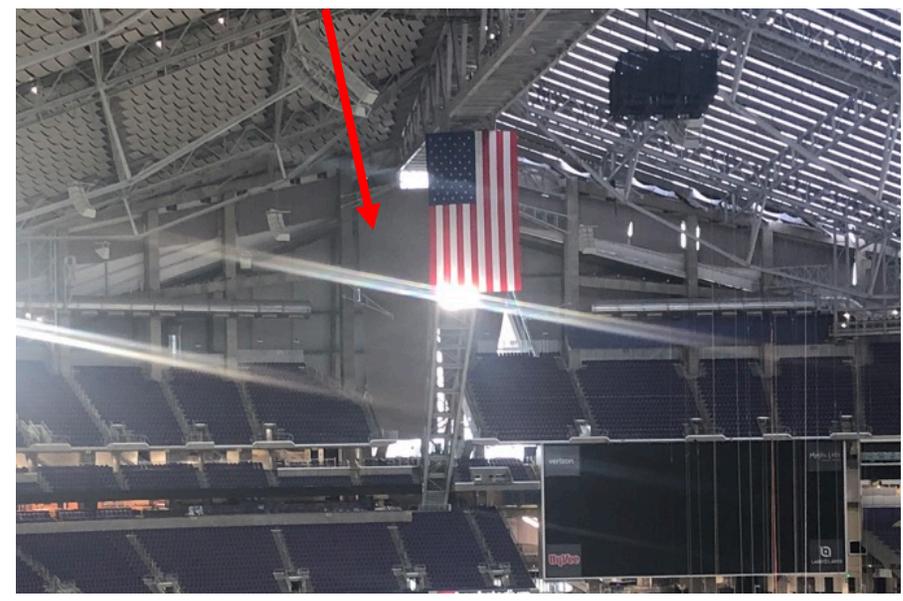


ND O'LAKES, INC.

us bank stadium







Staffing

Last (2) hiring fairs prior to the Final Four:

- Saturday March 16: 10am – 3pm
- Tuesday March 19: 4pm – 7pm

Enter at the Lower Pentair Gate off of South 6th Street

Please Bring: Government issued photo ID/Passport AND valid social Security Card or Birth Certificate

Additional employment information and opportunities can be found at;

<https://www.usbankstadium.com/stadium-info/employment>

