



**MINNESOTA  
SPORTS FACILITIES  
AUTHORITY**

**MINNESOTA SPORTS FACILITIES AUTHORITY  
Meeting Minutes – June 17, 2021 at 8:00 A.M.  
Zoom Video & Teleconference**

1. **CALL TO ORDER**

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 8:00 A.M.

2. **ROLL CALL**

Commissioners present: Chair Michael Vekich

Commissioners present via phone: Tony Sertich, Barbara Butts Williams, Angela Burns Finney, and Bill McCarthy

3. **APPROVAL OF MEETING MINUTES – May 20, 2021. See, Exhibit A.**

4. **BUSINESS**

**a. Action Items**

**i. Approve MSFA 2021-2022 Budget**

Mary Fox-Stroman, Director of Finance at the Minnesota Sports Facilities Authority, provided the board with the MSFA’s 2021-2022 budget. See, Exhibit B.

Chair Vekich asked Ms. Fox-Stroman if there were any inconsistencies based on prior years, and Ms. Fox-Stroman confirmed that there were no inconsistencies.

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

*The Minnesota Sports Facilities Authority adopts the attached 2021-2022 Budget for the fiscal period July 1, 2021 through June 30, 2022 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 and to adjust the project budgets within the Capital Reserve project budget and Concession Capital Reserve project budget.*

**ii. Approve ASM Global Contract for Capital Procurement and Communication Services**

James Farstad, the Executive Director of the MSFA, stated that ASM Global's leadership team and staff have been very effective in supporting the MSFA, and the MSFA would like to continue this practice on a going forward basis. He noted that if approved by the board, ASM Global will continue to serve as the source of communications representation for both MSFA and ASM Global at U.S. Bank Stadium, and ASM will continue to provide capital procurement management services. See, [Exhibit C](#).

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

*The MSFA authorizes the Chair and Executive Director to execute the professional services agreement with ASM Global for \$120,000 for communications services and \$76,800 for capital procurement management services.*

**iii. Approve Professional Audit Services Contract**

Ms. Fox-Stroman stated that on May 13, 2021 the Authority published on its website a Request for Proposals (RFP) for Professional Audit Services. Audit services will include an evaluation and assessment of the Authority's internal control structure for financial accounting and operations, substantive testing

and analysis of financial transactions and account balances, and issuance of three reports: independent auditor's report on the basic financial statements, independent auditor's report on compliance, and a management letter containing suggestions for improvement of accounting procedures and internal controls. Ms. Fox-Stroman stated that two proposals were received in response to the RFP, and staff recommends the Authority award the Professional Services Agreement to CliftonLarsonAllen LLP (CLA). *See, Exhibit D*.

Chair Vekich asked Ms. Fox-Stroman if the Professional Services Agreement with CLA is a "not to exceed" per year expense, and also inquired if the price for services increased this year. Ms. Fox-Stroman confirmed that it is a "not to exceed" contract, and that the price increased \$5,000 from last year.

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 Executive Director to execute a Professional Services Agreement with CliftonLarsonAllen LLP for professional audit services for the three fiscal years ending June 30, 2021, June 30, 2022, and June 30, 2023 for \$166,825.*

#### **iv. Approve Tegra Contract Revision**

Mr. Farstad stated that on March 19, 2020 the Authority approved a contract with the Tegra Group, Inc for Owners Representative services for the Exterior Envelope (Panel Removal and Replacement) Project for an amount of \$247,000.00 for 13 active project months in 2020 and 2021. On March 18, 2021 the contract was amended and increased by \$17,070.00 for additional services that were performed in December 2020 and January 2021. *See, Exhibit E*.

Chair Vekich asked Mr. Farstad what is included in the fee increase, and Mr. Farstad stated that the additional services were needed as the project schedule was extended, and additional testing was needed.

Chair Vekich asked Mr. Farstad if he sees any open issues with the exterior envelope project, and Mr. Farstad stated that the only issue is the design for the ice diverters.

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

*The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to execute amendment #3 to the professional services agreement with the Tegra Group, Inc. in the amount of up to \$104,213.00, for a revised total amount not to exceed \$368,283.00.*

## **b. Report Items**

### **i. Casualty Insurance Report**

Ms. Fox Stroman stated that CBIZ, the MSFA's casualty insurance broker, marketed the program to 39 carriers to obtain competitive pricing and improved terms for the general liability, excess liability, automobile and garage keepers' liability, crime, public officials' liability, cyber and privacy liability, workers compensation, and terrorism liability policies. Ms. Fox-Stroman stated that the incumbent carriers offered renewal quotes with the most competitive pricing and terms. See, Exhibit F.

Chair Vekich asked Ms. Fox-Stroman if the price has increased over the years and if there were any types of coverage the MSFA was unable to renew, and Ms. Fox-Stroman stated that the price has increased roughly \$6,000, and that the MSFA was unable to renew its communicable disease coverage.

### **ii. Stadium Updates**

John Drum, General Manager of U.S. Bank Stadium, provided the MSFA board with a stadium update. He stated that the stadium does not currently have an attendance cap, but that ASM Global is still committed to implementing safe practices for all employees and guests relating to COVID-19. Mr. Drum stated that U.S. Bank Stadium recently hosted two graduations and was able to do so safely by practicing social distancing. He noted that the darkening solution was used at both graduations to provide a better ambiance for the event, and also provided energy savings and cost savings for the

stadium. Mr. Drum noted that the darkening solution has been a great stadium asset as it has proven to be versatile for both event and non-event days. Lastly, Mr. Drum stated that the first hiring fair went well, and that all stadium partners were present and excited to bring back event day staff. He noted that there was media coverage regarding the event, which provided great exposure, and he is excited for the next two hiring fairs which take place on June 29th and June 30th from 3:00 pm until 6:30 pm.

Commissioner Butts Williams asked Mr. Drum if he would be willing to share more about his expectations and goals for new hires. Mr. Drum stated that every season all stadium partners hold a joint job fair as U.S. Bank Stadium is always looking for new talent to join the team. He stated that the number of individuals who attended the hiring fair this year was lower than previous years, which was expected due to COVID-19. Mr. Drum stated that the stadium partners are looking to add employees for all types of events, including concerts and Minnesota Viking's game days, and noted that ASM Global will continue their efforts to recruit individuals for the year. In order to advertise the open positions to a larger audience, Mr. Drum announced that the stadium will be sending the current job openings to roughly 60 community groups, and that stadium partners will continue to look for employees during the next two months.

Lester Bagley, Executive Vice-President of Public Affairs of the Minnesota Vikings, stated that the Minnesota Vikings' training camp schedule has been announced, and that the Vikings' staff is excited to bring fans back to the TCO Performance Center. Mr. Bagley noted that all tickets will be digital and that there will be 4,000 free tickets, which will be available for download on June 22nd. Mr. Bagley stated that the Minnesota Vikings will also host a scrimmage on July 7th at TCO Performance Center, a scrimmage on August 7th at U.S. Bank Stadium with 20,000 fans to honor Minnesota's front line heroes, and two additional scrimmages on August 11th and August 12th against the Denver Broncos at TCO Performance Center. Mr. Bagley also stated that the Minnesota Vikings' first regular season home game will be on September 26th against the Seattle Seahawks. Lastly, Mr. Bagley stated that the TCO Performance Center and U.S. Bank Stadium are not requiring vaccinations for entry to Minnesota Vikings' events, but they are encouraging them. Masks are also not a requirement for entrance, but if a guest is not vaccinated, the Minnesota Vikings are requesting they wear a mask.

### iii. Executive Director Report

Mr. Farstad provided the MSFA Commissioners with a construction update on the exterior panel repairs. He noted that based on weekly reports from Mortenson, the project is on track to being completed on time, and that HKS will be on site to monitor the progress on June 23rd. Mr. Farstad then provided a list of some of the major construction milestones that were completed within the last month: the Henry BlueSkin installation was completed, all vertical Girt installations were completed, Intertek has performed the “pull test” strength testing and all tests passed, the metal panels are being reinstalled on all elevations (except one), snow diverters are being installed with a corrected design which includes “boot” end caps and longer screws as determined by HKS, and site Quazite boxes have only minimal repairs left in the plaza. Lastly, Mr. Farstad stated that the U.S. Bank Stadium signage is scheduled to be reinstalled on August 3rd.

### 5. PUBLIC COMMENTS

There were no public comments.

### 6. DISCUSSION

Jay Lindgren, MSFA’s General Council from Dorsey and Whitney, stated that the MSFA should begin thinking about holding its public board meetings in person, and Chair Vekich agreed, stating that he will be discussing this with the MSFA Commissioners soon.

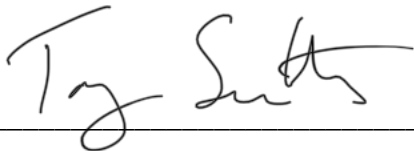
### 7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on Thursday July 15, 2021, at U.S. Bank Stadium in the Medtronic Club at 8:00 A.M., or possibly by teleconference based on the status of the COVID-19 pandemic.

8. ADJOURNMENT

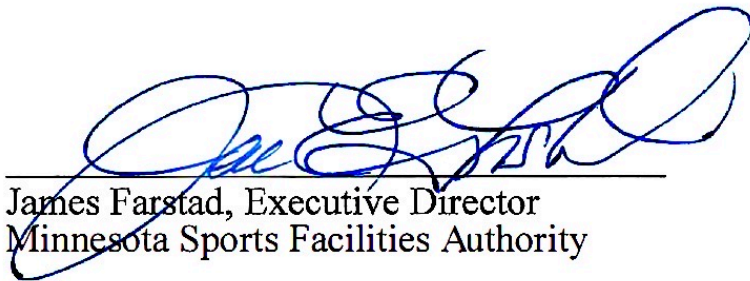
There being no further business to come before the MSFA, the meeting was adjourned at 8:50 A.M.

*Approved and adopted the 19<sup>th</sup> day of August 2021, by the Minnesota Sports Facilities Authority.*



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Tony Sertich, Secretary/Treasurer



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James Farstad, Executive Director  
Minnesota Sports Facilities Authority



MINNESOTA  
SPORTS FACILITIES  
AUTHORITY

# Exhibit A

MINNESOTA SPORTS FACILITIES AUTHORITY  
Meeting Minutes – May 20, 2021 at 8:00 A.M.  
Zoom Video & Teleconference

1. CALL TO ORDER

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 8:00 A.M.

2. ROLL CALL

Commissioners present via phone: Chair Michael Vekich, Tony Sertich, Barbara Butts Williams, and Angela Burns Finney

Commissioners Absent: Bill McCarthy

3. APPROVAL OF MEETING MINUTES – March 18, 2021. See, Exhibit A.

4. BUSINESS

a. Action Items

**i. Authorize Negotiation for the Casualty Insurance Program**

Mary Fox-Stroman, Director of Finance at the Minnesota Sports Facilities Authority, stated that CBIZ, the MSFA’s casualty insurance program broker, has marketed the Authority’s casualty insurance program to several insurance carriers, and many carriers have expressed an interest and have provided insurance indications or initial quotes. However, some of the quotes included policy language changes that removed pandemic language from the policies. CBIZ is researching options for these changes and will continue to negotiate with the carriers for improve coverages and pricing. The current policies expire on



June 17, 2021, and the new policies will need to be placed with the carriers prior to the next board meeting. See, Exhibit B.

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 authorizes the Chair and Executive Director to finalize negotiations and enter into contracts for the casualty insurance program for the policy period June 17, 2021 to June 17, 2022. A full insurance report will be presented at a future MSFA board meeting.*

**ii. Authorize Negotiation for Parking Agreements – Time Share Systems, Inc. and HCMC**

James Farstad, the Executive Director of the MSFA, stated that per the terms of the Stadium Use Agreement, the Minnesota Sports Facilities Authority (MSFA) is obligated to develop a parking plan that provides the Minnesota Vikings with the use of 2,500 parking spaces on game days for premium seating patrons. The contract documents for the 2021-2022 season are in the process of being finalized with Time Share Systems, Inc and HCMC. See, Exhibit C.

Commissioner Finney 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 Executive Director to finalize negotiations and to enter into parking contracts with Time Share Systems, Inc. and HCMC for the 2021-2022 Minnesota Vikings' season.*

**iii. Approve ASM Contract Amendment #4**

Chair Vekich explained the terms of the 4th Amendment to the MSFA's contract with ASM Global. He stated that ASM Global has been a great partner even before U.S. Bank Stadium was fully constructed and opened. The pandemic and required closure of the stadium for most events has had a dramatic financial impact on the facility. Chair Vekich noted that the MSFA's agreement with ASM has a guaranteed minimum annual payment from ASM to the MSFA, which provides the MSFA with a

guaranteed net operating income payment from ASM on an annual basis, or a “NOI Guarantee.” ASM generates the revenue for the NOI Guarantee by marketing the stadium and hosting successful events of all sizes – from small corporate events to mega-concerts.

Chair Vekich stated that under the terms of the ASM Agreement, the base NOI Guarantee paid by ASM was \$6.75 million for the fiscal year ended June 30, 2016 (the first year of stadium operations) and is inflated by 2 percent each year thereafter. For the current fiscal year ending June 30, the NOI Guarantee is \$7,306,417. Because the stadium has effectively been prohibited from hosting events and has been operating under strict capacity limitations since March 2020, the lack of event revenue has led to shortfalls in the actual net operating income of:

- approximately \$1.7 million for the fiscal year ended June 30, 2020
- approximately \$2.3 million for the current fiscal year ending June 30, 2021, and
- anticipated shortfalls for fiscal year 2022 of approximately \$1 million.

Chair Vekich stated that per the existing Agreement, ASM is obligated to pay the MSFA approximately \$5 million even though ASM was restricted from hosting events or, if allowed to host events, was operating under strict capacity limitations. Over the past several months, Chair Vekich stated that the MSFA has been discussing with ASM whether there is some fair adjustment to their obligations that still maintains the MSFA’s vital fiduciary obligations to the public as owner of the stadium. He noted that the MSFA’s goal throughout has been to make sure the stadium was well-maintained, was continuously available to host events within the guidelines set forth by the State of Minnesota as achieved with the 2020 Vikings season and the 2021 spring baseball schedule, and will be prepared to welcome major, public events when appropriate to do so. Therefore, maintaining the advantageous terms of the ASM Global agreement, as well as the continuity of services that ASM Global provides, has been a prime motivation to the MSFA.

Chair Vekich also set out the following key guidelines to any COVID-19 related contract revisions:

- The NOI Guarantee must remain a key contract term because it gives the public assurance that annual revenue is available to operate and maintain this public asset.

- Due to the lack of stadium events because of the COVID-mandated restrictions, the MSFA would consider deferral of the NOI Guarantee shortfall amounts from fiscal years 2020, 2021 and 2022 payments, but not forgiveness of ASM's obligation to pay.
- The MSFA would consider pausing the increase in the annual NOI Guarantee during the COVID period.
- The MSFA would consider adjustments to ASM's management fee and revenue to allow ASM an opportunity to generate additional revenues for repayment of the shortfall.

Lastly, Chair Vekich noted this amendment will result in an estimated 5 percent reduction of total guaranteed payments from ASM Global to the MSFA over the term of the Agreement, and the proposed Amendment will still provide guaranteed payments over the life of the Agreement of \$110.7 million to ensure the successful operation of the U.S. Bank Stadium for years to come. See, Exhibit D.

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

*The Chair and Executive Director are authorized to negotiate and execute a Fourth Amendment to the Stadium Management Agreement with ASM under terms consistent with this memorandum and the discussion at the May 20, 2021 Board meeting.*

## **b. Report Items**

### **i. Fleet Farm Ramp Trust Account Update**

Mr. Farstad provided a brief update on the trust account managed by Denison, the parking ramp operator. He said that as of December 1, 2020, the account had a balance of \$137,565.44, and that Denison has made six monthly deposits of \$7,262.50 into the account, for a total of \$43,575.00. Denison has spent \$98,932.51 on upgrades to the ramps including the installation of new ADA doors and enhanced security cameras.

### **ii. Q2 & Q3 – 2020-2021 Budget Report**

Ms. Fox-Stroman provided the board with the Q2 & Q3 – 2020-2021 Budget Report. See, Exhibit E.

### iii. Stadium Update

John Drum, Interim General Manager of U.S. Bank Stadium, provided the MSFA board with a stadium update. He stated that over 100 games of baseball have been completed, which included 59 teams from 12 different states, including many Big 10 teams. Including baseball, U.S. Bank Stadium has also hosted a prom, and two hybrid events, one for Downtown East Partnership and one for United Way. Mr. Drum stated that he is excited Governor Walz has loosened many of the Covid-19 restrictions, as it is one step closer to bringing fans back to U.S. Bank Stadium. Although Governor Walz has lifted the mask mandate, the City of Minneapolis is continuing to enforce the use of masks, and Mr. Drum stated that U.S. Bank Stadium will continue to follow and support the City's protocols and procedures. Mr. Drum noted that he is excited to announce that in June, U.S. Bank stadium will be holding two large events: the Augsburg University graduation ceremony and the Minnetonka High School graduation ceremony. Regarding previously scheduled events, Mr. Drum stated that the Def Leppard concert has been postponed again to August 2022 and the Kenny Chesney concert has been postponed to 2022, with a concrete date hopefully being announced soon. Mr. Drum announced that the Minnesota Viking's preseason games will be back in August, and noted that U.S. Bank Stadium will be hiring many part time employees. U.S. Bank Stadium will be hosting job fair, both in person and virtually, to hire for security, food/beverage, and customer service positions. Lastly, Mr. Drum stated that the darkening solution will be deployed on the roof within the next two weeks, which will help cool the facility and cut down energy costs over the summer.

Jenifer Freeman, General Manager at Aramark, provided the MSFA board with a food and beverage update. Ms. Freeman stated that she and her team are very excited about Governor Walz's restrictions being loosened, as that brings the stadium one step closer to being opened to the public. She noted that Aramark is working diligently with the local board of health to keep the stadium food up to code to serve fans and staff safely during future events. Regarding events, Ms. Freeman stated that during the 2021-2022 event season, Aramark will be heavily recruiting Non-Profit Organizations to work the events to raise money and awareness for their organizations, and she is feeling optimistic on the stadium's upcoming job fair.

Commissioner Sertich asked Mr. Drum if he is aware as to when and how the Minneapolis mask mandate will be lifted. Mr. Drum stated that Mayor Frey has stated that he would like to like to enforce the mask mandate until the Minneapolis communities are ready for the mask mandate lift, and also until more of the Minneapolis population is vaccinated. Mr. Drum noted that U.S. Bank Stadium will continue to enforce the mask mandate to ensure that all staff and their guests are safe and remain healthy.

Commissioner Butts Williams asked Mr. Drum if the cancellation of major events at U.S. Bank Stadium are similar to the cancellations at other events around the country, and Mr. Drum confirmed that U.S. Bank stadium is in line with venues across the country, as most artists cancelled their entire tour, and are not playing any shows.

Chair Vekich then asked Lester Bagley, of the Minnesota Vikings, to give an update. Mr. Bagley thanked the MSFA and ASM Global for getting the stadium ready for the 2021-2022 season. He stated that the Viking's staff is ready to bring back fans to the games and noted that he is looking forward to the job fair and brining event day staff back into the building. Lastly, Mr. Bagley stated that Viking's training camp is coming up in June, and the Viking's are excited to welcome between 4,000 and 5,000 fans to their practice facility.

#### **iv. Executive Director Report**

Mr. Farstad provided the board with a construction update. He stated that the new Henry BlueSkin installation is complete, and that Intertek has performed the 'pull test' strength testing on the Henry BlueSkin on all elevations, and that it received positive results. The Girts are currently being reinstalled, the metal panels are scheduled to be installed by the end of May, the snow diverters are scheduled to start in early June, and the site Quazite boxes are scheduled for reinstallation in June. Mr. Farstad stated that project is anticipated to be completed on time, and due to the limited number of events at U.S. Bank Stadium due to Covid-19, it is unlikely that there will be any delays.

#### **5. PUBLIC COMMENTS**

There were no public comments.

6. DISCUSSION

There was no discussion.

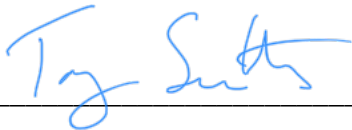
7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on Thursday June 17, 2021, at U.S. Bank Stadium in the Medtronic Club at 8:00 A.M., or possibly by teleconference based on the status of the Covid-19 pandemic.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 8:50 A.M.

*Approved and adopted the 17<sup>th</sup> day of June 2020, by the Minnesota Sports Facilities Authority.*



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Tony Sertich, Secretary/Treasurer



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James Farstad, Executive Director



## MEMORANDUM

TO: MSFA Commissioners

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

DATE: June 17, 2021

SUBJECT: 2021-2022 Budget

Attached is the 2021-2022 Budget for the fiscal period from July 1, 2021 to June 30, 2022 for the Operating account, Capital Reserve account, and the Concession Capital Reserve account. The budget includes a narrative that presents highlights of each account and the line item budget.

### **Recommended Motion:**

*The Minnesota Sports Facilities Authority adopts the attached 2021-2022 Budget for the fiscal period July 1, 2021 through June 30, 2022 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 and to adjust the project budgets within the Capital Reserve project budget and Concession Capital Reserve project budget.*





## **2021-2022 BUDGET**

**U.S. Bank Stadium will begin its sixth year of operations on July 1, 2021. Attached is the Fiscal Year 2021 - 2022 Budget for the period from July 1, 2021 through June 30, 2022. The budget includes three accounts, the operating account, capital reserve account, and concession capital account. Highlights of each account are discussed below.**

### **OPERATING ACCOUNT**

**Operating Revenues**

Budgeted revenues for the operating account consist of the following four revenue sources:

State of Minnesota operating revenues	\$ 6,608,293
Minnesota Vikings operating revenues	\$ 9,853,830
Stadium operating revenues-ASM	\$ 14,464,197
Miscellaneous revenues	<u>\$ 64,200</u>
Total budgeted operating revenues	<u>\$ 30,990,520</u>

**Operating Expenses**

Budgeted expenses for the operating account include:

Personal services	\$ 739,108
Professional services	\$ 1,151,020
Supplies and network support costs	\$ 112,405
Stadium contractual commitments	\$ 957,507
Insurance	\$ 301,837
Miscellaneous expense	\$ 451,830
Stadium operating expenses-ASM	<u>\$25,074,794</u>
Total budgeted operating expenses	<u>\$28,788,501</u>

**Personal Services**

The personal services budget includes the Chair's salary and the salaries and benefits for the four full-time MSFA employees:

Executive Director	1.0
Director of Finance	1.0
Accountant	1.0
Project Coordinator	<u>1.0</u>
Total full-time positions	<u>4.0</u>

Employee benefits include health insurance, dental insurance, long-term disability insurance, life insurance, and retirement benefits from Minnesota State Retirement System.

**Professional Services**

Professional services include a variety of professional consulting services. The MSFA will continue to utilize the services of professional consultants for the following services:

- Communication and Public Relations Services
- Document Management Consulting
- Human Resources Consulting
- Legal services and Legislative Representation
- Strategic Planning Services





**Stadium Contractual Commitments**

The stadium contractual commitments and leases includes costs related to securing parking as required in the Stadium Act. The MSFA also has a long-term lease with Hennepin County for use of the Hennepin County Medical Examiner space for the U.S. Bank Stadium plaza area.

**Insurance**

Insurance includes commercial general liability, excess liability, automobile and garage keepers' liability, public officials and employment practices liability, crime insurance, cyber liability, and terrorism insurance.

**Miscellaneous**

Miscellaneous expenses include a variety of smaller expenses: travel, meetings and training expenses, postage expenses, MSFA board member expenses, license and inspection fees, and bank fees.

**Nonoperating revenues**

Nonoperating revenues include the following:

Revenues - Investment income	<u>\$ 12,000</u>
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**Transfer**

Budgeted transfers include a transfer to the capital reserve account of \$4,000,000 to fund various capital projects for improvements and/or upgrades to U.S. Bank Stadium.

Transfer to the capital reserve account	<u>\$4,000,000</u>
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**Account Balance**

Beginning account balance	\$ 9,724,613
Change in account balance	(\$1,785,981)
Ending account balance	<u>\$ 7,938,632</u>

**CAPITAL RESERVE ACCOUNT**

**Capital Reserve Revenues**

The capital reserve account has the following budgeted revenues:

Minnesota Vikings capital cost payment	\$1,791,078
State of Minnesota capital payment	\$1,652,074
Other	<u>\$3,573,529</u>
Total capital reserve revenues	<u>\$7,016,681</u>

- Per the terms of the Stadium Use Agreement between the MSFA and the Minnesota Vikings Football Stadium, LLC (Stadco), Stadco was required to contribute \$1,500,000 to the MSFA beginning in 2016, and this amount increases annually by 3%.
- Per Minnesota Statute, 473J.12, subd.4 the state was required to contribute \$1,500,000 to the MSFA beginning in 2016, and this amount increases annually by an adjustment factor.

**Capital Reserve Expenses**

The 2020-2021 capital reserve account budget of \$17,061,032 included 57 projects, however, not all of the budgeted project funds will be expended by June 30, 2021. Therefore, the budget for capital project commitments of \$2,842,223 at June 30, 2021 needs to be rolled forward.

In addition, the 2021-2022 budget has a capital plan of \$3,007,800 for new capital projects. Following the narrative is a list of capital projects.



Capital Budget Roll Forward	\$ 2,842,223
New Capital Projects	<u>\$ 3,007,800</u>
Total Capital Expenses	<u>\$ 5,850,023</u>

**Transfer**

Transfer from the operating account	<u>\$4,000,000</u>
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**Account Balance**

Beginning account balance	\$11,343,095
Change in account balance	<u>5,116,658</u>
<b>Ending account balance</b>	<b><u>\$16,509,753</u></b>

**CONCESSION CAPITAL RESERVE ACCOUNT**

**Concession Capital Reserve Revenues**

Aramark Sports and Entertainment provides catering and concession services at U.S. Bank Stadium, and they are obligated to pay 2.5% of gross sales to the MSFA on a monthly basis for deposit into the concession capital reserve account. These funds are designated for concession related capital projects as described below.

<b>Concession Capital Reserve Revenues</b>	<u>\$ 600,000</u>
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**Concession Capital Reserve Expenses**

The 2021-2022 budget has a concession capital plan of \$175,363 for 12 new projects. Following the narrative is a list of concession capital projects.

New Concession Capital Projects	<u>\$ 175,363</u>
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**Account Balance**

Beginning account balance	\$ 756,488
Change in account balance	<u>424,637</u>
<b>Ending account balance</b>	<b><u>\$ 1,181,125</u></b>

**BUDGET CHANGE AUTHORITY**

The MSFA funds the cost of operations, capital improvements and concession capital improvements from current resources and the reserve account balances.

The Chair and Executive Director have the authority to make line item budget adjustments within an account and to establish and adjust budget line items.



Budget 2021-2022

July 1, 2021 - June 30, 2022

2021-2022 Capital Projects List - Capital Reserve Account

Project	Original Budget
<b>CAPITAL RESERVE BUDGET ROLL FORWARD:</b>	
Exterior metal panel project	\$ 2,738,566
Capital Projects	\$ 103,657
Subtotal Roll Forward	<b>\$ 2,842,223</b>

**NEW CAPITAL RESERVE PROJECTS:**

**Security**

Security Server Upgrade	\$ 260,000
Additional Security Cameras	\$ 30,000
Locks, Cores and access control	\$ 22,000
Vehicle Vector Analysis	\$ 30,000
Team Store Door Security Hardware/Alarms	\$ 17,000
Subtotal Security	<b>\$ 359,000</b>

**Technology**

Lumen Firewall	\$ 150,000
UPS Replacement	\$ 35,000
IT equipment upgrades	\$ 45,000
Subtotal Technology	<b>\$ 230,000</b>

**Production & A/V**

Daktronics Control Equipment	\$ 850,000
KVM Replacement	\$ 150,000
Suite iPads	\$ 6,000
Ross Graphics Hardware Replacement	\$ 50,000
Display Monitors	\$ 25,000
Dante Interfacing	\$ 25,000
DMPs	\$ 10,000
Camera Safety Anchors	\$ 5,000
Subtotal Production & A/V	<b>\$ 1,121,000</b>

**Electrical**

Lighting - LED Upgrade	\$ 97,000
Lighting System Upgrade	\$ 23,000
UPS Replacement and Upgrade	\$ 35,000
Subtotal Electrical	<b>\$ 155,000</b>

**Mechanical**

HVAC System Upgrades	\$ 59,000
Steam Flash Tank	\$ 70,000
Sump pump replacements	\$ 7,000
Subtotal Mechanical	<b>\$ 136,000</b>

**General Building**

Install ceilings for Loading Dock Office	\$ 55,000
Restroom Gates and Locks	\$ 175,000
Large Operable Doors	\$ 74,000
Subtotal General Building	<b>\$ 304,000</b>

**Site**

Sidewalk Along 4th Street	\$ 70,000
Design fees and costs to support the perimeter fence project	\$ 25,000
Subtotal Site	<b>\$ 95,000</b>

**Club & Suite Refresh**

Replace Club Floors	\$ 75,000
Subtotal Club & Suite Refresh	<b>\$ 75,000</b>

**Specialty Items & Systems**

Atmos Air	\$ 145,000
ASM Management Fee	\$ 76,800
Subtotal Specialty Items & Systems	<b>\$ 221,800</b>

**FF&E**

**Emergency Capital Repairs**

Emergency Capital Repair	\$	250,000
Subtotal Emergency Capital Repairs	\$	250,000
<b>Total Stadium Capital Projects</b>	<b>\$</b>	<b>2,999,800</b>

**NEW MINNESOTA VIKINGS DESIGNATED CAPITAL PROJECTS**

**General Building**

Suite Door Stops	\$	8,000
<b>Minnesota Vikings Designated Capital Projects</b>	<b>\$</b>	<b>8,000</b>
<b>GRAND TOTAL CAPITAL PROJECTS</b>	<b>\$</b>	<b>5,850,023</b>



**Budget 2021-2022**  
**July 1, 2021 - June 30, 2022**  
**2021-2022 Concession Capital Projects List - Concession Capital Reserve Account**

<u>Project</u>	<u>Original Budget</u>
<b>CONCESSION CAPITAL BUDGET ROLL FORWARD:</b>	\$ -
<b><u>NEW CONCESSION CAPITAL PROJECTS:</u></b>	
Metal doors for concourse bars	\$ 16,688
Appetize terminals	\$ 30,000
Stanchions and sign holders	\$ 22,250
Caribou side door install	\$ 10,000
Infill entry cover plates	\$ 40,000
Comer guards overhead doors	\$ 4,000
Security monitor-Aramark offices	\$ 5,000
FMP-additional fryer	\$ 20,000
Power modifications	\$ 10,000
FMP-ansul	\$ 2,500
Portable cabinets for storage	\$ 6,925
Portable wraps	\$ 8,000
<b>Subtotal</b>	<b>\$ 175,363</b>
<b>Grand Total</b>	<b>\$ 175,363</b>

**YEAR 2021-2022 BUDGET**
**Operating Account, Capital Reserve Account, Concession Capital Reserve Account  
July 1, 2021 to June 30, 2022**

<b>Operating Account</b>	<b>Original Budget 2021</b>	<b>Amended Budget 2021</b>	<b>Projection 7/1/20-6/30/21</b>	<b>Recommended Budget 2021-2022</b>
<b>Revenues:</b>				
Stadium operating payments				
State of Minnesota operating payment	\$ 6,000,000	\$ 6,000,000	\$ 6,607,497	\$ 6,608,293
Minnesota Vikings operating payment	\$ 9,566,825	\$ 9,566,825	\$ 9,566,825	\$ 9,853,830
Stadium operating revenue-ASM Global	\$ 20,679,121	\$ 20,679,121	\$ 12,892,956	\$ 14,464,197
Miscellaneous revenues	\$ 64,200	\$ 64,200	\$ 64,200	\$ 64,200
Total operating revenues	<u>\$ 36,310,146</u>	<u>\$ 36,310,146</u>	<u>\$ 29,131,478</u>	<u>\$ 30,990,520</u>
<b>Expenses:</b>				
Personal services	\$ 739,680	\$ 739,680	\$ 746,087	\$ 739,108
Professional services	\$ 1,857,000	\$ 1,857,000	\$ 1,479,719	\$ 1,151,020
Supplies and network support	\$ 112,326	\$ 112,326	\$ 130,188	\$ 112,405
Stadium contractual commitments	\$ 957,569	\$ 957,569	\$ 475,223	\$ 957,507
Insurance	\$ 292,722	\$ 292,722	\$ 252,893	\$ 301,837
Miscellaneous	\$ 361,070	\$ 361,070	\$ 683,785	\$ 451,830
Stadium operating expenses-ASM Global	\$ 30,472,900	\$ 30,472,900	\$ 23,918,572	\$ 25,074,794
Total operating expenses	<u>\$ 34,793,267</u>	<u>\$ 34,793,267</u>	<u>\$ 27,686,467</u>	<u>\$ 28,788,501</u>
Operating income/(loss)	<u>\$ 1,516,879</u>	<u>\$ 1,516,879</u>	<u>\$ 1,445,011</u>	<u>\$ 2,202,019</u>
<b>Nonoperating Revenues/(Expenses):</b>				
Revenues-Investment earnings	\$ 87,000	\$ 87,000	\$ 8,761	\$ 12,000
Revenues-Taxes-State of Minnesota				
Total nonoperating revenues/(expenses)	<u>\$ 87,000</u>	<u>\$ 87,000</u>	<u>\$ 8,761</u>	<u>\$ 12,000</u>
Net Income/(loss) before transfers	\$ 1,603,879	\$ 1,603,879	\$ 1,453,772	\$ 2,214,019
<b>Transfers:</b>				
Transfer to Capital Reserve fund	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (4,000,000)
Change in Account Balance	<u>\$ (396,121)</u>	<u>\$ (396,121)</u>	<u>\$ (546,228)</u>	<u>\$ (1,785,981)</u>
Beginning Operating Account Balance	\$ 10,270,841	\$ 10,270,841	\$ 10,270,841	\$ 9,724,613
<b>Ending Operating Account Balance</b>	<u><b>\$ 9,874,720</b></u>	<u><b>\$ 9,874,720</b></u>	<u><b>\$ 9,724,613</b></u>	<u><b>\$ 7,938,632</b></u>
<b>Capital Reserve Account</b>				
<b>Revenues:</b>				
Minnesota Vikings Capital Cost payment	\$ 1,738,911	\$ 1,738,911	\$ 1,738,911	\$ 1,791,078
State of Minnesota Capital payment	\$ 1,500,000	\$ 1,500,000	\$ 1,651,874	\$ 1,652,074
Other	\$ -	\$ 1,955,211	\$ 1,955,211	\$ 3,573,529
Total revenues	<u>\$ 3,238,911</u>	<u>\$ 5,194,122</u>	<u>\$ 5,345,996</u>	<u>\$ 7,016,681</u>
<b>Capital Expenses:</b>				
Net Income/(loss) before transfers	<u>\$ (13,722,121)</u>	<u>\$ (11,866,910)</u>	<u>\$ (5,587,072)</u>	<u>\$ 1,166,658</u>
<b>Transfers:</b>				
Transfer from Operating Account	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000
Change in Account Balance	<u>\$ (11,722,121)</u>	<u>\$ (9,866,910)</u>	<u>\$ (3,587,072)</u>	<u>\$ 5,166,658</u>
Beginning Capital Reserve Account Balance	\$ 14,930,167	\$ 14,930,167	\$ 14,930,167	\$ 11,343,095
<b>Ending Capital Reserve Account Balance</b>	<u><b>\$ 3,208,046</b></u>	<u><b>\$ 5,063,257</b></u>	<u><b>\$ 11,343,095</b></u>	<u><b>\$ 16,509,753</b></u>
<b>Concession Capital Reserve Account</b>				
<b>Revenues:</b>				
Concession Capital Reserve payment	\$ 241,725	\$ 3,748	\$ 4,044	\$ 600,000
<b>Concession Capital Expenses:</b>				
Net Income/(loss) before transfers	<u>\$ (1,112,185)</u>	<u>\$ (1,350,162)</u>	<u>\$ (918,974)</u>	<u>\$ 424,637</u>
<b>Transfers:</b>				
Transfer to Capital Reserve Account	\$ -	\$ -	\$ -	\$ -
Change in Account Balance	<u>\$ (1,112,185)</u>	<u>\$ (1,350,162)</u>	<u>\$ (918,974)</u>	<u>\$ 424,637</u>
Beginning Concession Capital Reserve Account Balance	\$ 1,675,462	\$ 1,675,462	\$ 1,675,462	\$ 756,488
<b>Ending Concession Capital Reserve Account Balance</b>	<u><b>\$ 563,277</b></u>	<u><b>\$ 325,300</b></u>	<u><b>\$ 756,488</b></u>	<u><b>\$ 1,181,125</b></u>



# Exhibit C

June 17, 2021

## MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: Approve Professional Services Agreement with ASM Global for Communications and Capital Procurement Management Services

ASM Global leadership team and staff have been very effective in supporting the MSFA, and the MSFA would like to continue this practice on a going forward basis. If approved, ASM Global will continue to serve as the source of communications representation for both MSFA and ASM Global at U.S. Bank Stadium, and ASM will provide capital procurement management services. This representation includes:

- Communication Strategy
- Media Relations/Inquiries
- Crisis Communications
- Marketing And Branding
- Capital need analysis
- Long-term capital planning
- Capital project management oversight

Due to their extensive knowledge in operational management, communications, and capital procurement services at the stadium, the MSFA recommends that ASM Global continues to provide these services to the MSFA for \$120,000 for communications services and \$76,800 for capital procurement services from July 1, 2021 through June 30, 2022.

**Recommended Motion:** *The MSFA authorizes the Chair and Executive Director to execute the professional services agreement with ASM Global for \$120,000 for communications services and \$76,800 for capital procurement management services.*



# Exhibit D

## MEMORANDUM

TO: MSFA Commissioners

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

DATE: June 17, 2021

SUBJECT: Approve Professional Services Agreement with CliftonLarsonAllen LLP for Professional Audit Services

On May 13, 2021 the Authority published on its website a Request for Proposals (RFP) for Professional Audit Services. Audit services will include an evaluation and assessment of the Authority’s internal control structure for financial accounting and operations, substantive testing and analysis of financial transactions and account balances, and issuance of three reports: independent auditor’s report on the basic financial statements, independent auditor’s report on compliance, and a management letter containing suggestions for improvement of accounting procedures and internal controls. The independent auditor’s report includes the audit opinion on the fair presentation of the basic financial statements and is included in the Annual Comprehensive Financial Report. The RFP stated that a three-year agreement was anticipated.

Two proposals were received in response to the RFP. Staff recommends the Authority award the Professional Services Agreement to CliftonLarsonAllen LLP (CLA) as their proposal demonstrated the firm has extensive governmental auditing experience, strong technical qualifications, and CLA provided the lowest proposed fee. CLA’s proposed fee for a three-year agreement was:

Audit Services for Fiscal Year End 6/30/2021	- \$54,700
Audit Services for Fiscal Year End 6/30/2022	- \$55,775
Audit Services for Fiscal Year End 6/30/2023	- <u>\$56,350</u>
Total	<u>\$166,825</u>

**Recommended Motion:**

*The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to execute a Professional Services Agreement with CliftonLarsonAllen LLP for professional audit services for the three fiscal years ending June 30, 2021, June 30, 2022, and June 30, 2023 for \$166,825.*





MEMORANDUM

# Exhibit E

TO: MSFA Commissioners

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

DATE: June 17, 2021

SUBJECT: Approve Amendment #3 to the Professional Services Agreement with Tegra Group, Inc.

On March 19, 2020 the Authority approved a contract with the Tegra Group, Inc for Owners Representative services for the Exterior Envelope (Panel Removal and Replacement) Project for an amount of \$247,000.00 for 13 active project months in 2020 and 2021. Tegra's services included participation in weekly construction meetings, review of payment applications, preparation, tracking and monitoring of Requests for Information, monitoring work performance, collaboration with third party inspectors, monitoring potential risk factors, and delivery of monthly project and work schedule updates.

On March 18, 2021 the contract was amended and increased by \$17,070.00 for additional services that were performed in December 2020 and January 2021.

Tegra will continue to provide Owner's Representative services in June, July, and August of 2021. MSFA staff is requesting an amount of up to \$104,213.00 for the services, and a revised total agreement not to exceed \$368,283.00.

**Recommended Motion:** *The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to execute amendment #3 to the professional services agreement with the Tegra Group, Inc. in the amount of up to \$104,213.00, for a revised total amount not to exceed \$368,283.00.*





MEMORANDUM

# Exhibit F

TO: MSFA Commissioners

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

DATE: June 17, 2021

SUBJECT: Casualty Insurance Program Report

This is a report on MSFA's comprehensive casualty insurance program which is separate from the property insurance program. CBIZ, MSFA's casualty insurance broker, marketed the program to 39 carriers to obtain competitive pricing and improved terms for the general liability, excess liability, automobile and garage keepers' liability, crime, public officials' liability, cyber and privacy liability, workers compensation, and terrorism liability policies. The incumbent carriers offered renewal quotes with the most competitive pricing and terms. Following is a summary of each insurance policy.

**Commercial general liability.** This policy was renewed with American Specialty (Arch) for a premium of \$40,207.00. This premium is flat and is not subject to audit. General liability limits are:

- \$1 million bodily injury/property damage per occurrence
- \$1 million products/completed operations per occurrence
- \$1 million personal injury/advertising injury per occurrence
- \$1 million liquor liability common cause/\$2 million liquor liability aggregate
- \$1 million employee benefits liability-each employee/\$2 million annual aggregate
- \$5 million products and completed operations aggregate
- \$5 million general aggregate per event

There is a \$1,000 per claim deductible for employee benefits, and \$0 deductible for all other claims. This policy excludes communicable disease coverage.

**Excess Liability.** The excess liability program has a layered approach where each layer is in excess of the primary liability policies and the underlying excess layer. This program is structured to combine the layers to achieve the total required limits of liability and to minimize the cost parameters. The three layers have a total limit of \$50 million per occurrence and in the aggregate. The policies were renewed with the following insurers:

<u>Carrier</u>	<u>Layer</u>	<u>Premium</u>
American Specialty	Layer 1 - \$10 million lead excess	\$24,088.00
Axis	Layer 2 – 50% - Quota Share – \$15 million excess of \$10 million	\$38,640.00
Endurance	Layer 2 – 50% - Quota Share – \$15 million excess of \$10 million	\$38,640.00
Great American	Layer 3 - \$25 million excess of \$25 million	<u>\$50,000.00</u>
	Total	<u>\$151,368.00</u>

All of the excess liability policies include a communicable disease exclusion.

**Automobile/Garage Keepers Legal Liability.** This policy was renewed with American Specialty (Arch) for a premium of \$14,065.00. The policy limits are:

Automobile liability:

- \$1 million liability for bodily injury and property damage, combined single limit for hired and non-owned automobiles
- \$50,000 hired automobile for physical damage per automobile, less deductible of \$1,000

Garage keepers legal liability:

- \$1 million per location:
  - Mills Fleet Farm Parking Ramp
  - DTE Parking Ramp
  - 511 Building Surface Lot and Parking Ramp
  - 1010 Metrodome Square Parking Ramp
  - Hennepin County Medical Center Parking Ramp

The comprehensive deductible is \$2,500 per auto with a \$10,000 maximum deductible for claims caused by theft, mischief or vandalism. The collision deductible is \$500 for each automobile.

**Crime.** This policy was renewed with Travelers for a premium of \$1,387.00. Crime policy limits are:

- \$1 million employee dishonesty
- \$1 million depositors forgery
- \$1 million money and securities, inside and outside the premises
- \$1 million funds transfer fraud
- \$1 million computer fraud
- \$1 million client credit card coverage

The policy has a \$10,000 deductible. There is a \$5,000 limit for claim expense coverage with \$0 deductible.

**Cyber/privacy liability.** This policy was renewed with Houston Casualty/NAS for a premium of \$16,492.58. The cyber/privacy liability policy limits are:

- \$5 million breach event costs
- \$5 million website media liability
- \$5 million privacy regulation
- \$5 million fraud response expense/extortion loss/ransom ware loss
- \$5 million forensic and legal expense includes PCI Re-Certification services
- \$100,000 financial fraud/phishing fraud/telecommunications theft loss
- \$5 million business interruption/data recovery expense
- \$5 million cyber extortion
- \$5 million combined aggregate limit

There is a \$25,000 deductible per claim, \$75,000 aggregate deductible, and a 12-hour waiting period for business interruption losses.

**Public officials and employment practices liability.** This policy was renewed with Chubb for a premium of \$23,700.00. The public officials and employment practices liability policy limits are:

- \$5 million each wrongful act or series of continuous, repeated or interrelated wrongful acts per occurrence
- \$5 million annual aggregate

There is a \$25,000 deductible per claim for each wrongful act or series of wrongful acts, employment practices, and defense/supplemental payments.

**Workers Compensation.** This policy was renewed with SFM for a premium of \$2,157.00. The policy limits are:

- \$1 million employers' liability-bodily injury by accident
- \$1 million employers' liability bodily injury by disease-each accident
- \$1 million employers' liability bodily injury by disease-policy limit

The premium for this policy is subject to an audit of payroll costs.

**Terrorism Liability.** This policy was renewed with Miller Syndicate/Lloyds of London for a premium of \$41,576.64. Coverage includes bodily injury or property damage to a third party, arising out of an act of terrorism. An act of terrorism means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes. This policy includes the Terrorism Risk Insurance Act (TRIA). The terrorism liability policy limits are:

- \$50 million each occurrence/annual aggregate
-

**Insurance Carrier Ratings.** A. M. Best Company, Inc. publishes *Best's Insurance Reports* annually which provides in-depth reports on insurers, reinsurers and groups in the United States, Canada and around the world. The reports provide in-depth evaluation of insurers' balance sheet strength, operating performance, business profiles and enterprise risk management. Companies licensed to do business in the United States are assigned a rating which attempts to measure the comparative position of the company or association against industry averages.

The ratings for the insurance carriers for the MSFA's casualty program are rated A+ (superior) or A (excellent) as shown below.

<u>Policy</u>	<u>Carrier</u>	<u>A.M. Best Rating</u>	<u>Premium</u>
Commercial General Liability	American Specialty (Arch)	A XV	\$40,207.00
Excess Liability	American Specialty (Arch)	A XV	\$24,088.00
	Axis	A XV	\$38,640.00
	Endurance	A+ XV	\$38,640.00
	Great American	A+ XV	\$50,000.00
Commercial Automobile/Garage keepers Liability	American Specialty (Arch)	A XV	\$14,065.00
Crime	Travelers	A+ XV	\$1,387.00
Cyber/Privacy Liability	Houston Casualty/ NAS	A XV	\$16,492.58
Public Officials and Employment Liability	Chubb	A++ XV	\$23,700.00
Workers Compensation	SFM	Not rated	\$2,157.00
Terrorism Liability	Lloyds of London/ Miller Syndicate	A XV	\$41,576.64
CBIZ annual fee = \$32,500. Certain premiums included commissions of \$19,459.05, and this has been netted out of CBIZ's fee.	Broker fee		\$13,040.95
		<b>Total</b>	<b>\$303,994.17</b>