



**MINNESOTA SPORTS FACILITIES AUTHORITY
MEETING AGENDA
December 15, 2017, 9:00 A.M.**

**U.S. Bank Stadium – Medtronic Club
401 Chicago Avenue, Minneapolis, MN 55415**

1. CALL TO ORDER
2. APPROVAL OF PRIOR MEETING MINUTES (November 17, 2017)
3. BUSINESS
 - a. Action Items
 - i. Review and Approve Amended Bylaws
 - ii. Appointment of Responsible Authority and Compliance Official under MGDPA
 - iii. Approve Amendment to Equity Plan
 - iv. Approve New/Amended Contracts
 - v. Interim Agreement Regarding Additional Team–Designated Capital
 - vi. Appointment of Interim Executive Director
 - b. Reports
 - i. Comprehensive Annual Financial Report for 18-Month Fiscal Period Ended June 30, 2017
 - ii. Budget Report for 18-Month Fiscal Period Ended June 30, 2017
 - iii. Executive Director’s Report
4. PUBLIC COMMENTS
5. DISCUSSION / NEW BUSINESS
6. ANNOUNCEMENT OF NEXT MEETING – January 19, 2018 at Mill City Museum
7. ADJOURNMENT

**Please note: Only limited copies of materials will be available at Board meetings in order to preserve resources and reduce waste.*



MEMORANDUM

To: MSFA Commissioners
From: Michael Vekich, Chair
Date: December 12, 2017
Subject: Amended Bylaws

The MSFA's Bylaws permit the Authority to amend the Bylaws by a majority vote of Authority members at a regular meeting of the Authority, provided that written notice setting forth in detail the contents of the proposed amendments has been given to all Authority members at least ten days prior to the meeting. Such notice has been provided.

Several revisions are recommended as the Authority continues to move from a construction-oriented to an operating oversight governing body. The following is a summary of the proposed amendments to the Bylaws:

- Remove the term "CEO"
- Clarify that all Official Documents must be executed by both the Chair and Executive Director
- Add requirements that Executive Director consult with Chair on hiring and dismissal decisions and report to the Chair
- Remove "Treasurer" from Bylaws and combine duties with Secretary
- Add ability to schedule regular meetings pursuant to an annual calendar
- Remove tentative agenda outline and authorize the Chair to set meeting agendas
- Remove special voting requirements during design and construction stages (this is a statutory requirement that continues to apply until Project close-out)

The proposed Bylaws and a redline comparison to the current Bylaws are attached.

Recommendation: *The Minnesota Sports Facilities Authority approves the amendments to the Authority's Bylaws as presented at the December 15, 2017 meeting.*

AUTHORITY BY LAWS (Amended 12/15/2017)

Section 1. *NAME*

The Minnesota Sports Facilities Authority established pursuant to Minnesota Statutes, Section 473J.07, as amended, (Laws of Minnesota 2012, Chapter 299, Article 1, Section 11) (the "Act"). This body shall be known as the Minnesota Sports Facilities Authority and hereinafter referred to as the Authority.

Section 2. *COMPOSITION OF THE AUTHORITY*

The Authority shall be a five person body composed of a chair and two members (the "Governor-appointed Members") appointed by the governor and two members (the "Mayor-appointed Members") appointed by the mayor of the City of Minneapolis. One Governor-appointed Member shall serve until December 31 of the third year following appointment, and one Governor-appointed Member shall serve until December 31 of the fourth year following appointment. Thereafter, the Governor-appointed Members shall serve four-year terms beginning January 1. The chair shall serve at the pleasure of the governor.

One Mayor-appointed Member shall serve until December 31 of the third year following appointment, and one Mayor-appointed Member shall serve until December 31 of the fourth year following appointment. Thereafter, the Mayor-appointed Members shall serve four-year terms beginning January 1. Mayor-appointed Members may reside within the City of Minneapolis and may be appointed officials of a political subdivision.

Each member shall serve until a successor is appointed and takes office.

The members of the Authority shall be called Commissioners. Meetings of the Authority's members shall be called board meetings.

Section 3. *OFFICERS OF THE AUTHORITY*

3.1. Chair

The chair shall preside at all meetings of the Authority and shall have such duties and responsibilities as are normally attendant upon that office and as are specifically prescribed by the Act, other relevant laws, and these bylaws. The chair shall receive, unless otherwise provided by other law, a salary in an amount fixed by the Authority. The functions of the chair shall include, but not be limited to, the following:

3.1.1. Presiding at meetings of the Authority.

3.1.2. Providing notification of regular meetings of the Authority and calling special Authority meetings as appropriate.

3.1.3. Appointing, subject to Authority approval, any committees and related chair.

3.1.4. Nominating an Executive Director subject to Authority approval.

- 3.1.5. Assuring that the work of the Authority is organized to carry out the duties and responsibilities of the Authority.
- 3.1.6. Representing the Authority and acting as its official spokesman where appropriate.
- 3.1.7. Performing such other duties as the Authority may direct.
- 3.2. Vice-Chair
The vice-chair shall be elected from the Authority's membership and shall be elected annually at the first regular meeting in January each year by a majority vote of the Authority members. The vice-chair shall act for the chair during the temporary absence or disability of the chair.
- 3.3. Secretary/Treasurer
The Authority shall elect a secretary/treasurer. The secretary/treasurer may, but need not be, a member. The secretary/treasurer shall be appointed annually at the first regular meeting in January each year by a majority vote of the Authority members. The secretary/treasurer shall serve at the pleasure of the Authority, subject to the terms of any contract of employment which the Authority may enter into with the secretary/treasurer. The secretary/treasurer shall record the minutes of all meetings of the Authority, shall be custodian of all books and records of the Authority, shall be the custodian of all monies received by the Authority, shall be responsible for various financial documents of the Authority, and shall perform all such other duties as are normally attendant upon that office and specified in other applicable laws, regulations, or procedures.
- 3.4. Deputy Secretary/Treasurer
The Authority may appoint a deputy to perform any and all functions of the secretary/treasurer.
- 3.5. Executive Director
An Executive Director shall be nominated by the chair and approved by a four-fifths vote of the Authority. The Executive Director shall be responsible for the operation, management and promotion of activities of the Authority; provided, however, that the Executive Director shall not have the power or authority to incur liability or make expenditures on behalf of the Authority without general or specific directions by the Authority, except as provided in the Authority's Procurement Policy; provided further, that all official documents related to any procurements shall be executed by both the chair and the Executive Director pursuant to Section 6.1 herein. The Executive Director, in consultation with the chair, shall be responsible for hiring, supervision and dismissal of all other employees of the Authority. The Executive Director may be removed at any time by a majority vote of the Authority members. The Executive Director's compensation shall be determined by the Authority. The Executive Director shall report to the chair.
- 3.6. Vacancies
A vacancy in the office of vice-chairman and secretary/treasurer shall be filled for the duration of the applicable term by a majority vote of the Authority members at any regular meeting of the Authority following development of a vacancy.
- 3.7. Removal
A Governor-appointed Member, other than the chair, may be removed by the governor, and a Mayor-appointed Member may be removed by the mayor, in each case only for

misfeasance, malfeasance, or nonfeasance in office, upon written charges, and after an opportunity to be heard in defense of the charges. The chair shall serve at the pleasure of the governor.

Section 4. *MEETINGS OF THE AUTHORITY*

4.1. Regular Meeting

Regular meetings of the Authority shall be held at the Authority offices, pursuant to an annual calendar to be adopted no later than the first meeting of the calendar year, on the day and at the time designated by resolution of the Authority. Regular meetings of the Authority may be cancelled by the chair upon notification of the members. Notice to Authority members and public notice of such cancellation shall be provided in such form and manner as is appropriate to the situation.

4.2. Notice of Meetings

Each Authority member shall be notified in writing at least three days prior to each regular or special meeting of the time and place of the meeting. The tentative agenda for each such meeting shall constitute such notice.

4.3. Special Meetings

Special meetings of the Authority may be held at any time subject to the notice requirements of 4.2 upon the call of the chair or any other two members of the Authority. Special meetings may also be held without three days prior written notice at any time as may be established by the chair or a majority vote of the Authority at the occasion of a regular meeting or duly called special meeting. No business shall be transacted at a special meeting other than that stated in the notice. Special meetings of the Authority may be cancelled by the chair upon notification of the members, except for those special meetings called by two or more members of the Authority.

4.4. Agendas

The tentative agenda for each regular meeting shall be established by the chair.

4.5. Quorum

Three members of the Authority shall constitute a quorum for the conduct of Authority business. A quorum shall not be necessary for the conduct of public hearings by the Authority. If a quorum is not present on the day fixed for a regular or special meeting, the members in attendance, though constituting less than a quorum, may recess from time-to-time so as to notify absentees and procure a quorum for such a recessed meeting.

4.6. Voting

Any authorized action may be taken by the Authority or its committees upon a majority vote of any members present at a meeting duly called and held, except as otherwise specifically provided by law or these bylaws. Voting on any matter shall be by voice vote provided that a roll call vote shall be called and recorded on any issue if requested by one or more members of the Authority. In the case of a tie vote, the question is defeated. There shall be no voting by proxy and each member shall be entitled to only one vote on any single motion.

4.7. Conduct of Business

Authority members and meetings of its committees shall be governed by *Robert's Rules of Order* as most recently revised to the extent that they are not inconsistent with law or these bylaws.

4.8. Open Meetings

All regular and special meetings of the Authority and all meetings of its committees shall be

open to the public. Notice of all meetings shall be given.

Section 5. *COMPENSATION AND EXPENSE REIMBURSEMENT*

5.1. Per Diem

Each Authority member, other than the chair, shall be paid per diem compensation of \$55.00 for each day, or part thereof, spent in attending Authority meetings or meetings relating to Authority business as authorized by the chair; provided however, that members that are employees of the State of Minnesota or political subdivisions of the State of Minnesota cannot be paid for time spent on Authority activities that occur during working hours for which they are compensated by the State of Minnesota or a political subdivision.

5.2. Reimbursement of Expenses

Each Authority member, including the chair, shall be reimbursed for all actual and necessary expenses incurred in the performance of his or her duties in the same manner and amount as State employees, more specifically set forth in the Authority Travel and Expense Reimbursement Policy. Members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization; provided, however, that members who are employees of the State of Minnesota or employees of political subdivisions of the State of Minnesota may be reimbursed for child care expenses only for time spent on Authority activities that are outside their working hours.

Section 6. *OFFICIAL DOCUMENTS*

6.1. Execution of Official Documents

All contracts, agreements, and other official instruments to which the Authority is a party, shall be executed by the chair and the Executive Director on behalf of the Authority or in the absence of either, by the chair or Executive Director and the secretary/treasurer.

Section 7. *AMENDMENTS*

These bylaws may be amended by a majority vote of Authority members at a regular meeting of the whole Authority provided that written notice setting forth in detail the contents of the proposed amendment(s) has been given to all Authority members at least ten (10) days prior to the meeting.

Section 8. *ELECTRONIC MAIL*

Wherever the act of giving written notice is provided for in these bylaws, such notice may be provided by electronic mail to those members that have indicated consent to receipt by such means, and the provision of notice to a member's designated electronic mail address shall be deemed to satisfy all notice requirements provided hereunder.

Cumulative Changes for Board Review

AUTHORITY BY LAWS (Amended 12/~~13/2013~~15/2017)

Section 1. *NAME*

The Minnesota Sports Facilities Authority established pursuant to Minnesota ~~Statutes~~[Statutes](#), Section 473J.07, as amended, (Laws of Minnesota 2012, Chapter 299, Article 1, Section 11) (the "Act"). This body shall be known as the Minnesota Sports Facilities Authority and hereinafter referred to as the Authority.

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Each member shall serve until a successor is appointed and takes office.

[The members of the Authority shall be called Commissioners. Meetings of the Authority's members shall be called board meetings.](#)

Section 3. *OFFICERS OF THE AUTHORITY*

3.1. Chair -

The chair shall preside at all meetings of the Authority and shall have such duties and responsibilities as are normally attendant upon that office and as are specifically prescribed by the Act, other relevant laws, and these ~~by laws~~[by laws](#). The chair shall receive, unless otherwise provided by other law, a salary in an amount fixed by the Authority. The functions of the chair shall include, but not be limited to, the following:

3.1.1. Presiding at meetings of the Authority.

3.1.2. Providing notification of regular meetings of the Authority and calling special Authority meetings as appropriate.

3.1.3. Appointing, subject to Authority approval, any ~~special~~ committees and related chair.

3.1.4. Nominating ~~a CEO~~[an](#) Executive Director subject to Authority approval.

- 3.1.5. Assuring that the work of the Authority is organized to carry out the duties and responsibilities of the Authority.
- 3.1.6. Representing the Authority and acting as its official spokesman where appropriate.
- 3.1.7. Performing such other duties as the Authority may direct.
- 3.2. Vice-Chair -
The vice-chair shall be elected from the Authority's membership ~~at the organizational meeting of the Authority and thereafter~~ and shall be elected annually at the first regular meeting in January each year by a majority vote of the Authority members. The vice-chair shall act for the chair during the temporary absence or disability of the chair.
- 3.3. Secretary ~~-/Treasurer~~
~~At its first organizational meeting, the~~ The Authority shall ~~appoint~~ elect a secretary ~~/treasurer~~. The secretary ~~/treasurer~~ may, but need not be, a member. ~~Thereafter, the~~ The secretary ~~/treasurer~~ shall be appointed annually at the first regular meeting in January each year by a majority vote of the Authority members. The secretary ~~/treasurer~~ shall serve at the pleasure of the Authority, subject to the terms of any contract of employment which the Authority may enter into with the secretary ~~/treasurer~~. The secretary ~~/treasurer~~ shall record the minutes of all meetings of the Authority ~~and~~, shall be custodian of all books and records of the Authority, shall be the custodian of all monies received by the Authority, shall be responsible for various financial documents of the Authority, and shall perform all such other duties as are normally attendant upon that office and specified in other applicable laws, regulations, or procedures. ~~The Authority may, in its discretion, combine the functions and duties of secretary and treasurer into one secretary-treasurer.~~
- 3.4. Deputy Secretary ~~/Treasurer~~ -
~~At its first organizational meeting, the Authority shall appoint a treasurer. The treasurer may, but need not be, a member. Thereafter, the treasurer shall be appointed annually at the first regular meeting in January each year by a majority vote of the Authority members. The treasurer shall serve at the pleasure of the Authority, subject to the terms of any contract of employment which the Authority may enter into with the treasurer. The treasurer shall be the custodian of all monies received by the Authority and shall be responsible for various financial documents of the Authority. The Authority may, in its discretion, combine the functions and duties of secretary and treasurer into one secretary-treasurer.~~
- ~~3.5. Deputy~~
The Authority may appoint a deputy to perform any and all functions of the secretary ~~or~~ /treasurer.
- ~~3.6.3.5.~~ CEO ~~Executive Director~~ -
~~A CEO/An~~ An Executive Director shall be nominated by the chair and approved by a four-fifths vote of the Authority. The ~~CEO/Executive Director~~ shall be responsible for the operation, management, and promotion of activities of the Authority; provided, however, that the ~~CEO/Executive Director~~ shall not have the power or authority to incur liability or make expenditures on behalf of the Authority without general or specific directions by the Authority, except as provided in the Authority's Procurement Policy; provided further, that all official documents related to any procurements shall be executed by both the chair and

the Executive Director pursuant to Section 6.1 herein. The ~~CEO~~/Executive Director, in consultation with the chair, shall be responsible for hiring, supervision and dismissal of all other employees of the Authority. The ~~CEO~~/Executive Director may be removed at any time by a majority vote of the Authority members. The ~~CEO~~/Executive Director's compensation shall be determined by the Authority. The Executive Director shall report to the chair.

~~3.7.3.6.~~ Vacancies—

A vacancy in the office of vice-chairman, and secretary ~~and~~/treasurer shall be filled for the duration of the applicable term by a majority vote of the Authority members at any regular meeting of the Authority following development of a vacancy.

~~3.8.3.7.~~ Removal—

A Governor-appointed Member, other than the chair, may be removed by the governor, and a Mayor-appointed Member may be removed by the mayor, in each case only for misfeasance, malfeasance, or nonfeasance in office, upon written charges, and after an opportunity to be heard in defense of the charges. The chair shall serve at the pleasure of the governor.

Section 4. *MEETINGS OF THE AUTHORITY*

4.1. Regular Meeting -

Regular meetings of the Authority shall be held at ~~least monthly at~~ the Authority offices, pursuant to an annual calendar to be adopted no later than the first meeting of the calendar year, on the day and at the time designated by resolution of the Authority. Regular meetings of the Authority may be cancelled by the chair upon ~~agreement by a majority~~ notification of the members ~~indicating consent in writing or other electronic means.~~ Notice to Authority members and public notice of such cancellation shall be provided in such form and manner as is appropriate to the situation.

4.2. Notice of Meetings -

Each Authority member shall be notified in writing at least three days prior to each regular or special meeting of the time and place of the meeting. The tentative agenda for each such meeting shall constitute such notice.

4.3. Special Meetings—

Special meetings of the Authority may be held at any time subject to the notice requirements of 4.2 upon the call of the chair or any other two members of the Authority. Special meetings may also be held without three days prior written notice at any time as may be established by the chair or a majority vote of the Authority at the occasion of a regular meeting or duly called special meeting. No business shall be transacted at a special meeting other than that stated in the notice ~~therefore unless additional business items are added to the special meeting agenda upon a majority vote of the entire Authority.~~ Special meetings of the Authority may be cancelled by the chair upon ~~agreement by a majority~~ notification of the members ~~indicating consent through written or electronic means,~~ except for those special meetings called by two or more members of the Authority.

4.4. Agendas -

The tentative agenda for each regular meeting shall ~~consist of~~ be established by the ~~following major items:~~ chair.

- ~~1. Call to Order~~
- ~~2. Roll Call~~
- ~~3. Adoption of Agenda~~

- ~~4. Approval of Minutes~~
- ~~5. Chair's Report~~
- ~~6. Committee Reports~~
- ~~7. Action Items~~
- ~~8. Discussion Items~~
- ~~9. Next Meeting Announcement~~
- ~~10. Adjournment~~

- 4.5. Quorum -
Three members of the Authority shall constitute a quorum for the conduct of Authority business. A quorum shall not be necessary for the conduct of public hearings by the Authority. If a quorum is not present on the day fixed for a regular or special meeting, the members in attendance, though constituting less than a quorum, may ~~adjourn~~recess from time-to-time so as to notify absentees and procure a quorum for such ~~an adjourned~~a recessed meeting.
- 4.6. Voting -
Any authorized action may be taken by the Authority or its committees upon a majority vote of any members present at a meeting duly called and held, except as otherwise specifically provided by law or these ~~by laws~~bylaws. Voting on any matter shall be by voice vote provided that a roll call vote shall be called and recorded on any issue if requested by one or more members of the Authority. In the case of a tie vote, the question is defeated. There shall be no voting by proxy and each member shall be entitled to only one vote on any single motion.
- 4.7. ~~Special Voting Requirements-~~
~~During the design and construction stages of the professional football stadium authorized by the Act, a four-fifths vote of the Authority is required for any action related to zoning, land use, exterior design of the stadium, related parking, the plaza area, and the selection of the Authority's lead representative during the design and construction stages.~~4.8. Conduct of Business -
Authority members and meetings of its committees shall be governed by *Robert's Rules of Order* as most recently revised to the extent that they are not inconsistent with law or these ~~by laws~~bylaws.
- ~~4.9.4.8.~~ Open Meetings -
All regular and special meetings of the Authority and all meetings of its committees shall be open to the public. Notice of all meetings shall be given.

Section 5. *COMPENSATION AND EXPENSE REIMBURSEMENT*

- 5.1. Per Diem-
Each Authority member, other than the chair, shall be paid per diem compensation of \$55.00 for each day, or part thereof, spent in attending Authority meetings or meetings relating to Authority business as authorized by the chair; provided however, that members that are employees of the State of Minnesota or political subdivisions of the State of Minnesota cannot be paid for time spent on Authority activities that occur during working hours for which they are compensated by the State of Minnesota or a political subdivision.
- 5.2. Reimbursement of Expenses -
Each Authority member, including the chair, shall be reimbursed for all actual and necessary expenses incurred in the performance of his or her duties in the same manner and amount as State employees, more specifically set forth in the Authority Travel and Expense Reimbursement Policy. Members who, as a result of time spent attending board meetings,

incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization; provided, however, that members who are employees of the State of Minnesota or employees of political subdivisions of the State of Minnesota may be reimbursed for child care expenses only for time spent on Authority activities that are outside their working hours.

Section 6. *OFFICIAL DOCUMENTS*

6.1. Execution of Official Documents -

All contracts, agreements, and other official instruments to which the Authority is a party, shall be executed by the chair and the ~~CEO~~/Executive Director on behalf of the Authority or in the absence of either, by the chair or ~~CEO~~/Executive Director and the secretary/[treasurer](#).

Section 7. *AMENDMENTS*

These ~~by-laws~~[bylaws](#) may be amended by a majority vote of Authority members at a regular meeting of the whole Authority provided that written notice setting forth in detail the contents of the proposed amendment(s) has been given to all Authority members at least ten (10) days prior to the meeting.

Section 8. *ELECTRONIC MAIL*

Wherever the act of giving written notice is provided for in these ~~by-laws~~[bylaws](#), such notice may be provided by electronic mail to those members that have indicated consent to receipt by such means, and the provision of notice to a member's designated electronic mail address shall be deemed to satisfy all notice requirements provided hereunder.

Document comparison by Workshare Compare on Monday, December 4, 2017
10:05:26 AM

Input:	
Document 1 ID	C:\Users\turpin.grant\My Documents\ndeloc\MSFA Bylaws - Dec. 2013 as approved.docx
Description	C:\Users\turpin.grant\My Documents\ndeloc\MSFA Bylaws - Dec. 2013 as approved.docx
Document 2 ID	C:\Users\turpin.grant\My Documents\ndeloc\MSFA Bylaws - Dec. 2013 as approved(1).docx
Description	C:\Users\turpin.grant\My Documents\ndeloc\MSFA Bylaws - Dec. 2013 as approved(1).docx
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	50
Deletions	77
Moved from	2
Moved to	2
Style change	0
Format changed	0

Total changes	131
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MEMORANDUM

TO: MSFA Commissioners

FROM: Rick Evans, Executive Director

DATE: December 15, 2017

SUBJECT: Appointment of Responsible Authority and Compliance Official under the *Minnesota Government Data Practices Act*

The MSFA, as a political subdivision of the State of Minnesota, is subject to the *Minnesota Government Data Practices Act*, Minnesota Statutes, Chapter 13 (“Act”). The Act regulates the collection, creation, storage, maintenance, dissemination, and access to government data. The Act requires the designation by the governing body of a political subdivision of a “responsible authority” as the individual responsible for the collection, use and dissemination of data. (Minn. Stat. § 13.02, subd. 16.) The Act also requires the designation of a “data practices compliance official” who is the designated employee to whom persons may direct questions or concerns regarding problems in obtaining access to data or other data practices problems. (Minn. Stat. § 13.05, subd. 13.) The Act specifically allows that the responsible authority and the compliance official may be the same individual.

In most political subdivisions, the chief administrative officer serves as the responsible authority. In some larger political subdivisions, a separate employee is designated to serve as the compliance official. Given the limited size of the MSFA staff, and consistent with past practices, I am recommending that the MSFA appoint a single employee to serve in both capacities. Rules have been adopted by the State Department of Administration governing such appointments. The Rules suggest that adoption of a Resolution in the form attached to this memorandum is a proper method to make such designations.

Recommendation: *The Minnesota Sports Facilities Authority adopts Resolution 2017-2 appointing MSFA Director of Communications, Jennifer M. Hathaway as Responsible Authority and Compliance Official under the Minnesota Government Data Practices Act.*



RESOLUTION 2017-2

WHEREAS, Minn. Stat. § 13.02, subd. 16, requires that the Minnesota Sports Facilities Authority appoint a person as the Responsible Authority to administer the requirements for collection, storage, use and dissemination of data on individuals within the MSFA; and

WHEREAS, Minn. Stat. § 13.05, subd. 13, requires that the MSFA appoint a person as the Data Practices Compliance Official, and specifically provides that the Responsible Authority may also be the Compliance Official;

NOW, THEREFORE, BE IT RESOLVED, the MSFA Board appoints Jennifer M. Hathaway, MSFA Director of Communications, as the Responsible Authority and Data Practices Compliance Official for the purpose of meeting all requirements of Minnesota Statutes, Chapter 13, as amended, and all rules lawfully promulgated by the Commissioner of Administration as published in the State Register.

ADOPTED BY THE MINNESOTA SPORTS FACILITIES AUTHORITY ON DECEMBER 15, 2017.

ATTESTED TO:

MICHAEL VEKICH, Chair



MEMORANDUM

TO: MSFA Commissioners

FROM: Alex Tittle, Equity Consultant

DATE: December 11, 2017

SUBJECT: Approve Amendment to Operations Equity Plan

Pursuant to Minn. Stat. § 473J.12, in 2013 the Authority instituted an equity plan to make every effort to employ, and cause the Minnesota Vikings, the U.S. Bank Stadium (“Stadium”) construction manager (M.A. Mortenson), subcontractors, vendors and concessionaires to employ women and members of minority communities when hiring during construction of the Stadium.

The Authority’s equity plan for Stadium operations (“Plan”) was developed based on the targeted assessment of anticipated Stadium event activity. In Sections 10-16 of the Plan, the Authority established a workforce program (“Program”). The Program established the goals of workforce utilization for capital projects at the Stadium as 32% minorities and 6% women.

In July 2017, the Minnesota Department of Human Rights (“MDHR”) adjusted the women and minority workforce goals for public contracts. The MDHR Commissioner outlined the goals and expectations for Minnesota projects in the *2017 Minnesota Workforce Goals Report* (https://mn.gov/mdhr/assets/Workforce-Goals-Final_opt_tcm1061-302525). That Report increases the goal for women labor from 6% to 20% in Hennepin County.

As a significant state enterprise located in Hennepin County, the expectation is for the Stadium to align itself with other public construction projects.

Recommendation: *Effective January 1, 2018, the Authority increases the women workforce goal within the Stadium’s operations equity plan to 20%.*



MEMORANDUM

TO: MSFA Commissioners

FROM: Mary Fox-Stroman, Director of Finance

DATE: December 14, 2017

SUBJECT: Contract Approval

The MSFA has professional service contracts in the following areas: information technology services, owner's representative services, financial advisory services, and accounting advisory services. These contracts will terminate on December 31, 2017. In order for the the MSFA to continue to utilize these services, new contracts or contract amendments are needed to extend the terms to December 31, 2018 and to increase the contract amounts as listed below:

1. Atomic Data, LLC provides information technology services including technology support and issue resolution, e-mail reporting, document management support and storage, application support and data center storage, and software procurement. Additional service request amount up to \$180,000.
2. C.H. Skiem Consulting, LLC provides financial advisory services related to stadium construction and operations. Additional service request amount up to \$120,000.
3. Hammes Company Sports Development, Inc. provides owner's representative services related to construction of the stadium including project close-out tasks, issue resolution, and financial reporting. The estimated amount will be reported at the December 15, 2017 Board meeting.
4. RSM US, LLP provides information technology consulting services specific to Microsoft Dynamics GP support as well as accounting advisory services related to construction and governmental accounting and reporting. Additional service request amount up to \$100,000.

Recommended Motion: The MSFA authorizes the Chair and Executive Director to negotiate and execute a new contract or an amendment to the existing contract with Atomic Data, LLC, C.H. Skiem Consulting, LLC, Hammes Company Sports Development, Inc., and RSM US, LLP, for the above listed amounts for terms to December 31, 2018.



MEMORANDUM

TO: MSFA Commissioners

FROM: Rick Evans, Executive Director

DATE: December 14, 2017

SUBJECT: Additional Team Capital Improvement Allocation

The SDC Group that manages the project on behalf of the MSFA and the Minnesota Vikings (the "Team") on a daily basis intends to authorize an expenditure from Owner's Contingency within the Master Project Budget to pay the Construction Manager for a contract revision of \$106,850 for the addition of electric heat trace on the northwest prow of the Stadium.

The authority to do so is within the powers granted to the SDC Group under the Development Agreement. The MSFA intends to backcharge the Architect for each of these costs. If payment is received from the Architect, Owner's Contingency will be replenished by the amount received.

In consideration for the Team's consent to the current expenditure of these amounts by the SDC Group from Owner's Contingency, the Team has requested that the MSFA provide certain assurances to the Team. Pursuant to the Development Agreement between the Team and the MSFA, the Team has the right to be reimbursed from project savings for certain "First Priority Joint Funded Design Add Alternates" that the Team agreed to fund with an additional contribution early in the project. The amount of the reimbursement is currently estimated to be approximately \$2.4 million. Project savings will be determined from remaining amounts within the Owner's Contingency account upon final close out of the project.

Staff recommends that the appropriate way to document this agreement is to allow any shortfall in the \$2.4 million savings reimbursement to be made available to the Team through an expanded right of the Team to designate future Capital Improvements within the Stadium's Capital Funding Plan up to the shortfall amount.

The Team currently (under Section 5.6(a)(ii) of the Use Agreement) may designate \$750,000 per year over a five year period in Capital Improvements to the Stadium (the "Annual Design Add Alternatives Allocation"). The authorization contemplated by this memorandum would allow the Team to designate additional amounts in future Stadium Capital Improvements (but only to the extent that the approximately \$2.4 million savings in Owner's

Contingency is not achieved) and expand that right beyond the current five year period. Any designations of additional Capital Improvements in the Capital Funding Plan by the Team will be subject to the reasonable review and approval of the Authority's Executive Director and brought before the Authority Board annually to be approved for inclusion in the Authority's Capital Funding Plan.

Recommended Motion: The MSFA Board authorizes the Chair and the Executive Director to negotiate and execute an interim agreement with the Minnesota Vikings regarding the Team's authority to designate additional Capital Improvements in the Capital Funding Plan in the amount and pursuant to the terms of this memorandum.



MEMORANDUM

TO: MSFA Commissioners

FROM: Mary Fox-Stroman, Director of Finance

DATE: December 12, 2017

SUBJECT: Comprehensive Annual Financial Report for
18-Month Fiscal Period Ended June 30, 2017

I am pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Minnesota Sports Facilities Authority for the 18-month fiscal period ended June 30, 2017. On May 26, 2017, the MSFA changed its fiscal year from January 1 through December 31 to July 1 through June 30. This change of year-end required an 18-month reporting period from January 1, 2016 through June 30, 2017.

The CAFR is divided into three major sections: introductory, financial, and statistical. The financial section includes the independent audit opinion, management's discussion and analysis, the basic financial statements including the notes to the financial statements, and required supplementary information. The Minnesota Office of the Legislative Auditor (OLA) issued an unqualified (clean) audit opinion dated November 28, 2017, that the financial statements present fairly the financial position of the MSFA as of June 30, 2017, and the changes in its financial position and cash flows for the 18-month period then ended. A separate audit report on internal control over financial reporting and compliance and other matters was issued by the OLA and is included as an addendum to the CAFR.

The basic financial statements include the statement of net position, the statement of revenues, expenses and changes in net position, the statement of cash flows, and notes to the financial statements. SMG's first operating period of U.S. Bank Stadium began July 1, 2016 and ended June 30, 2017, and SMG's operational activities are included in the MSFA's financial statements.

Two key financial highlights are:

- Overall, the MSFA's net position improved during the 18-month fiscal period ended June 30, 2017. The MSFA's net position increased \$177,215,837 from \$915,050,480 as of December 31, 2015 to \$1,092,266,317 as of June 30, 2017.
- Total capital assets increased \$234,749,016 from \$907,750,466 as of December 31, 2015 to \$1,142,499,482 as of June 30, 2017. This increase is due to construction of U.S. Bank Stadium being substantially completed on June 17, 2016, and as of July 1, 2016 construction in progress was closed out and new capital assets were reported.



The following tables present the MSFA's Statement of Net Position and the Changes in Net Position

Statement of Net Position at June 30, 2017 and December 31, 2015

	<u>June 30, 2017</u>	<u>December 31, 2015</u>	<u>Increase/(decrease)</u>
Assets:			
Current and other assets	\$34,458,931	\$71,008,959	(\$36,550,028)
Capital assets (net)	1,090,575,542	907,139,710	183,435,832
Noncurrent assets	<u>8,078,731</u>	<u>4,442,574</u>	<u>3,636,157</u>
Total Assets	<u>1,133,113,204</u>	<u>982,591,243</u>	<u>150,521,961</u>
Deferred Outflows of Resources	<u>1,726,047</u>	<u>193,855</u>	<u>1,532,192</u>
Liabilities:			
Current liabilities	28,723,448	66,109,533	(37,386,085)
Noncurrent liabilities	<u>13,147,859</u>	<u>547,880</u>	<u>12,599,979</u>
Total liabilities	<u>41,871,307</u>	<u>66,657,413</u>	<u>(24,786,106)</u>
Deferred Inflows of Resources	<u>701,627</u>	<u>1,077,205</u>	<u>(375,578)</u>
Net Position	<u>\$1,092,266,317</u>	<u>\$915,050,480</u>	<u>\$177,215,837</u>

Changes in Net Position at June 30, 2017 and December 31, 2015

	<u>June 30, 2017</u>	<u>December 31, 2015</u>	<u>Increase/(decrease)</u>
Operating revenues	\$46,278,574	\$569,448	\$45,709,126
Operating expenses	<u>91,455,388</u>	<u>3,274,744</u>	<u>88,180,644</u>
Operating income or (loss)	<u>(45,176,814)</u>	<u>(2,705,296)</u>	<u>(42,471,518)</u>
Nonoperating revenues (expenses)	<u>(1,652,928)</u>	<u>(327,314)</u>	<u>(1,325,614)</u>
Income (loss) before capital contributions	<u>(46,829,742)</u>	<u>(3,032,610)</u>	<u>(43,797,132)</u>
Capital contributions	224,045,579	511,883,685	(287,838,106)
Changes in net position	<u>177,215,837</u>	<u>508,851,075</u>	<u>(331,635,238)</u>
Net position-beginning of year	<u>915,050,480</u>	<u>406,199,405</u>	<u>508,851,075</u>
Net position-end of year	<u>\$1,092,266,317</u>	<u>\$915,050,480</u>	<u>\$177,215,837</u>



The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the MSFA for its CAFR for the year ended December 31, 2015. We believe that this CAFR meets the certificate program requirements and we will submit it to the GFOA to determine its eligibility. The award is typically received six months after submission of the report.



MEMORANDUM

TO: MSFA Commissioners

FROM: Mary Fox-Stroman, Director of Finance

DATE: December 12, 2017

SUBJECT: Budget Report for 18-Month Period Ended June 30, 2017

Attached are two budget reports. First, is the budget report for the 18-month period from January 1, 2016 through June 30, 2017, for the operating account, capital reserve account, and concession capital reserve account. Second, is the budget report for the U. S. Bank Stadium Project Trust account and the Mills Fleet Farm Parking Garage account for the period from project inception through June 30, 2017.

Operating Account

The operating account is used to account for MSFA operations, including SMG's operation of U.S. Bank Stadium. Annual contributions to the account include an operating payment from the State of Minnesota of \$6,000,000, indexed annually for inflation, and an operating payment from the Minnesota Vikings of \$8,500,000, indexed 3% annually.

Operating activities reported for the 18-month period ended June 30, 2017 included operating revenues of \$46,303,436, operating expenses of \$39,960,666, operating income of \$6,342,770, net non-operating expenses of \$2,404,745, net transfers of \$1,249,301, resulting in an increase in the account balance of \$2,688,724. The ending account balance was \$6,170,730 as of June 30, 2017.

Capital Reserve Account

A capital reserve fund account was established in January 2016 to provide for future capital improvements at the stadium. Annual contributions to this account include a contribution from the State of Minnesota of \$1,500,000 indexed annually, and a contribution from the Minnesota Vikings of \$1,500,000 indexed 3% annually. For the 18-month period ended June 30, 2017, the capital reserve account activities included revenues of \$4,579,624 and capital expenses of \$544,993. The ending account balance was \$4,034,631 as of June 30, 2017.

Concession Capital Reserve Account

The concession capital reserve account was established in July 2016 to provide for future concession capital improvements at the stadium. Per the *Food and Beverage, Catering, and Concession Agreement* between the MSFA and Aramark Sports and Entertainment Services, LLC (Aramark), Aramark is required to contribute 2.5% of food and beverage gross receipts to the MSFA on a monthly basis. For the 18-month period concession capital reserve activities included revenues of \$827,373 and expenses of \$116,293. The ending account balance was \$711,080 as of June 30, 2017.



U.S. Bank Stadium Project Trust Account and Mills Fleet Farm Account

The project trust accounts were established to provide for construction of U.S. Bank Stadium and the Mills Fleet Farm Parking Garage. The attached budget report includes the project budget, actual revenues and expenses for: 2012, 2013, 2014, 2015, the 18-month period ended June 30, 2017, and project-to-date totals. For the period January 1, 2016 through June 30, 2017, the stadium project trust account non-operating contributions (non-capital) revenues were \$9,105,852, project expenses were \$238,654,242, net non-operating revenues were \$3,886 (which included SBL sales revenues and expenses of \$6,271,723 each), and capital contributions were \$228,299,089. The ending account balance was \$6,987 as of June 30, 2017. Project-to-date non-operating contributions (non-capital) revenues totaled \$18,001,412, project-to-date expenses totaled \$1,116,112,325, project-to-date net non-operating revenues were \$6,987 (which included SBL sales revenues and expenses of \$21,746,265 each), and project-to-date capital contributions were \$1,096,874,508. The ending account balance was \$6,987.

The Mills Fleet Farm Parking Garage (Block 1) opened for operations on December 31, 2015, and subsequent to that date various punch-list tasks were completed. For the 18-month period ended June 30, 2017, project expenses and capital contributions totaled \$371,359 each. Project-to-date expenses and capital contributions were \$49,002,664 each.

SUMMARY OF CASH AND INVESTMENTS as of June 30, 2017	
Cash and Cash Equivalents:	
U. S. Bank - operating account	\$86,226.85
U.S. Bank - payroll account	\$1,000.25
U.S. Bank investment account – cash and cash equivalents	\$849,713.30
U.S. Bank - SMG managed pre-opening account	\$61,960.70
U.S. Bank – SMG managed accounts	\$25,461,099.23
Trust accounts for SBLs and construction project	\$204,882.12
Total Cash and Cash Equivalents	\$26,664,882.45
Investments:	
U.S. Bank investment account	\$6,150,594.15
Total Investments	\$6,150,594.15

MINNESOTA SPORTS FACILITIES AUTHORITY
 BUDGET REPORT
 OPERATING ACCOUNT, CAPITAL RESERVE ACCOUNT, AND CONCESSION CAPITAL RESERVE ACCOUNT
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN ACCOUNT BALANCE
 For the Period from January 1, 2016 through June 30, 2017

	Forecast	Actual
OPERATING ACCOUNT		
Revenues:		
Operating Revenues:		
Operating payments from State of MN and Minnesota Vikings	\$ 20,598,388	\$ 20,910,210
Stadium operating revenues	22,511,000	23,589,302
Event marketing	750,000	62,163
Other	3,577,462	1,741,761
Total operating revenues	47,436,850	46,303,436
Expenses:		
Operating expenses:		
Personal services	1,363,271	1,611,570
Professional services	3,113,755	3,276,829
Supplies, repairs and maintenance	612,480	594,928
Rent	1,526,997	1,432,607
Other expenses	2,905,041	901,419
Stadium operating expenses	31,354,000	32,143,313
Subtotal operating expenses	40,875,544	39,960,666
Operating income/(loss)	6,561,306	6,342,770
Non-Operating revenues/(expenses):		
Investment income	30,727	66,088
Taxes-State of MN	1,859,793	2,808,288
Stadium pre-opening revenues	-	478,425
Commemorative brick fundraising revenues	3,288,040	3,288,045
Commemorative brick fundraising expenses	(3,291,684)	(1,025,818)
Stadium project expenses	(5,278,156)	(5,194,263)
Stadium pre-opening expenses	(1,827,688)	(2,825,510)
Subtotal non-operating revenues/(expenses)	(5,218,968)	(2,404,745)
Income (loss) before transfers	1,342,338	3,938,025
Transfers From/(To):		
Transfer from Trust accounts	-	736,104
Transfer to Trust accounts	(1,600,000)	(1,985,405)
Subtotal Transfers From/(To)	(1,600,000)	(1,249,301)
Change in Account Balance	(257,662)	2,688,724
Beginning account balance- January 1, 2016	3,482,006	3,482,006
Ending account balance-June 30, 2017	\$ 3,224,344	\$ 6,170,730
CAPITAL RESERVE ACCOUNT		
Revenues:		
Capital reserve revenues	\$ 6,069,597	\$ 4,579,624
Expenses:		
Capital reserve expenses	547,805	544,993
Change in Account Balance	5,521,792	4,034,631
Beginning account balance- January 1, 2016	-	-
Ending account balance-June 30, 2017	\$ 5,521,792	\$ 4,034,631
CONCESSION CAPITAL RESERVE ACCOUNT		
Revenues:		
Concession capital reserve revenues	\$ 844,112	\$ 827,373
Expenses:		
Concession capital reserve expenses	116,293	116,293
Change in Account Balance	727,819	711,080
Beginning account balance- January 1, 2016	-	-
Ending account balance-June 30, 2017	\$ 727,819	\$ 711,080

MINNESOTA SPORTS FACILITIES AUTHORITY
 BUDGET REPORT
 PROJECT TRUST ACCOUNTS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN ACCOUNT BALANCE
 For the Period from January 1, 2016 through June 30, 2017

Project	2012 Actual		2013 Actual		2014 Actual		2015 Actual		18-Month Actual		Total Project-to-Date
	08/01/12-12/31/12	1/1/13-12/31/13	1/1/14-12/31/14	1/1/15-12/31/15	1/1/16-6/30/17	1/1/16-6/30/17	1/1/16-6/30/17	1/1/16-6/30/17	1/1/16-6/30/17		
US BANK STADIUM PROJECT											
Revenues											
Miscellaneous Revenues	\$ -	\$ 833,181	\$ 588,346	\$ 6,328,588	\$ 1,145,445	\$ 9,105,852	\$ 18,001,412				
Non-Operating Contributions	-	833,181	588,346	6,328,588	1,145,445	9,105,852	18,001,412				
Expenses											
Miscellaneous Expenses											
Noncapitalizable project expenses	-	833,181	588,346	6,315,692	1,169,692	9,555,450	18,462,361				
Capital Improvement expenses-U.S. Bank Stadium Project*											
Site Acquisition & Improvements	59,295,028	-	751,515	26,615,655	19,778,489	6,045,323	53,190,982				
Construction Costs	909,624,795	-	15,902,234	274,863,786	441,952,844	163,667,866	896,386,730				
Furnishings, Fixtures & Equipment	67,275,372	-	-	-	13,580,888	51,912,693	65,493,521				
Development Costs	86,559,216	2,546,938	24,355,589	23,927,104	13,318,815	7,373,847	71,522,293				
Other Project Costs	8,151,852	-	-	-	14,170	99,123	113,293				
Project Contingency	1,819,243	-	-	-	-	-	-				
Earnest deposit on Downtown East Parking Garage	-	-	855,000	(855,000)	-	-	-				
Prepaid Project Insurance	-	-	10,649,497	317,895	(24,247)	-	-				
Subtotal expenses	1,132,725,476	3,380,119	53,102,181	331,185,132	489,790,651	238,654,242	1,116,112,325				
Operating Income/(loss)	(1,132,725,476)	(2,546,938)	(52,513,835)	(324,856,544)	(488,645,206)	(229,548,390)	(1,098,110,913)				
Nonoperating revenues/(expenses):											
Interest	-	-	-	2,882	219	3,886	6,987				
SBL sales revenues	-	-	3,426,786	5,564,687	6,483,069	6,271,723	21,746,265				
SBL expenses	-	-	(3,426,786)	(5,564,687)	(6,483,069)	(6,271,723)	(21,746,265)				
Subtotal nonoperating revenues/(expenses)	-	-	-	2,882	219	3,886	6,987				
Capital Contribution*	1,132,725,476	2,546,938	52,513,835	324,869,440	488,645,206	228,299,089	1,096,874,508				
Operating Transfer From/(To):											
Operating transfer from Operating account	-	-	-	1,523	-	1,985,405	1,986,928				
Operating transfer to Operating account	-	-	-	(14,419)	-	(736,104)	(750,523)				
Subtotal operating transfer from/(to)	-	-	-	(12,896)	-	1,249,301	1,236,405				
Change in Account Balance	-	-	-	2,882	219	3,886	6,987				
Beginning Account Balance	-	-	-	-	2,882	3,101	-				
Ending Account Balance	\$ -	\$ -	\$ -	\$ 2,882	\$ 3,101	\$ 6,987	\$ 6,987				
MILLS FLEET FARM (BLOCK 1) PARKING GARAGE CONSTRUCTION**											
Expenses											
Capital Improvement expenses	\$ 7,700,000	-	-	7,701,120	-	-	7,701,120				
Site Acquisition Costs	41,301,544	-	-	9,178,353	31,751,832	371,359	41,301,544				
Construction Costs	49,001,544	16,879,473	16,879,473	16,879,473	31,751,832	371,359	49,002,664				
Subtotal expenses	97,003,088	16,879,473	16,879,473	33,759,946	31,751,832	371,359	49,002,664				
Capital Contribution	97,003,088	16,879,473	16,879,473	33,759,946	31,751,832	371,359	49,002,664				
Change in Account Balance	-	-	-	-	-	-	-				
Beginning Account Balance	-	-	-	-	-	-	-				
Ending Account Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				

* The U.S. Bank Stadium project analysis includes costs and capital contributions of \$16,369,152 for the Mills Fleet Farm (Block 1) Parking Garage.

** The Mills Fleet Farm (Block 1) Parking Garage project budget of \$49,001,544 includes funding of \$16,369,152 from U.S. Bank Stadium project and \$32,632,392 from the City of Minneapolis.