



MINNESOTA SPORTS FACILITIES AUTHORITY MEETING AGENDA

Monday, September 30, 2019, 9:00 A.M.

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

1. CALL TO ORDER
2. APPROVAL OF PRIOR MEETING MINUTES – August 16, 2019
3. BUSINESS
 - a. **Action Items**
 - i. **Approve Amended FY 2018-2019 Budget**
 - a. **Operating Account Budget Increase – NCAA Final Four Event Expense**
 - b. **Capital Reserve Account Budget Increase – Darkening Solution Project**
 - ii. **MSFA Chair Compensation**
 - b. Reports
 - i. Property Insurance Report
 - ii. Executive Director Report
4. PUBLIC COMMENTS
5. DISCUSSION
6. ANNOUNCEMENT OF NEXT MEETING – Friday, October 18, 2019 at U.S. Bank Stadium –Medtronic Club
7. ADJOURNMENT

***Items in bold require action**



September 30, 2019

MEMORANDUM

TO: MSFA Commissioners

FROM: Bill McCarthy, Commissioner

SUBJECT: Request to Increase the MSFA Chair's Salary to \$XXXXX

I respectfully request the MSFA board increase the annual salary of the MSFA's Chair, Mr. Michael Vekich, from \$60,000 to \$XXXXX, effective October 1, 2019. This request is based on Mr. Vekich's service to the MSFA since July 22, 2017. During the past two years he has spearheaded the hosting of two major events at U.S. Bank Stadium including Super Bowl LII in 2018 and the NCAA Men's Final Four Basketball Championship games in 2019, he has demonstrated significant leadership and made major contributions to the MSFA, and he initiated the creation of MSFA's strategic plan. Mr. Vekich has been instrumental in developing and maintaining key strategic relationships with Governor Walz, the Minnesota legislature, the City of Minneapolis council members and mayor, the local business community, and the Minnesota Vikings. The salary requested is a base salary of \$60,000 and an increase of \$XXXXX which will bring the Chair's salary to \$XXXXX. This request is based on the Chair's planned workload and his time commitment to this organization for this fiscal year.

Recommended Motion: The MSFA approves an increase of \$XXXXX in the annual salary of the Chair, increasing the Chair's salary to \$XXXXX, effective October 1, 2019. The base salary for the Chair's position will remain at \$60,000.



September 30, 2019

MEMORANDUM

TO: MSFA Commissioners

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

SUBJECT: Report on 2019 – 2020 Property Insurance Report

This is a report on MSFA’s property insurance program. Willis Towers Watson is the broker/agent for this program, and they provide carrier marketing services, policy administration and management services, and claim advocacy services. The property insurance program is an all-risk property insurance policy that includes coverage for real and personal property, business interruption and boiler and machinery. The policy period is from September 18, 2019 through September 18, 2020.

Willis Towers Watson marketed the MSFA’s property insurance program to ten carriers to obtain competitive terms and pricing. As part of their marketing efforts they invited the carriers to participate in a site visit of U.S. Bank Stadium. Four carriers toured the stadium and were informed about its many features and operations.

During the past year the property insurance marketplace has changed and insurers have been pursuing pricing increases and restricting coverages due to profitability challenges. Several insurance carriers have reduced their available insurance capacity. American Home Assurance Company (AIG), the Authority’s property insurance carrier for the past three years, reduced their renewal insurance limit from \$1.2 billion to \$1 billion and their quote had a significant rate increase. Another carrier offered a quote with an insurance limit of \$1 billion, however the pricing was not competitive, other insurers were willing to participate on a “quota share” basis but this structure was not feasible, and one insurer declined to quote due to concerns with the E.T.F.E. in the roof.

A layer approach for the property insurance program offered the best pricing for the Authority. AIG quoted an insurance limit of \$1 billion and Travelers offered a quote for the excess layer of \$200 million. The program includes terrorism insurance and it has a \$100,000 deductible.

<u>Carrier</u>	<u>Layer</u>	<u>Premium</u>
AIG	Layer 1 - \$1.0 billion, primary	\$452,248.69
Travelers	Layer 2 - \$200 million, excess of \$1.0 billion	\$113,344.00
Willis Towers Watson	Broker fee	\$ 48,500.00
	Total	<u>\$614,092.69</u>

Recommended Motion: *The MSFA approves the 2019-2020 Property Insurance Report.*