



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**



MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – August 16, 2019 at 9:00 A.M.
U.S. Bank Stadium – Medtronic Club
401 Chicago Ave
Minneapolis, MN 55415

1. CALL TO ORDER

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

2. ROLL CALL

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

Commissioners absent: Tony Sertich

3. APPROVAL OF MEETING MINUTES – July 19, 2019. See, Exhibit A.

4. BUSINESS

a. Action Items

i. Authorize Negotiations for the Property Insurance Program

Mary Fox-Stroman, Director of Finance, stated that the property insurance policy expires on September 18, 2019, and a new policy will need to be placed prior to the next board meeting on September 30, 2019, and the Chair and Executive Director will need to select a provider before the next board meeting to ensure there is no gap in coverage. Willis Towers Watson has been actively marketing the property

insurance program, and will receive final quotes in early September 2019 on the policy's coverages, limitations, and premiums. 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 finalize negotiations and enter into a contract for the property insurance program. A full insurance report will be presented at the next MSFA board meeting.

ii. Authorize Negotiation for the Fan Cam License Agreement

The Minnesota Vikings wish to enhance the fan experience by installing cameras which make it easier for fans to share their experience on social media. The Vikings will be responsible for the cost, but the MSFA would like to have rights to the technology, so it will be able to use the cameras for events such as concerts, dirt events, and more. See, Exhibit C.

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

The MSFA authorizes the Chair and Executive Director to negotiate and execute a Fan Cam License Agreement, enter into an agreement with the Minnesota Vikings to reflect this and enter into an agreement with Fan Cam for Authority use.

iii. Approve Gephart Contract

Mr. Farstad stated that some critical electrical work needs to be completed within the stadium. He recommends Gephart Electric complete these projects as they have been involved with the stadium since construction and have familiarity with the stadium. See, Exhibit D.

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

The MSFA authorizes the Chair and Executive Director to negotiate and execute a contract agreement with Gephart Electric in an amount not to exceed \$300,000.

b. Report Items

i. Executive Director Report

Mr. Farstad stated that on August 8, 2019 U.S. Bank Stadium was designated as the first professional sports stadium to achieve LEED Platinum certification. Since the stadium's opening, it has diverted 1,862,000 pounds of recyclable materials and 950,000 pounds of compost materials from landfills. Mr. Farstad stated that the stadium has also used renewable energy credits to power the stadium 100% by wind energy. He noted that this achievement validates the hard work and dedication of stadium staff for their sustainable efforts within U.S. Bank Stadium.

Mr. Farstad stated that the new artificial playing surface was manufactured, supplied, and installed by Act Global Americas. The installation began on May 18th with substantial completion around June 2nd. The old turf was traded-in to Act Global Americas, who then distributed portions of it to pre-schools, play areas, and green spaces to be reused for recreational uses. Mr. Farstad stated that the project was considered zero waste, as roughly 1.1 million pounds of turf, sand, and rubber in-fill was recycled or repurposed.

Mr. Farstad stated that the MSFA and stadium partners have recently completed ten concession projects, seven stadium facility improvement projects, seven Minnesota Vikings designated projects, two security projects, and two production projects.

ii. SMG Highlights of Upcoming Events

Patrick Talty, General Manager of SMG, stated that that U.S. Bank Stadium hosted its 3rd X-Games event, and that it was a great success. He noted that U.S. Bank stadium will be hosting the X-Games for a 4th year in 2020, and he is hoping for a large turnout similar to previous years. Mr. Talty stated that

there have been two Vikings games within the last six days, and that his staff has been working hard to prepare for the next eight home games as well. Besides football, U.S. Bank Stadium is gearing up for a fall hiring fair, as additional staff is needed for the Minnesota Vikings' season.

John Fitzgibbon, District Manager of Aramark, provided the MSFA board with a food and beverage update. Mr. Fitzgibbon stated that stadium partners combed through food and beverage surveys, and found the common theme was a desire to expand the variety of food, and to better distribute concessions throughout the concourses. Mr. Fitzgibbon stated that Aramark has partnered with new brands, and has taken existing stands and converted some of them into new concepts. Some new food items that stadium partners are excited about include: all beef bourbon bacon hot dogs, updated nachos, and new 4th street skewers.

5. PUBLIC COMMENTS

1. Wendy Haan: Ms. Haan represents the coalition of bird conservation groups. She stated that the stadium is located in the Mississippi Flyway used by hundreds of thousands of birds twice a year, and the problem of bird-glass collisions will only worsen as trees and other vegetation near the Stadium mature. She congratulated the MSFA on the stadium's LEED Platinum certification, which reflects the MSFA's implementation of a variety of environmentally-friendly practices, but strongly believes that the ongoing bird-glass collision problem means that the stadium won't be truly sustainable or green until the reflective glass is retrofitted to protect migratory birds. Ms. Haan noted that the Audubon has been asking the MSFA since 2014 to meet LEED standard for bird safety to reduce bird injury and mortality from in-flight collisions with buildings by developing a film over the glass and reducing exterior lighting. Ms. Haan stated she is disappointed that MSFA did not choose to invest in this environmental issue and urges the MSFA to take steps to make the stadium safe for birds.

6. DISCUSSION

There was no discussion.

7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on September 30, 2019, at U.S. Bank Stadium in Medtronic Club at 9:00 A.M.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 9:28 A.M.

Approved and adopted the 30th day of September 2019, by the Minnesota Sports Facilities Authority.

Tony Sertich, Secretary/Treasurer

James Farstad, Executive Director



September 30, 2019

MEMORANDUM

TO: MSFA Commissioners

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

SUBJECT: Approval of Amended 2018 – 2019 Operating Account Budget – NCAA Final Four event expenses

Operating Account Budget

The MSFA board approved at its June 28, 2018 meeting the 2018-2019 Operating Account budget with a total expense budget of \$51,978,777. On December 21, 2018 the MSFA board amended the budget and increased the NCAA Final Four event expense line item budget by \$422,420. The revised NCAA Final Four event expense total increased to \$6,915,008 and the revised total Operating Account expense budget increased to \$52,401,197.

Costs for the NCAA Final Four event have now been finalized and total event costs are \$6,935,989. Staff is requesting an increase of \$20,981 to the NCAA Final Four event expense line item budget and to the 2018-2019 Operating Account budget. This request will increase the NCAA Final Four event expense budget to \$6,935,989 and it will increase the total Operating Account expense budget to \$52,422,178.

Recommended Motion: *The MSFA approves an increase of \$20,981 to the Operating Account expense budget for a total NCAA Final Four event expense budget of \$6,935,989. The MSFA also approves an increase of \$20,981 to the 2018-2019 revised Operating Account expense budget for a total budget of \$52,422,178.*



September 30, 2019

MEMORANDUM

TO: MSFA Commissioners

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

SUBJECT: Approval of Amended 2018 – 2019 Capital Project Budget – Darkening Solution Project

Capital Reserve Account Budget

On June 28, 2018 the MSFA board approved the 2018-2019 Capital Reserve Account plan and budget with a total capital expense budget of \$8,912,063. During the year the capital project plan was modified and projects were added to the plan and/or project budgets were changed. On March 15, 2019, the MSFA board approved the revised capital reserve project plan which included the darkening solution project budget of \$5,200,000.

Costs for the darkening solution project have now been finalized and total project costs are \$5,256,729. Staff is requesting an increase of \$56,729 to this project budget and to the 2018-2019 capital expense budget for a total capital reserve expense budget of \$8,968,792.

Recommended Motion: The MSFA approves an increase of \$56,729 to the darkening solution project budget for a final project budget of \$5,256,729. The MSFA also approves an increase of \$56,729 to the 2018-2019 revised capital reserve expense budget for a total budget of \$8,968,792.



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.*