



MINNESOTA
SPORTS FACILITIES
AUTHORITY

MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – May 26, 2023, 8:00 A.M.
U.S. Bank Stadium
401 Chicago Avenue, Minneapolis, MN 55415

1. CALL TO ORDER

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 8:04 A.M.

2. ROLL CALL

Commissioners present: Chair Michael Vekich, Tony Sertich, Angela Burns Finney, and Sharon Sayles Belton.

Commissioners absent: Bill McCarthy

3. APPROVAL OF MEETING MINUTES – March 31, 2023

Chair Vekich asked for a motion to approve the minutes of the March 31, 2023, meeting. Commissioner Burns Finney moved, and Commissioner Sayles Belton seconded the motion. The minutes of the March 31, 2023, board meeting were unanimously approved and adopted as presented.

See, Exhibit A.

4. BUSINESS

a. Action Items

- i. Approve Amendment #1 to Design Services Agreement with Populous Inc. for Secured Perimeter Project**

Chair Vekich asked Mr. Ben Jay to discuss Amendment #1 to the Design Services Agreement with Populous Inc. for the Secured Perimeter Project. Mr. Jay stated that on November 2, 2022, the Authority entered into a Design Services Agreement (DSA) with Populous Inc. (Populous) for the architectural and engineering design of Phase 1 of the K12 rated permanent secured perimeter on the south, east, and north sides of U.S. Bank Stadium. The K12 rated permanent secured perimeter strengthens the public safety of the stadium.

Mr. Jay said that Populous has completed the preliminary design of the project, and Populous is finalizing the construction design documents which includes the civil and structural construction documents and the site planning documents. He noted that a future Phase 2 project would include the design of the secured perimeter on the west side of U.S. Bank Stadium and the plaza area.

Mr. Jay said that Populous recently notified The Tegra Group, the MSFA owner's representative, that additional architectural and engineering design services are needed to finalize the construction design documents. He added that the services would include further analysis of certain site features and operational design modifications to the fence, gates, sidewalks, and bike pathways for an additional fee of \$68,000.00. See, Exhibit B.

Commissioner Sertich moved, and Commissioner Burns 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 #1 to the Design Services Agreement with Populous Inc. for additional design services in the amount of \$68,000.00. Populous' design services fees including expenses will increase from \$502,938.00 to \$570,938.00.

ii. Approve Contract Revision #1 to Trade Contract Agreement with Horwitz LLC for the 2022 Operable Doors Project

Chair Vekich asked Mr. Jay to discuss Contract Revision #1 to the Trade Contract Agreement (TCA) with Horwitz LLC for the Operable Doors Project. Mr. Jay stated that the MSFA has a trade contract agreement with Horwitz LLC for the 2022 Operable Doors Project at U.S. Bank Stadium for \$298,000.00. He noted that the stadium has five large operable doors at the Legacy Gate entrance that are opened for certain major events. Horwitz has provided turnkey project management for the extraction and reinstallation of the hydraulic arms, rebuilding components of the cylinders, and working towards the correct operation and condition of each hydraulic device.

Mr. Jay said, during the project, Horwitz and their subcontractor M&M Hydraulics experienced unforeseen problems not detected during their site evaluation and walk. Mr. Jay noted, (1) Horwitz experienced significant delays due to difficulty removing the pins holding the cylinders to the mounting brackets. M&M had to machine the door pins to the correct diameter; (2) Sand and paint chip debris was discovered in the hydraulic fluid from initial construction and installation. The debris must be cleaned and removed from the system which slowed down the seal replacement; (3) A locking pin actuator failed on door #2 and must be replaced; (4) There is a defective valve for door #5 that must be replaced.

Mr. Jay added that Horwitz identified a need for additional labor hours and replacement of an actuator and valve to complete the project. He said the proposed contract amendment is \$128,116.00 to complete the work, and the new guaranteed completion date is now June 30, 2023. See, Exhibit C.

Commissioner Burns Finney 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 execute a Contract Revision #1 to the Trade Contract Agreement with Horwitz for the 2022 Operable Doors project for \$128,116.00, and the total contract amount would be increased to \$426,116.00.

iii. Approve License Agreement with the National Football League for Installation of Technical Equipment in U.S. Bank Stadium

Chair Vekich asked Mr. Jay to discuss a licensing agreement with the National Football League (NFL) and/or the Minnesota Vikings for the movement and installation of NFL technical equipment in U.S. Bank Stadium. Mr. Jay explained that the NFL has technical equipment at U.S. Bank Stadium required to support and operate game day services for the NFL. He noted the NFL equipment is housed in the dock area that does not support clean and cool air, redundant power service, and physical security for their equipment.

Mr. Jay said the NFL has requested movement of their critical equipment to the U.S. Bank Stadium secured server room located on event level on the northwest side of the stadium. He added this location would provide the needed cooling, redundant power, and physical security for the NFL-owned equipment.

Mr. Jay noted that to provide access to the U.S. Bank Stadium secured server room, a licensing agreement must be established outlining access to and maintenance of the equipment with either the NFL and/or the Minnesota Vikings. He added that all costs for the movement and installation of the NFL equipment would be borne by the NFL and there is no cost to the MSFA. See, Exhibit D.

Commissioner Sertich moved, and Commissioner Burns 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 a licensing agreement with the National Football League and/or the Minnesota Vikings for the movement and installation of NFL technical equipment, room access to the U.S. Bank Stadium secured server room, and maintenance of their equipment at \$0 cost to the MSFA.

iv. Approve 2023-2024 Casualty Insurance Renewal Program

Chair Vekich asked Ms. Mary Fox-Stroman to present the 2023-2024 Casualty Insurance Renewal Program. Ms. Fox-Stroman stated that the Authority has an agreement with CBIZ, our casualty insurance broker. She noted that, due to the volatile insurance market conditions and their three-year history of remarketing the program, CBIZ recommended a nonmarketing approach where they would reach out to

the incumbent casualty insurance carriers and request renewal quotes for all policies for the period from June 17, 2023, through June 17, 2024. All the incumbent carriers responded with renewal quotes for the program.

Ms. Fox-Stroman said the casualty program includes the following policies: commercial general liability, excess liability, commercial automobile and garage keepers' legal liability, crime, public officials and employment practices liability, workers compensation and employer liability, cyber/privacy liability, and terrorism liability.

Ms. Fox-Stroman presented a brief description of each insurance policy and the premiums. She added that the property insurance program will be presented at a future board meeting. *See, Exhibit E.*

Commissioner Burns Finney 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 procure the above listed policies for the casualty insurance program. Policy premiums may be adjusted based on final policy negotiations with each carrier.

b. Reports

- i. **Q2 – 2022-2023 Budget Report – December 31, 2022**
- ii. **Q3 – 2022-2023 Budget Report – March 31, 2023**

Chair Vekich invited Ms. Fox-Stroman to present the Second Quarter, 2022-2023 Budget Report as of December 31, 2022 and the Third Quarter, 2022-2023 Budget Report as of March 31, 2023.

Ms. Fox-Stroman presented the second and third quarter budget reports for the period from July 1, 2022 through December 31, 2022 and from July 1, 2022 through March 31, 2023. She reviewed the high-level budget summary document with highlights from the report, "Performance at a Glance." *See, Exhibit F.*

- iii. **U.S. Bank Stadium Updates**
 - a. **ASM Global Update**

Chair Vekich asked Mr. John Drum, General Manager of U.S. Bank Stadium, to comment on events.

Mr. Drum shared that ASM had a great start to the concert season with the Red Hot Chili Peppers concert and Luke Combs concert. He noted the Luke Combs concert had the second highest attendance for the Twin Cities.

Mr. Drum noted that U.S. Bank Stadium hosted Mortenson's annual meeting that brought over 1,500 people to the stadium. He said a new client this year, the Leukemia and Lymphoma Society Minneapolis,

conducted their annual Big Climb fundraiser that had over seven hundred climbers at the event. Mr. Drum added that ASM also hosted the Augsburg University graduation, five high school proms, the Vikings Draft Party, and the Bud Grant Celebration at the stadium.

Mr. Drum then turned his focus to future events. With the Vikings upcoming 2023 season, he noted that U.S. Bank Stadium will host two Vikings preseason home games, three prime time games, and two Monday night games this year. In addition to the Vikings, Mr. Drum added upcoming events include the North Dakota State – Eastern Washington football game, and concerts by Taylor Swift, Ed Sherran, and Billy Joel/Stevie Nicks.

Mr. Drum also added that ASM Global's Assistant General Manager Ann Dunne was recently recognized as one of the 2023 Women of Live honorees.

b. Aramark Sports & Entertainment Update

Chair Vekich asked Ms. Jenifer Freeman, General Manager of Aramark, to provide an update.

Ms. Freeman noted that Aramark's business has returned very strong. She said that the Vikings Draft Party was very successful for their food and beverage sales. Ms. Freeman added that the Luke Combs concert was a top performing Aramark event.

Ms. Freeman said they are currently deep cleaning their stands, and working closely with ASM on the sustainability program reducing their power usage in the building.

She added that Aramark worked closely with the Vikings on menus for the upcoming season, vendor activations, and added three new food partners as well.

From a staffing standpoint, Ms. Freeman said Aramark hired many supervisors in the off-season, hired a new Executive Chef, and they have extended an offer to a new Assistant General Manager.

Ms. Freeman noted that Aramark continues to look in the local community, at social media, and various food trucks to recruit small businesses looking for a win-win partnership here at the stadium.

iv. Minnesota Vikings Update

Chair Vekich asked Mr. Lester Bagley, Minnesota Vikings, to provide an update.

Mr. Bagley highlighted that the April 27th Vikings Draft Party hosted at U.S. Bank Stadium was one of the best fan experiences. He said much of the stadium was in use with field activations, Polaris Club for

season ticket holders, the KFAN show in the Delta Club, and the partner event in Club Purple. Mr. Bagley said there was a high level of guest satisfaction in the post-event survey.

Mr. Bagley said the Bud Grant Memorial event in the stadium was very successful with over 2,000 people in attendance, and many more watching via live stream on television.

v. Legislative Update

Chair Vekich asked Mr. Amos Briggs, Government Relations Consultant from Lockridge Grindal Nauen P.L.L.P., and Mr. Bagley to provide the Board with a legislative update.

Mr. Briggs said that the 2023 legislative session adjourned on time. He noted legislation was approved to pay off the stadium bonds, provide the MSFA with \$15.7 million to fund the Phase 1 Secured Perimeter Project, and preserved the excess sales tax monies that the MSFA will receive for future capital projects.

Mr. Bagley agreed with Mr. Briggs noting that the recent legislative session was historic, and U.S. Bank Stadium benefitted from the successful session. He noted the stadium bonds would be paid off twenty years in advance.

Mr. Briggs noted that the Minnesota Sports and Events group will receive \$6 million in funding to attract the USA Gymnastics trials to Minneapolis.

5. PUBLIC COMMENTS

Mr. Alan Roebke provided comments on the early payoff of the stadium bonds.

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 15, 2023, at U.S. Bank Stadium in Mystic Lake's Club Purple.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 9:29 a.m.

Approved and adopted the 21st day of June 2023, by the Minnesota Sports Facilities Authority



Angela Burns Finney, Secretary/Treasurer



Ben Jay, Executive Director



MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – March 31, 2023, 8:00 A.M.
U.S. Bank Stadium
401 Chicago Avenue, Minneapolis, MN 55415

1. **CALL TO ORDER**

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 8:03 A.M.

2. **ROLL CALL**

Commissioners present: Chair Michael Vekich participated remotely via video conference, Bill McCarthy, Angela Burns Finney, and Sharon Sayles Belton.

Commissioners absent: Tony Sertich

3. **APPROVAL OF MEETING MINUTES – January 26, 2023**

Chair Vekich requested a motion to approve the minutes of the January 26, 2023, meeting. Commissioner Burns Finney moved, and Commissioner Sayles Belton seconded the motion. The minutes of the January 26, 2023, board meeting was unanimously approved and adopted as presented.

See Exhibit A.

4. **BUSINESS**

a. **Report Items**

i. **Populous – Facilities Assessment Update**

Chair Vekich invited Mr. Brady Spencer, Senior Principal Architect with Populous, to present the results of their Facilities Assessment analysis of U.S. Bank Stadium.

Mr. Spencer noted that he has been with Populous for the past 27 years focused on National Football League projects designing new and renovating existing stadiums. Populous has conducted more than twenty studies, including facility assessments and master plans.

Mr. Spencer said the study of U.S. Bank Stadium started in December 2022 and concluded in January 2023. He commended the MSFA for doing this study early in the life of the stadium because it is important to do this planning now to minimize costs in the future. Mr. Spencer added this analysis is key to protecting the investment over the life of the stadium, creates a yearly plan for necessary repairs. He noted that U.S. Bank Stadium had over one million visitors last year, a busy and successful year. But when you have that many guests, MSFA must plan for wear and tear stadium repairs.

Mr. Spencer said that a Populous team of engineers and consultants came to the stadium to observe and examine the major components of the building. From the findings of the assessment, the team graded components in three grading categories – good, fair, and worn.

Mr. Spencer opined that the stadium is in particularly good condition going into year eight, but he noted that some components are nearing the end of their useful life after seven years and will need repair, renovation, or replacement. He added that their analysis establishes a baseline of condition, and the baseline would help develop a plan for repair, renovation, and replacement in the future.

In the report, Mr. Spencer provided a summary of estimated costs for preventative maintenance and repairs to the stadium to maintain the existing facility. The cost summary focuses on the next ten years totaling approximately \$230 million. He noted that in addition to the \$230 million, there would be a necessary investment of \$47.8 million for the Phase 2 Secured Perimeter to complete the stadium's security plan.

Chair Vekich said that we have been talking about Phase 1 and Phase 2 of the Secured Perimeter project with state officials. Chair Vekich noted that the Governor's budget plan included the \$15.7 million to fund Phase 1, and the funding request must go through the current state budget process. He added that we are hopeful to receive that funding by the end of May. Chair Vekich said that MSFA does not have sufficient funds to do Phase 2, and he must talk to the Minnesota Management and Budget (MMB) Commissioner and the Governor's office about Phase 2 funding.

Commissioner McCarthy asked if there was an assessment of the building's exterior? Mr. Spencer replied that the exterior skin had been examined and there were no issues with the exterior skin or the roofing system. Spencer added that there was no need to address the exterior skin in the next 10 years.

Commissioner Sayles Belton inquired about the AV Production Control Room projected for renovation and whether the IP Television System was related? Mr. Spencer replied that the AV Production Control Room would need to be updated and equipment replaced with newer technology, such as upgrading to a 4K video production system which is needed for 4K television broadcasts. Mr. Spencer added that IP TV was a separate system. IPTV controls all the messaging on video screens around the stadium, clubs, and suites. He added that in-house production operated the stadium's video boards.

Chair Vekich said that MSFA has spent about \$18 million for repairs and maintenance since the building opened. Mr. Spencer reiterated that the stadium is in particularly good condition. He added a ten-year look is a long time and he suggested that the schedule of repairs and renovations be reviewed every two years. Vekich noted that the costs will grow over time but there are not sufficient funds in our reserve fund to fund the ten-year schedule.

ii. U.S. Bank Stadium Updates

a. ASM Global Update

Chair Vekich asked Mr. John Drum, General Manager of U.S. Bank Stadium, to comment on events.

Mr. Drum shared a local news story about Linda Hood. He said that he met Ms. Hood about a year ago and listened to her passionate request to install an adult changing table in the stadium to make the building more accessible. Mr. Drum added that the accommodation, which is in the Section 113 family restroom, is listed on the U.S. Bank website and in the team member guides. He then shared a video of the WCCO news story.

As for events, Mr. Drum noted that U.S. Bank Stadium hosted the 3-day Home and Remodeling Show at the end of January, two shows for Monster Jam in mid-February before converting the field for baseball. Mr. Drum said that there were 19 days for baseball and softball games. The University of Minnesota baseball program hosted the Cambria Classic tournament, and the softball program hosted its first softball tournament the following weekend. Finally, Mr. Drum noted, once the baseball schedule was complete, the stadium hosted the RV Show and prepared for the Red Hot Chili Peppers concert.

Mr. Drum then turned his focus to the stadium staff. He said that they are continuing their efforts to add to the stadium team. Mr. Drum said they have a recruitment program called ASM Global Acts where they train employees, provide potential scholarships, and provide entry level opportunities.

b. Aramark Sports & Entertainment Update

Chair Vekich asked Ms. Jenifer Freeman, General Manager of Aramark, to provide an update for Aramark.

Ms. Freeman noted that Aramark has been busy in the off-season. Monster Jam was an incredibly busy event. Baseball had a big lift in food and beverage sales. Having College World Series teams as part of the Cambria Classic tournament boosted the Saturday attendance.

Freeman said they are excited for the summer concert series. Aramark is working with tour sponsors for big activation. Freeman noted they are looking internally at operations, especially suite areas, to build more robust food packages for the upcoming concerts.

From a staffing standpoint, Freeman said they hired a new Executive Chef, and they are interviewing for an Assistant General Manager to assist her. She added they are looking for a catering manager, sous chef, and a banquet manager.

Ms. Freeman noted that Aramark has a program that identifies hourly employees that can move up into management. Aramark trains these employees to set them up for success.

iv. Minnesota Vikings Update

Chair Vekich asked Mr. Lester Bagley, Minnesota Vikings, to provide an update.

Mr. Bagley said that the Vikings have been hard at work preparing for the upcoming NFL Draft. He noted that the Vikings will host an NFL Draft Party at U.S. Bank Stadium on April 27. Mr. Bagley added that the Vikings expect to release the upcoming game schedule in early May.

v. Legislative Update

Chair Vekich asked Mr. Amos Briggs, Government Relations Consultant from Lockridge Grindal Nauen P.L.L.P., and Mr. Bagley to provide the Board with a legislative update.

Mr. Briggs said that the current session at the state capitol is 13 weeks in and there are many committees at work. Legislators are finalizing a two-year state budget, and Mr. Briggs said he, Chair Vekich, and Mr. Bagley are monitoring issues that impact the stadium.

Mr. Briggs noted that the Governor's budget recommendations included the payoff of the stadium's bonds and funding \$15.7 million for the stadium's Phase 1 Secured Perimeter project. Mr. Briggs said that he is communicating with committee chairs.

Mr. Bagley concurred with Mr. Briggs, adding that they continue to be engaged at the state capitol. The state legislators are primarily focused on payoff of the stadium bonds.

Mr. Briggs noted the Minnesota Sports and Events Group (MSE) is seeking state funding for Minnesota tourism and he is keeping an eye on their request. He said the MSE wants to bid and host other major events in Minnesota, but to do so requires funding for those bids at the state level.

Mr. Briggs added, following U.S. Bank Stadium's example, there is legislation now to require adult changing tables in other Minnesota venues.

5. PUBLIC COMMENTS

Constance Pepin: Ms. Pepin commented on the bird issue at the stadium.

Keith Olstad: Mr. Olstad provided additional comments regarding the bird issue at the stadium.

6. DISCUSSION

There was no discussion.

7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on Thursday, April 27, 2023, at U.S. Bank Stadium in Mystic Lake's Club Purple.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 9:39 a.m.

Approved and adopted the 26th day of May 2023, by the Minnesota Sports Facilities Authority



Angela Burns Finney, Secretary/Treasurer



Ben Jay, Executive Director



MEMORANDUM

EXHIBIT B

TO: MSFA Commissioners

FROM: Mary Fox-Stroman, Director of Finance

DATE: May 26, 2023

SUBJECT: Amendment #1 to Design Services Agreement with Populous, Inc. for the Secured Perimeter Project-Phase 1

On November 2, 2022, the Authority entered into a Design Services Agreement (DSA) with Populous, Inc. (Populous) for the architectural and engineering design of Phase 1 of the K12 rated permanent secured perimeter on the south, east, and north sides of U.S. Bank Stadium. The K12 rated permanent secured perimeter strengthens the public safety of the stadium.

Populous has completed the preliminary design phase of the project, and they are now finalizing the construction design documents which includes the civil and structural construction documents and the site planning documents. A future Phase 2 project will include the design of the secured perimeter on the west side of U.S. Bank Stadium and the plaza area.

Populous recently notified The Tegra Group, owner's representative, that additional architectural and engineering design services are needed to finalize the construction design documents. These services would include further analysis of certain site features and operational design modifications to the fence, gates, sidewalks, and bike pathways for an additional fee of \$68,000.00.

Recommended Motion:

The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to execute Amendment #1 to the Design Services Agreement with Populous Inc. for additional design services in the amount of \$68,000.00. Populous' design services fees including expenses will increase from \$502,938.00 to \$570,938.00.



MEMORANDUM

EXHIBIT C

TO: MSFA Commissioners

FROM: Ben Jay, Executive Director

DATE: May 26, 2023

SUBJECT: Approve Contract Revision #1 to Trade Contract Agreement with Horwitz for the 2022 Operable Doors Project

The MSFA has a trade contract agreement with Horwitz for the 2022 Operable Doors project at U.S. Bank Stadium for \$298,000.00. The stadium has five large operable doors at the Legacy Gate entrance that are opened for certain major events.

Horwitz has provided turnkey project management for the extraction and reinstallation of the hydraulic arms, rebuilding components of the cylinders, and working toward the correct operation and condition of each hydraulic device.

During the project, Horwitz and their subcontractor M&M Hydraulics experienced unforeseen problems not detected during their site evaluation and walk. (1) Horwitz experienced significant delays due to difficulty removing the pins holding the cylinders to the mounting brackets. M&M has to machine the door pins to the correct diameter; (2) Sand and paint chip debris was discovered in the hydraulic fluid from initial construction/installation. The debris must be cleaned and removed from the system which slowed down the seal replacement; (3) A locking pin actuator failed on door #2 and must be replaced; (4) There is a defective valve for door #5 that must be replaced.

Horwitz identified a need for additional labor hours and replacement of an actuator and valve to complete the project. The proposed contract amendment is \$128,116.00 for this work. The new guaranteed completion date is June 30, 2023.

Recommended Motion:

The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to execute a Contract Revision #1 to the Trade Contract Agreement with Horwitz for the 2022 Operable Doors project for \$128,116.00, and the total contract amount would be increased to \$426,116.00.



MEMORANDUM

EXHIBIT D

TO: MSFA Commissioners

FROM: Ben Jay, Executive Director

DATE: May 26, 2023

SUBJECT: Approve License Agreement for the Installation of NFL Technical Equipment in U.S. Bank Stadium

The National Football League (NFL) has technical equipment at U.S. Bank Stadium required to support and operate game day services for the NFL. Currently, the NFL equipment is housed in the dock area that does not support clean and cool air, redundant power services, and physical security for their equipment.

The NFL has requested movement of their critical equipment to the U.S. Bank Stadium secured server room located on event level on the northwest side of the stadium. This location will provide the needed cooling, redundant power, and physical security for the NFL-owned equipment.

To provide access to the U.S. Bank Stadium secured server room, a licensing agreement must be established outlining access to and maintenance of the equipment with either the National Football League and/or the Minnesota Vikings. All costs for the movement and installation of the NFL equipment will be borne by the NFL and there is no cost to the MSFA.

Recommended Motion:

The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to execute a licensing agreement with the National Football League and/or the Minnesota Vikings for the movement and installation of NFL technical equipment, room access to the U.S. Bank Stadium secured server room, and maintenance of their equipment at \$0 cost to the MSFA.

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MEMORANDUM

EXHIBIT E

TO: MSFA Commissioners

FROM: Mary Fox-Stroman, Director of Finance

DATE: May 26, 2023

SUBJECT: 2023 – 2024 Casualty Insurance Program

Due to the volatile insurance market conditions and their three-year history of remarketing the program, CBIZ recommended a nonmarketing approach where they would reach out to the incumbent casualty insurance carriers and request renewal quotes for all policies for the period from June 17, 2023 through June 17, 2024. All of the incumbent carriers responded with renewal quotes for the program. The casualty program includes the following insurance policies: commercial general liability, excess liability, commercial automobile and garage keepers legal liability, crime, public officials and employment practices liability, workers compensation and employer liability, cyber/privacy liability, and terrorism liability. Following is brief description of each insurance policy.

Commercial general liability. American Specialty (Arch) presented a renewal quote for this policy for a premium of \$68,963.00. This policy includes liquor liability. The premium is flat and is not subject to audit. General liability limits are:

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

There is a \$1,000 deductible per claim for employee benefits, and \$0 deductible for all other claims.

Excess liability. The excess liability program has a layered and a quota share approach. There are three layers where each layer is in excess of the primary liability policy 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 five carriers presented renewal quotes for a combined premium of \$207,501.00.

Carrier	Layer	Premium
American Specialty (Arch)	Layer 1 - \$10 million lead excess primary policies	\$45,853.00
Axis Surplus	Layer 2 - \$15 million -quota share 50%/50%	\$48,944.00
Endurance American Specialty	Layer 2 - \$15 million -quota share 50%/50%	\$48,944.00
Great American Assurance	Layer 3 - \$15 million – quota share of \$25 million	\$38,000.00
Sirius Point Specialty	Layer 3 - \$10 million – quota share of \$25 million	<u>\$25,760.00</u>
	Subtotal	<u>\$207,501.00</u>

The excess liability policies do not have a deductible.

Automobile/Garage Keepers Legal Liability. American Specialty (Arch) presented a renewal quote for this policy for a premium of \$16,185.00. The policy limits are:

Automobile liability:

- \$1 million liability for bodily injury and property damage, combined single limit including hired and non-owned autos. The physical damage comprehensive deductible is \$1,000 and the collision deductible is \$1,000.
- \$50,000 Actual cash value for hired auto physical damage per auto, less \$1,000 deductible.

Garage keepers' legal liability:

- \$1 million per location:
 - DTE Parking Ramp – 425 Park Avenue
 - Stadium Parking Ramp – 740 South 4th Street
 - Timeshare System, Inc. - 511 - 11th Ave -Surface Lot and Parking Ramp
 - Timeshare System, Inc. - 1010 South 7th Street Parking Ramp
 - 614 7th Street and 615 6th Street, Minneapolis, MN 55415 – 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. Travelers Casualty and Surety Company presented a renewal quote for this policy for a premium of \$1,466.00. Crime policy limits are:

- \$1 million employee theft
- \$1 million premises
- \$1 million in transit
- \$1 million forgery or alteration
- \$1 million funds transfer fraud
- \$1 million personal accounts forgery or alteration

The above limits have a \$10,000 deductible.

- \$1 million computer program and electronic data restoration, no deductible
- \$1 million, computer fraud, no deductible
- \$100,000 social engineering fraud, deductible \$5,000

Cyber/privacy liability. A Coalition of carriers presented renewal quotes for this policy for a combined premium of \$45,486.81. The carriers and their quota share percentages are:

- North American Capacity – 30%
- Allianz Underwriters – 20%
- Ascot Specialty – 20%
- Fortegra Specialty – 30%

The cyber/privacy liability policy limits are:

- \$5 million policy aggregate
- \$5 million network and information security liability
- \$5 million regulatory defense and penalties
- \$5 million multimedia content liability
- \$5 million payment card industry fines and assessments
- \$5 million breach response
- \$5 million crisis management and public relations
- \$5 million cyber extortion
- \$5 million business interruption and extra expenses
- \$5 million digital asset restoration
- \$5 million funds transfer fraud

There is a \$25,000 retention per claim and a 8-hour waiting period for business interruption losses.

Public officials and employment practices liability. Chubb (ACE) presented a renewal quote for this policy for a premium of \$34,891.00. 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 each occurrence

The policy has a \$25,000 public officials deductible for each wrongful act and a \$50,000 deductible for employment practices.

Workers Compensation. SFM presented a renewal quote for this policy for a premium of \$2,130.00. This policy does not have a deductible.

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. Lloyd's Syndicate presented a renewal quote for this policy for a premium of \$41,576.64. Terrorism 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 for each occurrence/annual aggregate. This policy does not have a deductible.

Insurance Carrier Ratings. A.M. Best Company, Inc. annually publishes *Best's Insurance Reports* 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 policy type, carrier, ratings for the insurance carriers, and the premium for each policy (prior period and current period) are shown below:

Policy	Carrier	Best Rating	2022-2023 Premium	2023-2024 Premium
Commercial general liability *	American Specialty (Arch)	A+, XV	\$ 44,258.00	\$ 68,963.00
Excess liability- Layer 1*	American Specialty (Arch)	A+,XV	\$ 27,071.00	\$ 45,853.00
Layer 2	Axis Surplus	A,XV	\$ 41,216.00	\$ 48,944.00
Layer 2	Endurance	A+,XV	\$ 41,216.00	\$ 48,944.00
Layer 3	Great American	A+,XV	\$ 33,000.00	\$ 38,000.00
Layer 3	Sirius Point	A,XV	\$ 22,668.00	\$ 25,760.00
	Subtotal		\$165,171.00	\$207,501.00
Automobile/Garage Keepers liability	American Specialty (Arch)	A+,XV	\$ 14,848.00	\$16,185.00
Crime	Travelers	A++,XV	\$ 1,466.00	\$ 1,466.00
Cyber/privacy liability	Coalition of carriers	A- to A+ IX to XV	\$ 40,739.36	\$ 45,486.81
Public officials and employment practices liability	Chubb (ACE) (Prior year-Chubb)	A++,XV	\$ 31,193.00	\$ 34,891.00
Workers compensation*	SFM	A-,IX	\$ 2,183.00	\$ 2,130.00
Terrorism liability*	Lloyd's Syndicate	A,XV	\$ 41,576.64	\$ 41,576.64
CBIZ 2023 annual fee of \$34,479.00.	* Premiums include CBIZ fees of \$29,016.70		\$ 11,738.20	\$ 5,462.30
	TOTAL ANNUAL PREMIUM		\$353,173.20	\$423,661.75
	PREMIUM INCREASE			\$70,488.55

Recommended Motion:

The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to procure the above listed policies for the casualty insurance program. Policy premiums may be adjusted based on final policy negotiations with each carrier.

The property insurance program will be presented at a future board meeting.



MEMORANDUM

EXHIBIT F

TO: MSFA Commissioners

FROM: Mary Fox-Stroman, Director of Finance

DATE: May 26, 2023

SUBJECT: Q2 - 2022-2023 Budget Report as of December 31, 2022 and
Q3 - 2022-2023 Budget Report as of March 31, 2023

Attached is the Q2 and Q3 Performance at a Glance Reports, the Q2 and Q3 Budget Report for the period from July 1, 2022 through December 31, 2022, and from July 1, 2022 through March 31, 2023 for the MSFA’s operating account, capital reserve account, and concession capital reserve account. Following is a high-level summary of the accounts’ activities for the second and third quarter:

Operating Account

The operating account is used to account for the MSFA’s operations including ASM Global’s operation of U.S. Bank Stadium.

<u>OPERATING ACCOUNT</u>	2022-2023 Amended Budget	Q2 – Actual* 7/01/22-12/31/22	Q3 – Actual* 7/01/22-3/31/23
Operating revenues	\$41,693,423	\$23,366,726	\$34,009,029
Operating expenses	(\$38,212,581)	(\$23,031,870)	(\$31,743,592)
Operating income/(loss)	\$3,480,842	\$334,856	\$2,265,437
Net nonoperating revenues/(expenses)	\$12,000	\$310,825	\$545,544
Transfer to Capital Reserve Account**	(\$5,000,000)	-	-
Change in Account Balance	(\$1,507,158)	\$645,681	\$2,810,981
Beginning Operating Account Balance	\$24,040,213	\$24,040,213	\$24,040,213
Ending Operating Account Balance	\$22,533,055	\$24,685,894	\$26,851,194

* Note: This report does not include accounting recognition related to Governmental Accounting Standards Board Statement No. 87, Leases, this will be implemented only for the year-end financial reports.

** Note: The transfer to the Capital Reserve Account will occur in the fourth quarter.

Capital Reserve Account

The capital reserve account is used to account for the stadium’s capital improvement projects.

<u>CAPITAL RESERVE ACCOUNT</u>	2022-2023 Amended Budget	Q2 – Actual* 7/01/22-12/31/22	Q3 – Actual* 7/01/22-3/31/23
Capital revenues	\$3,614,181	\$1,840,265	\$2,743,811
Capital expenses	(\$7,946,553)	(\$1,409,461)	(\$3,910,327)
Net income/(loss)	(\$4,332,372)	\$430,804	(\$1,166,516)
Transfer from Operating Account	\$5,000,000	-	-
Change in Account Balance	\$667,628	\$430,804	(\$1,166,516)
Beginning Capital Reserve Account Balance	\$20,834,177	\$20,834,177	\$20,834,177
Ending Capital Reserve Account Balance	\$21,501,805	\$21,264,981	\$19,667,661

Concession Capital Reserve Account

The concession capital reserve account is used to account for the stadium's concession capital improvement projects.

<u>CONCESSION CAPITAL RESERVE ACCOUNT</u>	2022-2023 Amended Budget	Q2 – Actual 7/01/22-9/30/22	Q3 – Actual 7/01/22-3/31/23
Concession capital reserve revenues	\$800,000	\$728,679	\$829,872
Concession capital reserve expenses	(\$259,122)	(\$180,579)	(\$239,603)
Net income/(loss)	\$540,878	\$548,100	\$590,269
Transfer	-	-	-
Change in Account Balance	\$540,878	\$548,100	\$590,269
Beginning Concession Capital Reserve Account Balance	\$1,031,254	\$1,031,254	\$1,031,254
Ending Concession Capital Reserve Account Balance	\$1,572,132	\$1,579,354	\$1,621,523

SUMMARY OF CASH AND INVESTMENTS

<u>Description</u>	<u>12/31/2022</u>	<u>3/31/2023</u>
Cash and Cash Equivalents:		
U.S. Bank – operating account (DDA)	\$482,476	\$127,191
U.S. Bank – payroll account (DDA)	\$1,000	\$1,000
U.S. Bank – ASM Global managed accounts (DDA) operating, box office, event marketing, and cash on hand	\$53,933,662	\$57,322,058
U.S. Bank investment account:		
First American Government Obligation Fund	\$25,370,210	\$26,904,921
U. S. Treasury Bill	\$9,804,173	\$9,804,173
Total Cash and Cash Equivalents	\$89,591,521	\$94,159,343



MINNESOTA
SPORTS FACILITIES
AUTHORITY

Minnesota Sports Facilities Authority
1005 4th Street South, Minneapolis, MN 55415

PERFORMANCE AT A GLANCE

2022-2023 BUDGET VIEW

Q2 - July 1, 2022 – December 31, 2022

	AMENDED		OVER/(UNDER)
	BUDGET	ACTUAL	BUDGET
OPERATING ACCOUNT			
Revenues	\$41.7m	\$23.7m	(\$18.0m)
Expenses & transfers	\$43.2m	\$23.0m	(\$20.2m)
Ending account balance	\$22.5m	\$24.7m	\$ 2.2m
CAPITAL RESERVE ACCOUNT			
Revenues	\$ 3.6m	\$ 1.8m	(\$1.8m)
Expenses & transfers	\$ 7.9m	\$ 1.4m	(\$6.5m)
Ending account balance	\$21.5m	\$21.3m	(\$.2m)
CONCESSION CAPITAL RESERVE ACCOUNT			
Revenues	\$.8m	\$.7m	(\$.1m)
Expenses & transfers	\$.3m	\$.2m	(\$.1m)
Ending account balance	\$ 1.6m	\$ 1.6m	\$ -



PERFORMANCE AT A GLANCE

2022-2023 BUDGET VIEW

Q3 - July 1, 2022 – March 31, 2023

	AMENDED		OVER/(UNDER)
	BUDGET	ACTUAL	BUDGET
OPERATING ACCOUNT			
Revenues	\$41.7m	\$34.6m	(\$ 7.1m)
Expenses & transfers	\$43.2m	\$31.7m	(\$11.5m)
Ending account balance	\$22.5m	\$26.9m	\$ 4.4m
CAPITAL RESERVE ACCOUNT			
Revenues	\$ 3.6m	\$ 2.7m	(\$.9m)
Expenses & transfers	\$ 7.9m	\$ 3.9m	(\$ 4.0m)
Ending account balance	\$21.5m	\$19.7m	(\$ 1.8m)
CONCESSION CAPITAL RESERVE ACCOUNT			
Revenues	\$.8m	\$.8m	\$ -
Expenses & transfers	\$.3m	\$.2m	(\$.1m)
Ending account balance	\$ 1.6m	\$ 1.6m	\$ -



YEAR 2022-2023 BUDGET

Operating Account, Capital Reserve Account, Concession Capital Reserve Account

Q2 - July 1, 2022 to December 31, 2022

Q3 - July 1, 2022 to March 31, 2023

	2022-2023 Original Budget	2022-2023 Amended Budget 1/26/2023	Q2 Actual 7/1/22-12/31/22	Q3 Actual 7/1/22-3/31/23
Operating Account				
Revenues:				
Stadium operating payments				
State of Minnesota operating payment	\$ 7,077,482	\$ 7,077,482	\$ 3,538,741	\$ 5,308,111
Minnesota Vikings operating payment	\$ 10,149,445	\$ 10,149,445	\$ 5,074,722	\$ 7,612,084
Stadium operating revenue-ASM Global	\$ 24,402,296	\$ 24,402,296	\$ 14,707,963	\$ 20,512,843
Miscellaneous revenues	\$ 64,200	\$ 64,200	\$ 45,300	\$ 575,991
Total operating revenues	\$ 41,693,423	\$ 41,693,423	\$ 23,366,726	\$ 34,009,029
Expenses:				
Personal services	\$ 806,081	\$ 806,081	\$ 262,060	\$ 429,108
Professional services	\$ 1,319,763	\$ 1,319,763	\$ 556,572	\$ 744,758
Supplies and network support	\$ 111,731	\$ 111,731	\$ 47,075	\$ 81,513
Stadium contractual commitments	\$ 798,619	\$ 798,619	\$ 701,742	\$ 862,002
Insurance	\$ 350,990	\$ 350,990	\$ 305,499	\$ 305,499
Miscellaneous	\$ 472,636	\$ 472,636	\$ 82,860	\$ 107,454
Stadium operating expenses-ASM Global	\$ 34,352,761	\$ 34,352,761	\$ 21,076,062	\$ 29,213,258
Total operating expenses	\$ 38,212,581	\$ 38,212,581	\$ 23,031,870	\$ 31,743,592
Operating income/(loss)	\$ 3,480,842	\$ 3,480,842	\$ 334,856	\$ 2,265,437
Nonoperating Revenues/(Expenses):				
Revenues-Investment earnings	\$ 12,000	\$ 12,000	\$ 310,825	\$ 545,544
Revenues-Taxes-State of Minnesota	\$ -	\$ -	\$ -	\$ -
Total nonoperating revenues/(expenses)	\$ 12,000	\$ 12,000	\$ 310,825	\$ 545,544
Net Income/(loss) before transfers	\$ 3,492,842	\$ 3,492,842	\$ 645,681	\$ 2,810,981
Transfers:				
Transfer to Capital Reserve fund *	\$ (5,000,000)	\$ (5,000,000)	\$ -	\$ -
Change in Account Balance	\$ (1,507,158)	\$ (1,507,158)	\$ 645,681	\$ 2,810,981
Beginning Operating Account Balance	\$ 24,040,213	\$ 24,040,213	\$ 24,040,213	\$ 24,040,213
Ending Operating Account Balance	\$ 22,533,055	\$ 22,533,055	\$ 24,685,894	\$ 26,851,194
Capital Reserve Account				
Revenues:				
Minnesota Vikings Capital Cost payment	\$ 1,844,811	\$ 1,844,811	\$ 922,405	\$ 1,383,608
State of Minnesota Capital payment	\$ 1,769,370	\$ 1,769,370	\$ 884,685	\$ 1,327,028
Miscellaneous revenues	\$ -	\$ -	\$ 33,175	\$ 33,175
Total revenues	\$ 3,614,181	\$ 3,614,181	\$ 1,840,265	\$ 2,743,811
Capital Expenses:				
Net Income/(loss) before transfers	\$ (1,720,771)	\$ (4,332,372)	\$ 430,804	\$ (1,166,516)
Transfers:				
Transfer from Operating Account *	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -
Change in Account Balance	\$ 3,279,229	\$ 667,628	\$ 430,804	\$ (1,166,516)
Beginning Capital Reserve Account Balance	\$ 20,834,177	\$ 20,834,177	\$ 20,834,177	\$ 20,834,177
Ending Capital Reserve Account Balance	\$ 24,113,406	\$ 21,501,805	\$ 21,264,981	\$ 19,667,661
Concession Capital Reserve Account				
Revenues:				
Concession Capital Reserve payment	\$ 800,000	\$ 800,000	\$ 728,679	\$ 829,872
Total revenues	\$ 800,000	\$ 800,000	\$ 728,679	\$ 829,872
Concession Capital Expenses:				
Net Income/(loss) before transfers	\$ 540,878	\$ 540,878	\$ 548,100	\$ 590,269
Beginning Concession Capital Reserve Account Balance	\$ 1,031,254	\$ 1,031,254	\$ 1,031,254	\$ 1,031,254
Ending Concession Capital Reserve Account Balance	\$ 1,572,132	\$ 1,572,132	\$ 1,579,354	\$ 1,621,523

* The transfer from the Operating Account to the Capital Reserve Account will occur in the fourth quarter.