



MINNESOTA
SPORTS FACILITIES
AUTHORITY

MINNESOTA SPORTS FACILITIES AUTHORITY MEETING AGENDA

Thursday, December 19, 2024, 8:00 A.M.

U.S. Bank Stadium – MSFA Office
401 Chicago Avenue, Minneapolis, MN 55415

Pursuant to Minnesota Statutes, Section 13D.02, Commissioner Tony Sertich will participate in the meeting remotely. Consistent with Section 13D.02, subd. 1(a)(5), Commissioner Sertich will be at a location open and accessible to the public at: 4067 Misty Morning Drive, Hermantown, MN 55811.

1. CALL TO ORDER

2. APPROVAL OF PRIOR MEETING MINUTES – October 31, 2024

3. BUSINESS
 - a. **Action Items**
 - i. **Approve 2025 MSFA Board Meeting Dates**

 - b. Reports
 - i. Q1 2024-2025 MSFA Budget Report – September 30, 2024
 - ii. U.S. Bank Stadium Updates
 1. ASM Global
 2. Aramark

4. PUBLIC COMMENTS

5. DISCUSSION

6. ANNOUNCEMENT OF NEXT MEETING – January 16, 2025
Location: U.S. Bank Stadium – MSFA Office

7. ADJOURNMENT

***Items in bold require action**



MINNESOTA
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MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – October 31, 2024, 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 8:09 A.M.

2. ROLL CALL

Commissioners present: Chair Michael Vekich, Bill McCarthy, Tony Sertich, Angela Burns Finney.

Commissioners absent: Sharon Sayles Belton

3. APPROVAL OF MEETING MINUTES – September 19, 2024.

Chair Vekich asked for a motion to approve the minutes of the September 19, 2024, meeting. Commissioner McCarthy moved, and Commissioner Burns Finney seconded the motion. The minutes of the September 19, 2024, board meeting were unanimously approved and adopted as presented. See, Exhibit A.

4. BUSINESS

a. Action Items

- i. Authorize Negotiations and Execute a Design Services Agreement for the Secured Perimeter Project Phase II**

Chair Vekich asked Mr. Ed Kroics, Executive Director, to discuss the Design Services Agreement for the Secured Perimeter Project Phase II. Mr. Kroics said on September 3, 2024, the Authority published a request for proposal for the design services for the architectural, structural, and civil design of a permanent secured perimeter for Phase II on the west side of the stadium. Proposals were received and

evaluated on multiple criteria including interviews with proposers. HKS proposal is recommended as the best value to the Authority.

Chair Vekich said Phase I of the secured perimeter project has been substantially completed. Chair Vekich said the Authority received funding for Phase I from the state for \$15,700,000. Chair Vekich said he is working with Governor Walz and legislators on funding for Phase II and estimates the project to cost \$85,000,000. Chair Vekich said Mr. Amos Briggs has been very helpful coordinating meetings with various legislators. Chair Vekich said the Authority had recently hosted a tour with legislators and the group was receptive to the project. Chair Vekich said more information will be forthcoming once MMB's November forecast is released and the elections are completed. Chair Vekich said HKS was the original architect for the stadium and performed very well. *See, Exhibit B.*

Commissioner Burns Finney 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 finalize negotiations and execute a design services agreement with HKS for the Secure Perimeter Project Phase II for a total cost not to exceed \$1,504,949.60.

ii. Authorize Negotiations and Execute a Trade Contract for the Wireless Intercom System

Chair Vekich asked Mr. Kroics to discuss the Trade Contract for the Wireless Intercom System. Mr. Kroics said on October 9, 2024, the Authority published a request for proposal for replacement of the wireless intercom system. The current system was installed prior to opening the stadium in 2016 and has reached end of life. The system is utilized for public and private events providing communication from the broadcast booth to support staff around the facility. Proposals were received on October 23, 2024, and were reviewed and evaluated on multiple criteria. Alpha Video's proposal is recommended as the best value to the Authority. *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 authorized the Chair and Executive Director to finalize negotiations and execute a trade contract agreement with Alpha Video for the Wireless Intercom System for a total cost not to exceed \$371,903.00.

b. Reports

i. MSFA Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2024

Chair Vekich invited Ms. Michelle Hoffman, Director of Finance, to present the Authority's annual financial report and discuss the results of the audit. Ms. Hoffman then introduced Mr. Christopher Knopik and Mr. Troy Gabler, CliftonLarsonAllen, LLC (CLA) and thanked them for their efforts during the audit. Ms. Hoffman discussed the various sections of the annual report. Ms. Hoffman discussed the Letter of Transmittal, the organizational chart, and the Government Finance Officers Association (GFOA) Certificate of Achievement For Excellence in Financial Reporting Award for the prior year's report, and she said this year's report would be submitted to the GFOA for the certificate program. Ms. Hoffman discussed the Independent Auditors' Report and their unmodified (clean) opinion on the financial statements, Management's Discussion and Analysis, and the Basic Financial Statements and the Notes to the Financial Statements. Ms. Hoffman asked Mr. Knopik to discuss the audit.

Mr. Knopik said he is a principal with CLA and this was the seventh audit he has worked with the Authority. Mr. Knopik said the auditing standards require them to communicate directly with the Board on internal controls and other matters of governance. Mr. Knopik thanked the various staff who took the time to answer questions from CLA. Chair Vekich asked Mr. Knopik what were the results of the audit? Mr. Knopik said they issued an unmodified opinion on the Authority's basic Financial Statements. Mr. Knopik said no deficiencies were identified and the Authority has strong internal controls. Mr. Knopik said CLA also worked with Baker Tilly to review the ASM audit workpapers. Mr. Gabler said the results of the audit were positive and worth noting since the Authority has a small team. Mr. Gabler said there were no material audit adjustments and no financial reporting deficiencies. Chair Vekich thanked Mr. Knopik and Mr. Gabler for their work. *See, Exhibit D*

ii. Q4 2023-2024 MSFA Budget Report For the Fiscal Year Ended June 30, 2024

Chair Vekich asked Ms. Hoffman to provide the Budget Report for the Authority's Q4 2023-2024 Budget Report. Ms. Hoffman said the summary memo is provided in the board packet for review. Ms. Hoffman discussed the operating, capital reserves, and concession capital accounts and provided updates. See, Exhibit E.

iii. 2024-2025 Property Insurance Report

Chair Vekich asked Ms. Mary Fox-Stroman, Chief Financial Officer, to discuss the 2024-2025 Property Insurance Report. Ms. Fox-Stroman said Willis Tower Watson Midwest, Inc, the Authority's property insurance broker, marketed the program to multiple carriers. Ms. Fox-Stroman said the market was challenging this year due to weather-related claims in the industry. Ms. Fox-Stroman said the insurance program has a layered approach where the primary property layer provides coverage for \$1 billion and the excess layer, which sits above the primary layer, provides coverage of \$362 million. She said for this renewal, AIG reduced its capacity for the all-risk property policy primary layer from \$1 billion to a limit of \$500 million. Ms. Fox-Stroman said other carriers were then approached to fill out the layer, and AXA XL agreed to participate in the primary property layer on a 50%/50% quota share basis with AIG where each carrier provides a coverage limit of \$500 million. Ms. Fox-Stroman said the policies have a \$10 million deductible for hail and wind perils, \$1 million deductible for snow, sleet, or ice perils, a \$50,000 deductible for the Vikings Ship, and a \$500,000 deductible for all other perils. Ms. Fox-Stroman said Willis Tower Watson then approached Chubb Bermuda and they agreed to provide the program's excess layer of \$362 million limit which includes terrorism coverage. Chair Vekich asked Ms. Fox-Stroman to discuss the deductible buy downs. Ms. Fox-Stroman said the deductible buy down policies were purchased in order to meet contractual requirements. Ms. Fox-Stroman said policies were purchased for the \$10 million deductible for hail and wind perils and for the \$1 million deductible for snow, sleet, and ice perils to reduce both deductibles to \$500,000. Chair Vekich said the Authority has been working hard on the program.

Chair Vekich thanked Ms. Sue Arcand, Accountant, for her hard work and dedication for the audit. See, Exhibit F.

iv. U.S. Bank Stadium Updates

1. ASM Global and Aramark

Chair Vekich asked Mr. John Drum, General Manager U.S. Bank Stadium, and Ms. Jenifer Freeman, General Manager Aramark, to comment on events. Mr. Drum congratulated the Minnesota Vikings on their great start to the season. Mr. Drum said the stadium has recently hosted multiple youth football events over the last month. Mr. Drum said the stadium hosted the annual Youth in Music band competition which showcased 35 high school marching bands as well as three college marching bands from Minnesota and surrounding states. Mr. Drum said the stadium is currently hosting the Minnesota State High School League (MSHSL) soccer state finals which conclude on Friday, November 1st. Mr. Drum said the stadium is looking forward to hosting the MSHSL football semifinals and prep bowl during the month of November. Mr. Drum said the stadium is hosting many private events and holiday parties during the next few months and looks forward to working with Aramark on those events. Mr. Drum said the stadium is excited to host the winter warm-up and dates are still being finalized.

Ms. Freeman said she recently returned from a trip to Philadelphia where she attended an executive leadership program. Ms. Freeman said the program emphasized providing emotional safe spaces in the workplace. Ms. Freeman said providing an emotional safe space for employees starts with leaders and she was looking forward to sharing the information with her team. Ms. Freeman said her staff was recently ranked number two in the NFL Voice of the Fan survey and she was very proud of the achievement. Ms. Freeman said Aramark has begun providing a post-game meal to support staff who are facing housing and food insecurities. Ms. Freeman said Aramark has worked diligently with stadium partners and is happy to provide this meal at no additional cost. She said the program will provide meals for an additional 375 employees. Ms. Freeman said the management of Aramark provides the services and has received very positive reviews. Chair Vekich thanked Ms. Freeman and her team for the new program.

Mr. Drum said ASM and Aramark have a great staff and it's important to recognize their efforts. Mr. Drum said the stadium staff work hard to provide a safe, clean, and welcoming venue for all our guests. Mr. Drum said several surveys are used to gauge the performance of staff including the Voice of the Fan and secret shoppers. Mr. Drum said ASM and stadium partners host various events to express

appreciation for the hard work and dedication the staff shows on a daily basis. Mr. Drum said the annual movie on the field night is going to be held on November 11th. Mr. Drum said the SKOL Service MVP annual awards will be presented at the last game of the year and is a great way to recognize staff who go above and beyond in their work.

Chair Vekich asked Mr. Lester Bagley, Executive Vice President of Public Affairs Minnesota Vikings, to provide an update for the Vikings. Mr. Bagley said the team recently returned from their London game and had a great trip. Mr. Bagley said the team is off to a good start and is excited to be back home playing at U.S. Bank Stadium. Mr. Bagley said their game with the Indianapolis Colts was flexed to Sunday night into a primetime slot. Mr. Bagley thanked Ms. Freeman for the expanded meal program for staff and said it is another way to make their gameday special. Mr. Bagley said the Vikings are participating in the NFL Votes activation. Mr. Bagley said the Vikings' facility in Eagan as well as U.S. Bank Stadium are provided as backup polling locations for election day. Mr. Bagley said the NFL Votes activation encourages players and staff to register to vote. Mr. Bagley said the activation will take place for the next home game. Mr. Bagley said legislative discussions are on pause while the national election is taking place. He said several issues are still on the table including Minnesota Sports and Events funding. Mr. Bagley said he expects discussions to pick up after the elections. Chair Vekich asked Mr. Bagley if U.S. Bank Stadium is the loudest NFL stadium? Mr. Bagley said U.S. Bank Stadium is among the loudest, but he was not sure if it is the loudest stadium. Mr. Bagley said the fans provide a strong home field advantage.

Chair Vekich thanked Mr. Bagley for the report. Chair Vekich said future board meetings will be held in the MSFA Board Room.

5. PUBLIC COMMENTS

There were no public comments.

6. DISCUSSION

There was no discussion.

7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced the next MSFA meeting will be held on Thursday, December 19, 2024, at U.S. Bank Stadium in the MSFA Office Board Room.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 9:03 A.M.

Approved and adopted the 19th day of December 2024, by the Minnesota Sports Facilities Authority.

Sharon Sayles Belton, Secretary/Treasurer

Ed Kroics, Executive Director



MEMORANDUM

TO: MSFA Commissioners
FROM: Chair Michael Vekich
DATE: December 19, 2024
SUBJECT: 2025 MSFA Board Meeting Dates

The MSFA Chair recommends the following dates for the 2025 monthly board meetings:

Thursday, January 16, 2025
Thursday, February 20, 2025
Thursday, March 20, 2025
Thursday, April 17, 2025
Thursday, May 15, 2025
Thursday, June 18, 2025
Thursday, July 17, 2025
Thursday, August 21, 2025
Thursday, September 18, 2025
Thursday, October 16, 2025
Thursday, November 20, 2025
Thursday, December 18, 2025

Recommended Motion:

The Minnesota Sports Facilities Authority adopts the above 2025 board meeting calendar.





MEMORANDUM

TO: MSFA Commissioners

FROM: Michelle Hoffman, Director of Finance

DATE: December 19, 2024

SUBJECT: Q1 - 2024-2025 Budget Report as of September 30, 2024

Attached is the Q1 Budgetary Comparison Report for the period from July 1, 2024, through September 30, 2024 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 first quarter of the fiscal year ended June 30, 2025:

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>	2024-2025 Original Budget	Q1 – Actual 7/01/24-9/30/24
Operating revenues	\$49,049,714	\$16,249,666
Operating expenses	(\$45,481,169)	(\$9,655,010)
Operating income/(loss)	\$3,568,545	\$6,594,656
Net nonoperating revenues/(expenses)	\$1,000,000	\$772,603
Transfer to Capital Reserve Account	(\$10,000,000)	-
Change in Account Balance	(\$5,431,455)	\$7,367,259
Beginning Operating Account Balance	\$22,802,789	\$30,491,241
Ending Operating Account Balance	\$17,371,334	\$30,170,048



Capital Reserve Account

The capital reserve account is used to account for the stadium’s capital improvement projects including the Secured Perimeter Project-Phase I and Phase II.

<u>CAPITAL RESERVE ACCOUNT</u>	2024-2025 Original Budget	Q4 – Actual 7/01/24-9/30/24
Capital revenues	\$6,189,092	\$1,547,273
Capital expenses	(\$22,740,608)	(\$576,390)
Net income/(loss)	(\$16,551,516)	\$970,883
Transfer from Operating Account	\$10,000,000	-
Change in Account Balance	(\$6,551,516)	\$970,883
Beginning Capital Reserve Account Balance	\$36,366,447	\$36,336,447
Ending Capital Reserve Account Balance	\$29,814,931	\$37,337,330

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>	2024-2025 Original Budget	Q1 – Actual 7/01/24-9/30/24
Concession capital reserve revenues	\$800,000	\$155,531
Concession capital reserve expenses	(\$2,455,613)	(\$107,473)
Net income/(loss)	(\$1,645,613)	\$48,059
Transfers	-	-
Change in Account Balance	(\$1,645,613)	\$48,059
Beginning Concession Capital Reserve Account Balance	\$2,564,818	\$2,564,818
Ending Concession Capital Reserve Account Balance	\$919,205	\$2,612,877

SUMMARY OF CASH AND INVESTMENTS

As of September 30, 2024

<u>Description</u>	<u>Amount</u>
Cash and Cash Equivalents:	
U.S. Bank – operating and payroll accounts (DDA)	\$459,098
U.S. Bank – SBL account (DDA)	\$1,290,717
U.S. Bank – ASM Global managed accounts (DDA) operating, box office, event marketing, and cash on hand	\$9,797,682
U.S. Bank investment account:	
Money Market – (Includes Operating of \$11.01M, Capital reserve of \$35.03M, Secured Perimeter project of \$6.98M, Concession Capital reserve of \$2.56M)	\$60,427,776
Total Cash and Cash Equivalents	\$71,975,273

The Q1 – July 1, 2024 – September 30, 2024 Budget Comparison Summary is attached.