



MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – December 21, 2018 at 9:00 A.M.
U.S. Bank Stadium Medtronic Club
1005 South 4th Street
Minneapolis, MN 55415

1. CALL TO ORDER

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 9:07 A.M.

2. ROLL CALL

Commissioners present: Chair Michael Vekich, Barbara Butts Williams, Laura Bishop, and Tony Sertich

Commissioners Absent: Bill McCarthy

3. APPROVAL OF MEETING MINUTES – October 21, 2018. *See, Exhibit A.*

4. BUSINESS

a. Action Items

i. Approve MSFA Guiding Principles

Chair Vekich, stated that the MSFA wanted to align the Stadium Partners as a unified team, working together to make U.S. Bank Stadium successful on every front, which includes: State of Minnesota, Minnesota Vikings, City of Minneapolis, SMG, and Aramark. As the planning process progressed, Chair Vekich stated that the MSFA made the development of the Guiding Principles a key priority. The Guiding Principles include: the MSFA core values, stadium and MSFA purpose, shared mission, and shared vision.

Chair Vekich noted that the draft version of the MSFA's Guiding Principles were reviewed by each MSFA board member. The board's collective input led to valuable refinements, including the identification of equity, community focus, and involvement as one of the MSFA's core values. See, Exhibit B.

Commissioner Butts Williams thanked Chair Vekich for the update and for bringing the Guiding Principles document to life. She believes that communicating these principles to the community is a necessity, as the MSFA needs to continue to demonstrate its transparency to the public.

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

The Minnesota Sports Facilities Authority adopts the attached MSFA Guiding Principles. The Authority authorizes the Chair and the Executive Director to continue the strategic planning process.

ii. Approve Amended FY 2018-2019 Budget

Mary Fox-Stroman reported the 2018-2019 Amended Budget for the fiscal period from July 1, 2018 to June 30, 2019 for the Operating account, Capital Reserve account, and the Concession Capital Reserve account. This amended budget reflects the updated beginning account balances as of July 1, 2018 and it includes revised revenues and expenses for the NCAA Men's Basketball Final Four 2019 tournament. See, Exhibit C.

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 adopts the attached 2018-2019 Amended Budget for the fiscal period from July 1, 2018 through June 30, 2019 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.

iii. Approve Revised Operations Equity Plan

James Farstad discussed the newly amended MSFA Operations Equity Plan. He stated that this amended plan reflects an alignment with the MSFA Guiding Principles and State of Minnesota Statute § 473J.12, which is designed to further the Authority's evolution as a leader in equity, inclusion, and diversity. Mr. Farstad stated that the MSFA hosts quarterly meetings for women, minority, and veteran owned businesses, to discuss the opportunities for work that may be available in the near future. He noted that the MSFA now includes a job fair at these meetings. The equity meetings will have food catered from women, minority, an/or veteran owned local restaurants within the community. See, Exhibit D.

Chair Vekich thanked Commissioner Butts Williams for attending and speaking at the equity meeting. He stated that there was great discussion with a large and diverse audience. Commissioner Butts Williams stated that she has enjoyed working in collaboration with all stadium partners, and she is hopeful that the stadium will continue to maintain its equity goals.

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

The Minnesota Sports Facilities Authority adopts the attached Amended Operations Equity Plan. The Authority authorizes the Chair and the Executive Director to implement the plan.

iv. Approve Amended Contract for CH Skiem Consulting, LLC

Mr. Farstad stated that on December 15, 2017 the MSFA authorized the Chair and Executive Director to enter into a contract with C. H. Skiem Consulting, LLC for financial advisory services related to stadium construction and operations for an amount up to \$120,000 for the period from January 1, 2018 through December 31 2018. See, Exhibit E.

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

The MSFA authorizes the Chair and Executive Director to execute a contract amendment with C.H. Skiem Consulting, LLC, and to increase the contract maximum amount to \$121,587 for the above listed term.

v. Approve Final Four Local Organizing Committee (LOC) Contract (including update on Final Four)

Before presenting the proposed Final Four Local Organizing Committee contract to the board, Chair Vekich asked Patrick Talty, SMG's General Manager, to provide a stadium update on the Final Four. Mr. Talty stated that unlike the Super Bowl, there are less consultants to help with the planning, so a lot of the work is being delegated to stadium staff. He noted that the stadium is having monthly meetings with the NCAA and the LOC, and a lot of planning decisions have been made before the new year. He noted that the perimeter of the stadium for the Final Four will be less expensive and less expensive than the Super Bowl, but will have the same security procedures. In order to make the event feel special for the athletes, Mr. Talty stated that the stadium will put a focus on branding on the service level of the stadium, which is where the student athletes will gather. He also stated that the Final Four tournament will be the largest event that U.S. Bank Stadium has hosted, as additional seating will be installed on the field level surrounding the courts. Because of this additional seating, U.S. Bank Stadium will be ready to host 72,000 people. Mr. Talty also announced that for the first time in NCAA Final Four history, beer and wine will be available for purchase at the stadium; however, there will be very stringent alcohol policy. Lastly, Mr. Talty stated that he is excited that the games will bring in true fans, and unlike the Super Bowl, the Final Four will be a much more family friendly event. Commissioner Butts Williams stated that she would be interested in an overview report that states the challenges of hosting large events such as the Final Four and concerts. She asked Mr. Talty if there is anything the MSFA should consider when planning these events, and also asked about flexibility with storage and the media. Lastly, she asked Mr. Talty to comment on how these events could turn into future investments. Mr. Talty responded by saying that the biggest asset of the stadium is its flexibility for events. The stadium has hosted an array of different events, and because of this flexibility, many people are able to attend events that suit their interests. Mr. Talty stated that one of the biggest challenges is storage, as many of these large events require the storing of materials within the stadium. He noted that the loading dock is a great asset as it is located inside the stadium and is very close to the field. He also stated that the

technology in the building is state-of-the-art, and for the first time ever, the NCAA will be able to have media located on the field.

Lastly, Mr. Talty stated that the LOC is responsible for all events located outside of the stadium, all the fundraising, and the volunteer program.

Following Mr. Talty's stadium update, Chair Vekich discussed the Final Four LOC Contract with the MSFA Board. He stated that the MSFA and SMG staff have worked with the Final Four Local Organizing Committee to finalize event plans and preparations for the 2019 NCAA Final Four Men's Basketball tournament, which will be held from April 6, 2019 through April 8, 2019. He stated that the Event Support and Funding Agreement has been finalized and is ready for signature by the MSFA and Minneapolis Local Organizing Committee. *See, Exhibit F.*

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

The MSFA authorizes the Chair and Executive Director to execute the Event Support and Funding Agreement with the Minnesota Local Organizing Committee for the 2019 NCAA Men's Basketball Final Four.

vi. Accept Comprehensive Annual Financial Report - June 30, 2018

Ms. Fox-Stroman presented the Comprehensive Annual Financial Report. She stated that The CAFR has three major sections: introductory, financial, and statistical. The financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements including the notes to the financial statements, and required supplementary information. This is the first year that an independent audit firm, CliftonLarsonAllen LLP (CLA), conducted the audit. *See, Exhibit G.*

Christopher Knopik and Michelle Hoffman from CliftonLarsonAllen then discussed the audit.

Chair Vekich thanked CliftonLarsonAllen for their great work. He noted that receiving a clean audit and having no material adjustments is a difficult task, and he complimented both Mary Fox-Stroman and Sue

Arcand for their hard work. Chair Vekich then asked Mr. Knopik and Ms. Hoffman if there are any concerns that the MSFA should be aware of, and Mr. Knopik stated that there are no concerns. Ms. Hoffman then stated that Ms. Fox-Stroman and Ms. Arcand were great to work with and that they were very responsive to any questions that the CliftonLarsonAllen had.

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

The MSFA accepts the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

b. Report Items

i. Comprehensive Annual Financial Report

As the Comprehensive Annual Financial Report was discussed in the action items, Ms. Fox-Stroman suggested that the MSFA move on to the next report item.

ii. 4th Quarter Budget Report – June 30, 2018

Ms. Fox-Stroman provided the board with two budget reports. The first, was the fiscal year 2017-2018 budget report for the fiscal year ended June 30, 2018 for the operating account, capital reserve account, and concession capital reserve account. Second, was the project-to-date budget report for the U. S. Bank Stadium project trust account from project inception through June 30, 2018. See, Exhibit H.

iii. Executive Director's Report

Mr. Farstad reported that the MSFA, along with the Minnesota Twins, hosted a Home Plate Unveiling ceremony to celebrate the years of baseball played in the H.H.H. Metrodome. He thanked Aramark for making the event so special, and noted that they “hit it out of the park”. Mr. Farstad also announced that Northland Community College used the latest drone technology to capture images of the stadium

in order to detect any damage to the building, and if any repairs needed to be made. Mr. Farstad touched on the status of capital projects that are in progress in the stadium, including: the darkening solution acoustic curtain, ADA seating, broadcast cabling, field turf request for proposals, restroom gates prototypes, integration of Excel Energy meters into the building's automation system, Verizon Gate's matting installation, elevator audio installation, and the Polaris/Ecolab Gates' stairway repairs. Regarding the operations projects, Mr. Farstad stated that x-ray security screen tests are in progress, the concession energy management pilot has been finalized, the LEED operational certification purchase order has been submitted, and the request for proposals for IT Services, Equity Advisor, and Casualty/Property Insurance are being finalized.

iv. Patrick Talty Stadium Event Update

Mr. Talty presented a stadium update to the MSFA Board regarding 2018 events. *See, Exhibit I.* Commissioner Butts Williams asked Mr. Talty if there are any concerns regarding the turf, as U.S. Bank Stadium has hosted so many events. Mr. Talty stated that U.S. Bank Stadium has the best turf in the country, and that the Vikings always make sure it is of the highest quality. He stated that usually field turf is replaced after 5-6 years of use, but Mr. Talty stated that he hopes it will be replaced earlier. Chair Vekich then asked Mr. Talty to discuss the press conference with Garth Brooks and Governor Mark Dayton. Mr. Talty reported that Garth Brooks had a phone interview with Governor Dayton, and that the Governor was encouraging Garth Brooks to add a second show at U.S. Bank Stadium as the tickets to his show on May 4, 2019 were in high-demand. Garth Brooks agreed to a second show, which will be held on May 3, 2019. Lastly, Mr. Talty introduced Anne Dune, the new assistant General Manager of U.S. Bank Stadium, to the MSFA Board.

v. Steve Fletcher

Chair Vekich called Steve Fletcher, Minneapolis City Council member of Ward 3 to address the board. Mr. Fletcher stated that he is the city council member in the Downtown East district, and praised U.S. Bank Stadium for the contribution it has made to the neighborhood. He stated that it is exciting to see all the activity and events that take place at the stadium, and if any issues affect the neighborhood, the MSFA is very responsive in correcting any concerns that the surrounding community may have, especially with the stadium lighting at night. Mr. Fletcher stated that he wants to continue to grow his

relationship with the MSFA and stadium partners, and he is proud that the stadium shares the same values and morals as the City of Minneapolis' ward 3.

5. PUBLIC COMMENTS

1. Jerry Bahls: Mr. Bahls stated that in 2018, the Audubon Chapter of Minneapolis brought in three world's top experts on bird collision in order to compile current scientific information to help the MSFA develop a solution to the bird collision issue. He stated that the Audubon Chapter of Minneapolis is in the process of drafting recommendations and ideas as to make U.S. Bank Stadium more bird friendly. He noted that their plan is to complete the recommendation by the end of the year, and to present it to the Audubon Chapter of Minnesota research team, so they can incorporate it into their report to the MSFA in early 2019. Mr. Bahls is hoping that the stadium will be retrofitted with a bird safe solution by migration time in spring of 2019.

2. Constance Pepin: Ms. Pepin stated that the Audubon Chapter of Minneapolis's coalition of bird conservation groups has been eager to learn the purpose of the current study; however, the information remains private. Ms. Pepin noted that they asked Audubon Minnesota to share the research questions and the hypotheses they are testing but declined, citing the Memorandum of Understanding. Ms. Pepin and the Audubon Chapter of Minneapolis believes that the information of the study, should be made public to the citizens. She stated that she is concerned about whether the study will produce results that effectively inform local policy and management decisions to solve the known problem of bird deaths at the Stadium, and that it is evident that the stadium is killing a significant number of birds as it is on the Mississippi River flyway. Ms. Pepin urged the MSFA to take immediate action to retrofit the stadium and that she would like to meet stadium officials about the issue in early 2019.

3. Ann Laughlin: Ms. Laughlin reported that U.S. Bank Stadium has been receiving negative publicity nationally in regards to the bird deaths. In October, the National Audubon Society published an article titled "Minnesota's Newest Sports Stadiums Take Very Different Approaches to Bird Safety." She noted that the article draws a detailed comparison between U.S. Bank Stadium and Allianz Field, the new St. Paul soccer stadium, with regard to preventing bird deaths. She read an excerpt from the article that stated "Buildings are just one of the threats that migrants encounter as they cover

hundreds to thousands of miles twice a year. Considering birds in the blueprints, as McGuire has done, and retrofitting existing structures, as the Vikings have indicated they might do, is a significant step in helping ensure safer passage on their incredible journeys.” Lastly, Ms. Laughlin hopes that the Vikings and MSFA can generate some positive publicity by joining the efforts of Minnesota United FC by “doing the right thing” to protect migratory birds.

4. Phyllis Kahn: Representative Phyllis Kahn stated that as being the scientist in legislature, she noticed that MN now has a state statute to use bird safe glass, which wasn’t passed into law until after the construction of U.S. Bank Stadium was completed. She stated that U.S. Bank Stadium is the only state that has a law regarding bird safe glass, and U.S. Bank Stadium should be an example to the rest of the country. She kindly asked the MSFA to reconsider their decision, in order to prevent future bird deaths.

6. DISCUSSION

Chair Vekich stated that it has been great to work with the excellent MSFA staff as well as stadium staff throughout the year. He noted that the MSFA has completed a lot of hard work, which wouldn’t have been possible without the MSFA’s wonderful partners. Chair Vekich then thanked MSFA staff, Patrick Talty and his team at SMG, John Fitzgibbon and his staff at Aramark, as well as the Minnesota Vikings. He noted that they have been great partners, and he is excited to see the Vikings compete in the playoffs.


7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on January 18 2019, at U.S. Bank Stadium in the Hyundai Club at 9:00 A.M.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 10:55 A.M.

Approved and adopted the 18th day of January 2019, by the Minnesota Sports Facilities Authority.



Tony Sertich, Secretary/Treasurer



James Farstad, Executive Director



EXHIBIT A

MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – October 12, 2018 at 9:00 A.M.
U.S. Bank Stadium Medtronic Club
1005 South 4th Street
Minneapolis, MN 55415

1. CALL TO ORDER

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

2. ROLL CALL

Commissioners present: Chair Michael Vekich, Barbara Butts Williams and Bill McCarthy
Commissioners Absent: Laura Bishop and Tony Sertich

3. APPROVAL OF MEETING MINUTES – August 17, 2018. *See, Exhibit A.*

4. BUSINESS

a. Action Items

i. Approve Aramark Contract Amendment

James Farstad, Executive Director of the MSFA, stated that The MSFA entered into the Food and Beverage, Catering, and Concession Agreement on January 30, 2015 with Aramark to provide concessionaire services for U.S. Bank Stadium. The MSFA desires to revise the Agreement to reflect a change in the due date of the annual Capital Expenditure Budget to provide the MSFA additional time for capital planning.

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

The MSFA authorizes the Chair and Executive Director to negotiate and execute the First Amendment to the Food and Beverage, Catering, and Concession Agreement with Aramark.

ii. Approve SMG Contract Amendment

Mr. Farstad stated that the MSFA entered into the Management and Pre-Opening Services Agreement on August 22, 2014 with SMG to provide management and pre-opening services for U.S. Bank Stadium. On August 17, 2018, the parties entered into the Second Amendment to change the MSFA's fiscal year and amend certain provisions affected by the MSFA's change in fiscal year. MSFA wishes to formalize in a Third Amendment, as it is not clear in our contract, ticketed trade shows, high school sports, and youth sports are not subject to a Facility Fee. This has been the practice by SMG and the MSFA to date. The Facility Fee is charged to a ticket buyer for certain events held at the facility. This fee is customary for all sports and entertainment venues across the Twin Cities as well as the nation.

Commissioner Butts Williams asked Mr. Farstad if there is any adverse impact from implementing this procedure, and Mr. Farstad stated that it will not have a negative impact, but will make U.S. Bank Stadium more competitive. He noted that the maximum amount that would be removed is \$3.50.

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

The MSFA authorizes the Chair and Executive Director to negotiate and execute the Third Amendment to the Management and Pre-Opening Services Agreement with SMG

iii. Contract award for ADA Seating

Mr. Farstad explained that the MSFA issued a request for proposals on August 22, 2018 seeking vendors to supply and install additions to ADA platform railing and fixed seats for the stadium. Two bids were received, and staff recommends that Construction Results be awarded this work. Construction Results' proposal was \$133,971.

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

The MSFA authorizes the Executive Director to negotiate and execute a contract with Construction Results for additions to stadium ADA platforms for \$133,971.

iv. Contract award for AMP Room Cooling

Mr. Farstad stated that the MSFA issued a request for proposals seeking vendors to supply and construct redesigned cooling for the amp rooms on August 14, 2018, and received two bids. The MSFA selected Harris Mechanical to do the work, and the total cost is \$415,880. Staff recommends beginning with a phase one of \$135,000 in fiscal year 2018-2019 as currently budgeted.

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

The MSFA authorizes the Executive Director to negotiate and execute a contract with Harris Companies for the first phase of amp room cooling for \$135,000.

v. Contract award for Summit Academy

Mr. Farstad noted that Minn. Stat. §473J.12 requires that “...the authority shall contract with an employment assistance firm, preferably minority-owned, or owned by a disabled individual or a woman, to create an employment program to recruit, hire, and retain minorities for the stadium facility.” The MSFA is committed to supporting SMG, Aramark, and other Stadium partners in recruiting and retaining a diverse group of employees, and requests permission for the Chair and Executive Director to negotiate a contract with Summit Academy OIC to continue to conduct outreach programs for potential employees at U.S. Bank Stadium.

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

The MSFA authorizes the Executive Director to negotiate and execute a contract not to exceed \$125,000 covering the period October 12, 2018 – October 12, 2019 with Summit Academy OIC to serve as the MSFA’s employment assistance firm.

b. Report Items

i. Executive Director’s Report

Mr. Farstad reported on the capital procurement projects, and stated that the safety equipment for the garage doors in loading dock are complete, as well the sensory and mother’s room. He stated that the MSFA and SMG are in the process of reviewing proposals for the security cameras and restroom gates, and that decisions should be made shortly. He noted that an RFP for the installation of the NCAA Final Four scoreboard will be posted soon, and Commissioner Butts Williams asked Mr. Farstad if the NCAA Final Four scoreboards are transferable, or if they remain in the stadium once the event is complete. Mr. Farstad stated that the scoreboard is owned by the NCAA, and it will leave the stadium once the event is over. Commissioner McCarthy asked Mr. Farstad if any additional structure will need to be built on the roof in order to hold the scoreboard, and Mr. Farstad reported that there will be no structural reinforcement, and no additional steel is needed. Commissioner Butts Williams asked Mr. Farstad if the insurance policy will be altered to reflect the installation of the scoreboards, and Mr. Farstad confirmed that additional insurance will be in place for the installation.

Mr. Farstad then reported on the darkening solution for the NCAA Final Four. He said that great progress has been made, and that the rails that will support the curtains have been installed from the east side of the stadium, to the 30-yard line. He noted that bluemia is doing the project in two-week segments, and that their installers are working each night beginning at 9 P.M and work 10-hour shifts. Lastly, Mr. Farstad stated that acoustical panels will be installed below the press box, which will improve sound at concerts. These panels will be installed within the next week, and will be ready for the Ed Sheeran concert on October 20, 2018.

ii. Patrick Talty Stadium Event Update

Mr. Talty, General Manager at SMG, stated that fall has been a very busy time for the stadium. He reported that the stadium recently held a gathering for 12,000 catholic elementary students, which consisted of concerts and a mass. Mr. Talty thanked Aramark, as they compiled 12,000 boxed lunches for all of the students who attended.

Mr. Talty noted that U.S. Bank Stadium will be hosting a Basketball Classic event. On Friday November 30, 2018, the University of St. Thomas will play the University of River Falls at 6:00 P.M., as well as the University of Minnesota against Oklahoma State at 9:00 P.M. On Saturday December 1, 2018 NDSU will play Drake at 5:30 P.M., and SDSU will play the University of Northern Iowa at 8:00 P.M. Although it will be too cold to tailgate outside, guests are able to purchase tickets for tailgating inside the stadium, which will be held in the Delta Club.

Mr. Talty stated that the stadium is in the third season with the Minnesota Vikings, and all of the staff is trained, confident, and possess a lot of experience. Operations have been smooth, and Mr. Talty stated that by converting concession stands into bars has reduced lines, and given guests more beverage options.

Mr. Talty reminded the board that Ed Sheeran will be hosted at the stadium on October 20th, Monster Jam will be held on December 8th, and Super Cross on February 9th.

5. PUBLIC COMMENT / DISCUSSION

1. Jerry Bahls:

Mr. Bahls stated that last June, Michael Measure, Executive Director of the Fatal Light Awareness Program of Canada (FLAP), gave his 3rd presentation on the possible solutions for bird window collisions. Mr. Bahls reported that Mr. Measure stated bird collisions prevention is easy, and also discussed reasons why building owners do not implement a solution. Mr. Bahls stated that Mr. Measure presented strong evidence that shows concern about visibility, and that the aesthetics of a building is not a valid justification to prevent bird collisions. Mr. Bahls noted that Mr. Measure's presentation also discussed the importance of working with local and provincial governments to legislate bird collision guidelines. Lastly, Mr. Bahls reported that FLAP's initiative is to provide

information and recommendations on how architects and builders can evaluate the threat their buildings may have on the birds.

Following public comments, commissioner McCarthy reminded Chair Vekich about his desire to create a committee for the evaluation of staff's salaries and job descriptions. Chair Vekich stated that he would create a committee per Commissioner McCarthy's request, and asked Commissioner Butts Williams if she would like to be on the committee. Commissioner Butts Williams stated that she would join the committee. Chair Vekich stated that he would report back to Commissioner McCarthy in either November or December.

6. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on November 9 2018, at U.S. Bank Stadium in the Hyundai Club at 9:00 A.M.

vi. Motion to close

Move to close the meeting pursuant to Minnesota Statutes, Section 13D.05, subdivision 3(b) to discuss attorney-client privileged matters regarding claims related to the storm water retention and infiltration system. Commissioner McCarthy moved and Commissioner Butts Williams seconded the motion to approve the closing of the meeting at 9:45 A.M.

vi. Motion to open

Move to authorize the Chair and Executive Director to take all actions and execute all required documents consistent with the discussion during the attorney-client privileged closed meeting. Commissioner Butts Williams moved and Commissioner McCarthy seconded the motion to approve the opening of the meeting at 10:10 A.M.

7. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 10:15 A.M.

Approved and adopted the 21st day of December 2018, by the Minnesota Sports Facilities Authority.

Tony Sertich, Secretary/Treasurer

James Farstad, Executive Director



December 21, 2018

EXHIBIT B

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: MSFA Guiding Principles

Attached is the proposed MSFA Guiding Principles document. These Guiding Principles have been developed by MSFA staff with input from MSFA Board Members, and our Stadium Partners including; State of Minnesota, Minnesota Vikings, City of Minneapolis, SMG, Aramark. The Guiding Principles include: Our Core Values, Our Purpose (Stadium and MSFA), Our Mission and Our Vision.

Recommended Motion: *The Minnesota Sports Facilities Authority adopts the attached MSFA Guiding Principles. The Authority authorizes the Chair and the Executive Director to continue the strategic planning process.*

MSFA Guiding Principles



Definition of Core Values:

The principles and values that will accelerate our progress together. Describes the desired culture.

MSFA – Our Core Values

Integrity

Honesty and trust are central to integrity.

Integrity is a personal choice to hold one's self to consistent standards. It means doing the right thing even when no one is watching. Integrity is one of the fundamental values we seek in our team members, coworkers, customers and stakeholders.

Our public conversations line up with our private conversations.

Accountability

We take responsibility for our actions.

Accountability is acknowledging a level of ownership that includes monitoring and measuring stadium partner performance metrics, proactively answering for operating and use agreements, and personal commitments in order to create a culture of effective promise management. We enthusiastically think and act in ways that contribute to reaching positive results for all stadium partners.

We value our work and the collective impact of all stakeholders and ensure through transparency that there are no surprises.

Equity, Community Focus and Involvement

Equity is core to our Purpose, Mission and Vision.

We are committed to ensure the workforce we have is representative of the people we intend to serve. We believe diversity drives engagement, innovation and profitability.

We value equity, dignity and inclusion for all stakeholders. We are proactive in our outreach to diverse communities and targeted businesses to promote employment and economic opportunities.

We demonstrate leadership through our commitment to the diversity of our workforce and targeted business partnerships.

We demonstrate leadership in creating well-organized community volunteer and engagement opportunities for all Stadium Partners. The stadium is the proud home of a wide array of youth sports and community programming.

Innovation and Responsiveness

We react quickly and positively to challenges. We are always open to new ways of doing things. We are catalysts who foster an open exchange of ideas.

Responsiveness is the ability to be nimble and quickly adapt to changing conditions, events and customer interactions as they occur. Operational responsiveness is also a quality of well-designed business processes to drive both consistency and business outcomes.

We encourage innovative problem solving, and allow for exploration as we design ideal solutions. Innovation harnesses creative talents while staying in sync with our strategic vision.

Stewardship

Stewardship is the careful and responsible management of the world-class state asset that has been entrusted to our care.

The stadium operates in a safe, sustainable and efficient manner, is effectively maintained and marketed for maximum economic impact, and serves the greater Minnesota public and the MN Vikings as envisioned.

We monitor and measure stadium partner performance metrics and ensure they are accountable for agreed upon results.

We provide fiduciary control of funds received for capital or operational purposes, and warrant the procurement processes are fair, transparent, and contribute to equity goals.

Definition of Purpose:

Why we choose to exist together, beyond financial gain. This is what we're doing for someone else. Emphasizes the importance of serving customers, understanding their needs. Our philosophical heartbeat.

U.S. Bank Stadium – Its Purpose

Provide Minnesota residents and visitors' world-class entertainment, professional and youth sports, and community programming while creating a positive community and economic impact for the residents and businesses in the City of Minneapolis and State of Minnesota at U.S. Bank Stadium, home of the MN Vikings.

MSFA – Our Purpose

Make decisions in the best interests of the people of Minnesota by orchestrating the maintenance of, and reinvestment in, the U.S. Bank Stadium asset. We collaborate with the MN Vikings and our other stadium partners to ensure a continual focus on creating positive community and economic impact.

Definition of Mission:

An ambitious yet achievable position in the market or in our customers' lives that recognizes our Purpose. Describes what business the organization is in (and what it isn't) both now and projecting into the future. Its aim is to provide focus for management and staff.

MSFA and U.S. Bank Stadium – Our Shared Mission:

We commit to creating memorable experiences through service excellence while providing a safe, world class sports and entertainment environment for all.

How We Will Implement Our Mission:

Deliver a positive economic and community impact on the City of Minneapolis and State of Minnesota.

Inspire and support the development of an integrated high-performance Stadium Partner Team to create memorable experiences for guests through service excellence while providing a safe, equitable, world-class sports and entertainment environment for all.

Perform fiduciary control of funds received for capital or operational purposes, and warrant the procurement processes are fair, transparent, and contribute to equity goals. We are committed to ensure the workforce we have is representative of the people we intend to serve. We believe diversity drives engagement, innovation and profitability.

Orchestrate strategic stadium reinvestment to ensure the facility operates in a sustainable efficiently manner, remains a recognized world class facility and technology leader over its 30 to 50-year lifespan, and is effectively maintained for maximum economic impact.

Lead in the creation of strong partnerships, clear measurements of success, timely and accurate reporting, effective communications programs and efficient processes across all Stadium Partners.

Continuously maintain the home of the MN Vikings and meet or exceed agreed upon NFL standards.

Definition of Vision:

The difference we create in our guests and larger community lives as we ultimately realize our Purpose. What the organization wishes to be like in some years' time.

MSFA – Our Vision:

U.S. Bank Stadium, home of the MN Vikings, will be the world-class entertainment and event facility in this region and be recognized as one of the top venues in the nation.

How We Will Bring Our Vision to Life:

U.S. Bank Stadium delivers a positive economic and community impact on the City of Minneapolis and State of Minnesota. The positive community and economic impact on the City of Minneapolis and State of Minnesota is recognized throughout the State.

U. S. Bank Stadium is recognized for it's leadership in creating a diverse workforce and business partnerships that represent the communities we serve.

U.S. Bank Stadium is recognized as a world-class NFL facility, a well utilized space for a wide variety of community events, and a technology frontrunner known for its utilization of leading edge guest experience, security, event management, way finding, building automation, and football operations, and business process workflow tools.

MSFA leads a respectful collaboration between all stadium partners – serving as an equitable high-performance team, all working toward the same broad goals.

MSFA proactively manages capital investment budgeting and ensures capital reserves are in place for investments required to maintain a world-class facility.



December 21, 2018

EXHIBIT C

MEMORANDUM

TO: MSFA Commissioners

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

SUBJECT: 2018-2019 Amended Budget

Attached is the 2018-2019 Amended Budget for the fiscal period from July 1, 2018 to June 30, 2019 for the Operating account, Capital Reserve account, and the Concession Capital Reserve account. This amended budget reflects the updated beginning account balances as of July 1, 2018 and it includes revised revenues and expenses for the NCAA Men's Basketball Final Four 2019 tournament.

Recommended Motion: *The Minnesota Sports Facilities Authority adopts the attached 2018-2019 Amended Budget for the fiscal period from July 1, 2018 through June 30, 2019 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.*

MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2018-2019 BUDGET
July 1, 2018 to June 30, 2019

Operating Account	Adopted Budget 2019	Increase/ Decrease	Amended Budget 2019
Revenues:			
Stadium operating payments			
State of Minnesota operating payment	\$ 6,484,384	\$ -	\$ 6,484,384
Minnesota Vikings operating payment	\$ 9,017,650	\$ -	\$ 9,017,650
Stadium operating revenue-SMG	\$ 32,667,250	\$ -	\$ 32,667,250
NCAA Final Four concessions	\$ 1,800,000	\$ 200,000	\$ 2,000,000
MN LOC NCAA Final Four 2019 contribution		\$ 200,000	\$ 200,000
Miscellaneous revenues	\$ 64,200		\$ 64,200
Total revenues	\$ 50,033,484	\$ 400,000	\$ 50,433,484
Expenses:			
Personal services	\$ 815,370	\$ -	\$ 815,370
Professional services	\$ 1,864,450	\$ -	\$ 1,864,450
Travel and meetings	\$ 16,000	\$ -	\$ 16,000
Supplies and network administration	\$ 221,000	\$ -	\$ 221,000
Rent, stadium contractual commitments and leases	\$ 857,641	\$ -	\$ 857,641
Insurance	\$ 190,916	\$ -	\$ 190,916
Communication	\$ 5,520	\$ -	\$ 5,520
Miscellaneous and marketing	\$ 495,148	\$ -	\$ 495,148
NCAA Final Four event expense	\$ 6,492,588	\$ 422,420	\$ 6,915,008
Event cabin license fee	\$ 300,000	\$ -	\$ 300,000
Stadium operating expenses-SMG and SMG fee \$530,803	\$ 40,720,144	\$ -	\$ 40,720,144
Total expenses	\$ 51,978,777	\$ 422,420	\$ 52,401,197
Operating income/(loss)	\$ (1,945,293)	\$ (22,420)	\$ (1,967,713)
Nonoperating revenues/(expenses):			
Revenues-Investment earnings	\$ 60,000	\$ -	\$ 60,000
Revenues-Taxes-State of Minnesota	\$ 1,854,554	\$ -	\$ 1,854,554
Expenses-Stadium project costs	\$ (210,000)	\$ -	\$ (210,000)
Total nonoperating revenues/(expenses)	\$ 1,704,554	\$ -	\$ 1,704,554
Net income	\$ (240,739)	\$ (22,420)	\$ (263,159)
Transfers:			
Transfer to Capital Reserve fund	\$ (1,000,000)	\$ -	\$ (1,000,000)
Change in Account Balance	\$ (1,240,739)	\$ (22,420)	\$ (1,263,159)
Beginning Operating Account Balance	\$ 7,578,252	\$ (1,578,756)	\$ 5,999,496
Ending Operating Account Balance	\$ 6,337,513	\$ (1,601,176)	\$ 4,736,337
Capital Reserve Account			
Revenues:			
Minnesota Vikings Capital Cost payment	\$ 1,639,091	\$ -	\$ 1,639,091
State of Minnesota Capital payment	\$ 1,636,989	\$ -	\$ 1,636,989
Minnesota NCAA LOC Final Four 2019 Contribution	\$ 1,800,000	\$ (100,000)	\$ 1,700,000
Total revenues	\$ 5,076,080	\$ (100,000)	\$ 4,976,080
Capital expenses	\$ 8,912,063	\$ -	\$ 8,912,063
Net Income/(loss)	\$ (3,835,983)	\$ (100,000)	\$ (3,935,983)
Transfers:			
Transfer from Operating Account	\$ 1,000,000	\$ -	\$ 1,000,000
Transfer from Concession Capital Account	\$ 600,000	\$ -	\$ 600,000
Total transfers	\$ 1,600,000	\$ -	\$ 1,600,000
Change in Account Balance	\$ (2,235,983)	\$ (100,000)	\$ (2,335,983)
Beginning Capital Reserve Account Balance	\$ 5,108,122	\$ (395,766)	\$ 4,712,356
Ending Capital Reserve Account Balance	\$ 2,872,139	\$ (495,766)	\$ 2,376,373
Concession Capital Reserve Account			
Revenues:			
Concession Capital Reserve payment	\$ 850,000	\$ -	\$ 850,000
Expenses			
	\$ 1,085,055	\$ -	\$ 1,085,055
Net Income/(loss)	\$ (235,055)	\$ -	\$ (235,055)
Transfers:			
Transfer to Capital Reserve Account	\$ (600,000)	\$ -	\$ (600,000)
Change in Account Balance	\$ (835,055)	\$ -	\$ (835,055)
Beginning Concession Capital Reserve Account Balance	\$ 1,471,951	\$ (42,086)	\$ 1,429,865
Ending Concession Capital Reserve Account Balance	\$ 636,896	\$ (42,086)	\$ 594,810



December 21, 2018

EXHIBIT D

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: Operations Equity Plan

Attached is the Amended MSFA Operations Equity Plan. This amended plan reflects an alignment with the MSFA Guiding Principles and State of Minnesota Statute § 473J.12, and is designed to further the Authority's evolution as a leader in equity, inclusion, and diversity.

Recommended Motion: The Minnesota Sports Facilities Authority adopts the attached Amended Operations Equity Plan. The Authority authorizes the Chair and the Executive Director to implement the plan.



**U.S. BANK STADIUM
STADIUM OPERATIONS
EQUITY PLAN**

Section 1. Purpose / Outline – Overall

- 1.1 **Introduction.** The State of Minnesota created the Minnesota Sports Facilities Authority (“Authority”) to build a state-of-the-art multipurpose facility known as the U.S. Bank Stadium (“Stadium”). The Authority is required by law to promote the involvement of women and members of minority communities in the operation and management of the Stadium, as more completely described in Minn. Stat. § 473J.12. The Authority hereby adopts this Equity Plan for on-going Stadium operations. The purpose of this Equity Plan is to formalize the Authority’s efforts to implement the statutory mandate and be recognized as a community leader in providing equitable opportunities and creating a diverse workforce with inclusive environments.
- 1.2 **Definitions.** For purposes of this Equity Plan, the following definitions apply:
- a) “Equity” means everyone has access to the same opportunities. Equity recognizes that advantages and barriers exist and that not everyone starts from the same place. Equity begins by acknowledging this unequal starting place and continues to correct and address the imbalance of opportunities. Equity is not an outcome.
 - b) “Diversity” means the presence of different races, genders, ethnicities, religions, nationalities, and sexual orientation in the stadium. Diversity exists in groups and in relationships with others. Diversity is an outcome.
 - c) “Inclusion” means people with different identities feel valued and welcomed within the Stadium workplace. Inclusion is an outcome.



- d) “Stadium Concessionaire” means any and all entities retained directly or indirectly by the Authority to manage food and beverage operations at the Stadium.
- e) “Stadium Operator” means the entity retained by the Authority to market and operate the Stadium.
- f) “Employment Data” means information including the name of each employer and the name, ethnicity, gender, veteran status, zip code, and total hours worked and pay of each employee.
- g) “Procurement Data” means information regarding goods or services procured by the Authority for the operation of the Stadium, including the business name on the contract, purchase order, or other agreement; date of procurement; total purchase amount; type of business, and MBE/WBE/VBE status or certification.
- h) “Targeted Business Program” means the Authority commits to maximizing contracting opportunities with veteran-owned, women-owned or minority-owned small businesses.
- i) “Workforce Program” means the Authority commits to maximizing employment opportunities of veterans, women and members of minority communities.

1.3 Commitment to Leadership Equity, Inclusion and Diversity.

Equity is core to the Authority’s Purpose, Mission and Vision.

The Authority is committed to ensure the workforce is representative of the people it serves. The Authority believes diversity drives engagement, innovation and profitability. The Authority values equity, dignity and inclusion for all stakeholders. The Authority is proactive in our outreach to diverse communities and targeted businesses to promote employment and economic opportunities.

The Authority demonstrates leadership through its commitment to workforce diversity and targeted business partnerships.



- 1.4 Workforce and Targeted Business Programs. The Authority is committed to maximizing employment opportunities for veterans, women and members of minority communities and procurement opportunities with veteran-owned, women-owned or minority-owned small businesses.
- 1.5 Collection of Data. The Authority will collect Employment and Procurement Data from contractors, the Stadium Operator and Stadium Concessionaire; and other relevant data as outlined in our procurement process.
- 1.6 Equity Advisor. The Authority will coordinate the data gathering and reporting processes and may retain an outside advisor to assist in the identification and outreach to key community stakeholders.
- 1.7 Reporting. The Authority shall make equity reports available via its website (www.MSFA.com) and the Authority may hold quarterly meetings regarding implementation of this Equity Plan.

Section 2. **Current Workforce and Procurement Efforts**

- 2.1 The Authority recognizes the legislature’s mandate that the Authority shall make every effort to employ veterans, women and members of minority communities in the operations and management of the Stadium, as more completely described in Minn. Stat. § 473J.12. The Authority’s current efforts toward meeting the mandate include:
 - a) The Authority has a contract with Summit Academy OIC. Summit Academy has created an employment assistance program to recruit, hire, and retain minorities, women and veterans for employment at the Stadium and maintains a schedule of regularly occurring job fairs.
 - b) The Authority, Stadium Operator and Stadium Concessionaire will demonstrate leadership in their commitment to workforce diversity



by holding job fairs, advertising employment opportunities, and other community outreach efforts.

- c) As a leader, the Authority intends to be proactive in its outreach to African American, Native American, Latino, Asian, and other diverse groups to recruit candidates for employment opportunities.
- d) The Authority also intends to reach out to community groups, and business associations including: minority, women and veteran entrepreneurs; Metropolitan Economic Development Association (MEDA), veteran organizations, Hmong American Partnership, American Indian OIC, North Central Minority Supplier Development Council (NCMSDC), Minneapolis Urban League, and others to create economic opportunities.
- e) The Authority will maintain a vendor portal for veteran-owned, women-owned, and minority-owned small businesses to maximize and simplify procurement contracting opportunities at the Stadium.
- f) The Authority recognizes the legislature did not establish specific goals for contracting with targeted businesses. The Authority will pursue the highest level of inclusion by broadly advertising Requests for Quotes and Proposals on its website and by advertising certain procurement opportunities in the Minnesota State Register.
- g) The Authority intends to gather data as outlined above, report summaries of that data on a quarterly basis, and regularly assess what additional efforts the Authority can take to achieve its goals.
- h) The Authority will host public quarterly meetings where the Stadium Manager, the Stadium Concessionaire, and a select group of their subcontractors will provide an update on their targeted business procurement commitments and workforce employment status.



December 21, 2018

EXHIBIT E

MEMORANDUM

TO: MSFA Commissioners

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

SUBJECT: C.H. Skiem Consulting, LLC Contract Amendment Approval

On December 15, 2017 the MSFA authorized the Chair and Executive Director to enter into a contract with C. H. Skiem Consulting, LLC for financial advisory services related to stadium construction and operations for an amount up to \$120,000 for the period from January 1, 2018 through December 31 2018. During the contract term C.H. Skiem Consulting, LLC incurred expenses of \$1,587 which are in addition to the maximum contract amount. Staff is requesting authorization to amend the contract and increase the contract maximum amount from \$120,000 to \$121,587.

Staff anticipates that C.H. Skiem Consulting, LLC services will be needed for the next six months for an amount up to \$60,000. A separate professional services agreement will be executed for these services.

Recommended Motion: The MSFA authorizes the Chair and Executive Director to execute a contract amendment with C.H. Skiem Consulting, LLC, and to increase the contract maximum amount to \$121,587 for the above listed term.



December 21, 2018

EXHIBIT F

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: Minneapolis Local Organizing Committee Contract Approval

Authority and SMG staff have worked with the Final Four Local Organizing Committee to finalize event plans and preparations for the 2019 NCAA Final Four Men's Basketball tournament to be held on April 6 to 8, 2019. The Event Support and Funding Agreement has been finalized and is ready for signature by the MSFA and Minneapolis Local Organizing Committee.

Recommended Motion: The MSFA authorizes the Chair and Executive Director to execute the Event Support and Funding Agreement with the Minnesota Local Organizing Committee for the 2019 NCAA Men's Basketball Final Four.



December 21, 2018

EXHIBIT G

MEMORANDUM

TO: MSFA Commissioners

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

SUBJECT: Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Minnesota Sports Facilities Authority for the fiscal year ended June 30, 2018. The CAFR has three major sections: introductory, financial, and statistical. The financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements including the notes to the financial statements, and required supplementary information. This is the first year that an independent audit firm, CliftonLarsonAllen LLP (CLA), conducted the audit. CLA issued an unmodified audit opinion dated November 26, 2018, that the financial statements present fairly the financial position of the Authority as of June 30, 2018, and the respective changes in financial position and cash flows for the fiscal year then ended. CLA also issued a separate audit report titled: *Independent Auditors' Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, and they issued a governance letter. The additional report and the letter are attached to this memorandum.

The basic financial statements include: statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows, and notes to the financial statements. The Authority's financial statements include SMG's second year of operations of U.S. Bank Stadium.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the 18-month fiscal period ended June 30, 2017. This was the fifth award that the Authority received. We believe this CAFR meets the certificate program requirements and we will submit it to the GFOA to determine its eligibility. The award is typically received six months after submission of the financial report.

Following are two financial summaries: Statement of Net Position at June 30, 2018 and June 30, 2017 and Changes in Net Position for the fiscal year ended June 30, 2018 and the 18-month fiscal period ended June 30, 2017. The CAFR provides additional information on the Authority's financial position.

Statement of Net Position at June 30, 2018 and 2017

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase/ Decrease</u>
Assets:			
Current and other assets	\$ 36,239,958	\$ 34,458,931	\$ 1,781,027
Noncurrent assets	8,452,625	8,078,731	373,894
Capital assets (net)	1,044,474,586	1,090,575,542	(46,100,956)
Total Assets	<u>1,089,167,169</u>	<u>1,133,113,204</u>	<u>(43,946,035)</u>
Deferred Outflows of Resources	881,804	1,726,047	(844,243)
Liabilities:			
Current liabilities	28,702,479	28,723,448	(20,969)
Noncurrent liabilities	10,224,082	13,147,859	(2,923,777)
Total Liabilities	<u>38,926,561</u>	<u>41,871,307</u>	<u>(2,944,746)</u>
Deferred Inflows of Resources	1,282,999	701,627	581,372
Net Position	<u>\$ 1,049,839,413</u>	<u>\$ 1,092,266,317</u>	<u>\$ (42,426,904)</u>

Changes in Net Position at June 30, 2018 and 2017

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase/ Decrease</u>
Operating revenues	\$ 44,896,992	\$ 46,278,574	\$ (1,381,582)
Operating expenses	(95,451,522)	(91,455,388)	(3,996,134)
Operating income(loss)	<u>(50,554,530)</u>	<u>(45,176,814)</u>	<u>(5,377,716)</u>
Nonoperating revenues/(expenses)	1,664,664	(1,652,928)	3,317,592
Income/(loss) before capital contributions	<u>(48,889,866)</u>	<u>(46,829,742)</u>	<u>(2,060,124)</u>
Capital contributions	6,462,962	224,045,579	(217,582,617)
Changes in net position	<u>(42,426,904)</u>	<u>177,215,837</u>	<u>(219,642,741)</u>
Net position - beginning of year	1,092,266,317	915,050,480	177,215,837
Net position - end of year	<u>\$ 1,049,839,413</u>	<u>\$ 1,092,266,317</u>	<u>\$ (42,426,904)</u>

Recommended Motion: The MSFA accepts the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Minnesota Sports Facilities Authority
Minneapolis, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Minnesota Sports Facilities Authority, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Minnesota Sports Facilities Authority's basic financial statements, and have issued our report thereon dated November 26, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Minnesota Sports Facilities Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Minnesota Sports Facilities Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Minnesota Sports Facilities Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

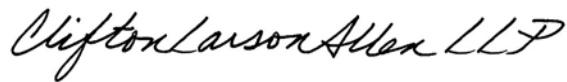
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Minnesota Sports Facilities Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 26, 2018

Board of Commissioners
Minnesota Sports Facilities Authority
Minneapolis, Minnesota

We have audited the financial statements of the Minnesota Sports Facilities Authority (the Authority) as of and for the year ended June 30, 2018, and have issued our report thereon dated November 26, 2018. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2018.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the fair market value of investments is based on quoted market prices provided by the Authority's brokers. We evaluated the key factors and assumptions used to develop the fair market value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the Authority's net pension liability and related deferred inflows and outflows of resources is based on allocation schedules which are provided by the pension plan which is based on an actuarially derived liability. We evaluated the key factors and assumptions used to develop the Authority's net pension liability and related deferred inflows and outflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.

Accounting estimates (continued)

- Management's estimate of the useful lives of capital assets is based on managements estimated useful lives of those assets along with guidance provide by a third party consultant. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the Authority's liability for compensated absences is based on employee wage information and the Authority's policies for earning vacation and sick leave. We evaluated the key factors and assumptions used to develop the Authority's liability for compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated November 26, 2018.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Authority’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor’s work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor’s work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

The introductory and statistical sections accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

Other information in documents containing audited financial statements (continued)

Other information is being included in documents containing the audited financial statements and the auditors' report thereon. Our responsibility for such other information does not extend beyond the financial information identified in our auditors' report. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in such documents. As required by professional standards, we read the introductory and statistical sections (the other information) in order to identify material inconsistencies between the audited financial statements and the other information. We did not identify any material inconsistencies between the other information and the audited financial statements.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the board of commissioners and management of Minnesota Sports Facilities Authority and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 26, 2018



EXHIBIT H

December 21, 2018

MEMORANDUM

TO: MSFA Commissioners

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

SUBJECT: 4th Quarter Budget Report – June 30, 2018

Attached are two budget reports. First, is the fiscal year 2017-2018 budget report for the fiscal year ended June 30, 2018 for the operating account, capital reserve account, and concession capital reserve account. Second, is the project-to-date budget report for the U. S. Bank Stadium project trust account from project inception through June 30, 2018.

Operating Account

The operating account is used to account for MSFA operations including SMG’s operation of U.S. Bank Stadium. Following is a summary of the fiscal year 2017-2018 operating account activities for the fiscal year ended June 30, 2018:

Operating revenues	\$44,896,992
Operating expenses	<u>(\$43,963,500)</u>
Operating income	\$ 933,492
Net nonoperating revenues	<u>\$ 295,274</u>
Net income before transfers	\$ 1,228,766
Transfer to capital reserve account	<u>(\$ 1,400,000)</u>
Change in account balance	(\$ 171,234)
Beginning account balance	<u>\$ 6,170,730</u>
Ending account balance	<u><u>\$ 5,999,496</u></u>

Capital Reserve Account

The capital reserve account is used to account for U.S. Bank Stadium capital improvements. Following is a summary of the fiscal year 2017-2018 capital reserve account activities for the fiscal year ended June 30, 2018:

Capital reserve revenues	\$3,140,321
Capital reserve expenses	<u>(\$2,162,596)</u>
Net income before transfers	\$ 977,725
Transfers-net	<u>(\$ 300,000)</u>
Change in account balance	\$ 677,725
Beginning account balance	<u>\$4,034,631</u>
Ending account balance	<u><u>\$4,712,356</u></u>

Concession Capital Reserve Account

The concession capital reserve account is used to account for concession capital improvements at U.S. Bank Stadium. Following is a summary of the fiscal year 2017-2018 concession capital reserve account activities for the fiscal year ended June 30, 2018:



Concession capital reserve revenues	\$ 963,083
Concession capital reserve expenses	<u>(\$ 1,944,298)</u>
Net income before transfers	(\$ 981,215)
Transfer from capital reserve account	<u>\$ 1,700,000</u>
Change in account balance	\$ 718,785
Beginning account balance	\$ 711,080
Ending account balance	<u><u>\$ 1,429,865</u></u>

U.S. Bank Stadium Project Trust Account

The project trust account was established to account for construction of U.S. Bank Stadium. The attached budget report presents the project budget, actual revenues and expenses from 2012 to 2017, fiscal year 2017-2018 activities for the fiscal year ended June 30, 2018, and project-to-date totals. Following is a high-level summary of the U.S. Bank Stadium project trust account activities through June 30, 2018:

U.S. Bank Stadium Project Trust Account:

	<u>Project Budget</u>	<u>7/1/17-6/30/2018</u>	<u>Project-to-Date</u>
Project revenues:			
Noncapital contributions		\$ 989,440	\$ 18,990,852
Capital contributions	<u>\$1,131,753,337</u>	<u>\$1,134,559</u>	<u>\$1,098,009,067</u>
Total revenues	<u>\$1,131,753,337</u>	<u>\$2,123,999</u>	<u>\$1,116,999,919</u>
Project expenses	<u>(\$1,131,753,337)</u>	<u>(\$2,124,000)</u>	<u>(\$1,118,236,325)</u>
Income	\$ -	(\$ 1)	(\$ 1,236,406)
NonOperating Income/(Expense):			
Interest income		\$ 3,225	\$ 10,212
SBL sales revenues		\$3,253,735	\$ 25,000,000
SBL sales expenses		<u>(\$1,392,284)</u>	<u>(\$ 23,138,549)</u>
Net NonOperating income	\$ -	\$1,864,676	\$ 1,871,663
Net transfers		-	<u>\$ 1,236,405</u>
Change in account balance	\$ -	\$1,864,675	\$ 1,871,662
Beginning account balance	\$ -	<u>\$ 6,987</u>	-
Ending account balance	\$ -	<u><u>\$ 1,871,662</u></u>	<u><u>\$ 1,871,662</u></u>



SUMMARY OF CASH AND INVESTMENTS as of June 30, 2018	
Cash and Cash Equivalents:	
U. S. Bank - operating account	\$136,787.87
U.S. Bank - payroll account	\$1,000.25
U.S. Bank – SBL accounts	\$123,176.11
U.S. Bank - SMG managed pre-opening account	\$62,352.77
U.S. Bank – SMG managed accounts – operating account, box office account, and event marketing account and cash on hand	\$18,547,826.26
U.S. Bank-Trust accounts for construction project*	\$1,013,310.48
Total Cash and Cash Equivalents	\$19,884,453.74
Investments:	
U.S. Bank investment account	\$10,739,690.51
Total Investments	\$10,739,690.51

* This account includes interest income and funds received from the OCIP insurance carrier for the unspent portion of the loss reserve fund. The balance in the cash account for the returned loss reserve funds is \$1,002,832.71.

MINNESOTA SPORTS FACILITIES AUTHORITY
 Budget Report for Fiscal Year 2017-2018
 Operating Account, Capital Reserve Account, Concession Capital Reserve Account
 Q4 - July 1, 2017 to June 30, 2018

	Annual Budget	7/1/17-06/30/2018 Actual
Operating Account		
Operating Revenues:		
Stadium Operating Revenues:		
State of Minnesota Operating Revenues	\$ 6,198,387	\$ 6,357,240
Minnesota Vikings Operating Revenues	\$ 8,755,000	\$ 8,789,061
Revenues from Stadium Operations	\$ 24,198,063	\$ 29,656,584
Miscellaneous Revenues	\$ 51,679	\$ 94,107
Total Operating Revenues	<u>\$ 39,203,129</u>	<u>\$ 44,896,992</u>
Operating Expenses:		
Personal Services	\$ 912,400	\$ 560,909
Professional Services	\$ 2,049,837	\$ 1,795,052
Supplies and Network Administration and Support	\$ 219,000	\$ 239,769
Stadium Contractual Commitments and Leases	\$ 789,231	\$ 746,505
Insurance	\$ 216,200	\$ 184,316
Sales tax reimbursement related to Super Bowl LII	\$ 1,600,000	\$ 1,600,000
Super Bowl LII	\$ 1,000,000	\$ 626,949
Miscellaneous	\$ 455,124	\$ 792,235
Expenses from Stadium Operations	\$ 31,203,276	\$ 37,417,765
Total Operating Expenses	<u>\$ 38,445,068</u>	<u>\$ 43,963,500</u>
Operating Income	<u>\$ 758,061</u>	<u>\$ 933,492</u>
Nonoperating Revenues/(Expenses):		
Investment Earnings	\$ 30,000	\$ 126,686
Taxes-State of Minnesota	\$ 1,859,793	\$ 1,833,336
Commemorative Brick revenues	\$ -	\$ 387,850
Commemorative Brick expenses	\$ -	\$ (194,229)
Stadium project expenses	\$ -	\$ (1,858,369)
Total Nonoperating Revenues	<u>\$ 1,889,793</u>	<u>\$ 295,274</u>
Net Income before Transfers	<u>\$ 2,647,854</u>	<u>\$ 1,228,766</u>
Transfers:		
Transfer to Capital Reserve Account	\$ (1,400,000)	\$ (1,400,000)
Change in Account Balance	<u>\$ 1,247,854</u>	<u>\$ (171,234)</u>
Beginning Operating Account Balance	<u>\$ 6,170,730</u>	<u>\$ 6,170,730</u>
Ending Operating Account Balance	<u>\$ 7,418,584</u>	<u>\$ 5,999,496</u>
Capital Reserve Account		
Revenues:		
Minnesota Vikings Capital Revenues	\$ 1,591,350	\$ 1,589,310
State of Minnesota Capital Revenues	\$ 1,549,597	\$ 1,551,011
Total Revenues	<u>\$ 3,140,947</u>	<u>\$ 3,140,321</u>
Capital Expenses:		
Capital Expenses:	\$ 3,769,231	\$ 2,162,596
Total Capital Expenses	<u>\$ 3,769,231</u>	<u>\$ 2,162,596</u>
Net Income before Transfers	<u>\$ (628,284)</u>	<u>\$ 977,725</u>
Transfers:		
Transfer from Operating Account	\$ 1,400,000	\$ 1,400,000
Transfer to Concession Capital Reserve Account	\$ (1,700,000)	\$ (1,700,000)
Total Transfers	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>
Change in Account Balance	<u>\$ (928,284)</u>	<u>\$ 677,725</u>
Beginning Capital Reserve Account Balance	<u>\$ 4,034,631</u>	<u>\$ 4,034,631</u>
Ending Capital Reserve Account Balance	<u>\$ 3,106,347</u>	<u>\$ 4,712,356</u>
Concession Capital Reserve Account		
Revenues:		
Concession Capital Reserve Revenues (2.5%)	\$ 850,000	\$ 963,083
Total Revenues	<u>\$ 850,000</u>	<u>\$ 963,083</u>
Capital Expenses:		
Capital Expenses:	\$ 2,638,944	\$ 1,944,298
Total Capital Expenses	<u>\$ 2,638,944</u>	<u>\$ 1,944,298</u>
Net Income/(Loss) before Transfers	<u>\$ (1,788,944)</u>	<u>\$ (981,215)</u>
Transfers:		
Transfer from Capital Reserve Account	\$ 1,700,000	\$ 1,700,000
Change in Account Balance	<u>\$ (88,944)</u>	<u>\$ 718,785</u>
Beginning Concession Capital Reserve Account Balance	<u>\$ 711,080</u>	<u>\$ 711,080</u>
Ending Concession Capital Reserve Account Balance	<u>\$ 622,136</u>	<u>\$ 1,429,865</u>

MINNESOTA SPORTS FACILITIES AUTHORITY
BUDGET REPORT - PROJECT-TO-DATE
U.S. BANK STADIUM PROJECT - TRUST ACCOUNT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN ACCOUNT BALANCE

US BANK STADIUM PROJECT	Project	2012	2013	2014	2015	2017 (18-Month)	Q4-2018	Total
	Budget	Actual 08/01/12-12/31/12	Actual 1/1/13-12/31/13	Actual 1/1/14-12/31/14	Actual 1/1/15-12/31/15	Actual 1/1/16-6/30/17	Actual 7/1/17-6/30/18	Project-to-Date
Revenues								
Miscellaneous Revenues								
Non-Capital Contributions	\$ -	\$ 833,181	\$ 588,346	\$ 6,328,588	\$ 1,145,445	\$ 9,105,852	\$ 989,440	\$ 18,990,852
	-	833,181	588,346	6,328,588	1,145,445	9,105,852	989,440	18,990,852
Expenses								
Miscellaneous Expenses								
Noncapitalizable project expenses	-	833,181	588,346	6,315,692	1,169,692	9,555,450	1,010,349	19,472,710
Capital improvement expenses-U.S. Bank Stadium Project*								
Site Acquisition & Improvements	59,287,658	-	751,515	26,615,655	19,778,489	6,045,323	-	53,190,982
Construction Costs	909,756,576	-	15,902,234	274,863,786	441,952,844	163,667,866	-	896,386,730
Furnishings, Fixtures & Equipment	66,862,580	-	-	-	13,580,888	51,912,633	832,818	66,326,339
Development Costs	87,985,993	2,546,938	24,355,589	23,927,104	13,318,815	7,373,847	301,741	71,824,034
Other Project Costs	7,118,520	-	-	-	14,170	99,123	-	113,293
Project Contingency	742,010	-	-	-	-	-	-	-
Earnest deposit on Downtown East Parking Garage	-	-	855,000	(855,000)	-	-	-	-
Prepaid project insurance	-	-	10,649,497	317,895	(24,247)	-	(20,908)	10,922,237
Subtotal expenses	1,131,753,337	3,380,119	53,102,181	331,185,132	489,790,651	238,654,242	2,124,000	1,118,236,325
Income/(loss)	(1,131,753,337)	(2,546,938)	(52,513,835)	(324,856,544)	(488,645,206)	(229,548,390)	(1,134,560)	(1,099,245,473)
Nonoperating revenues/(expenses):								
Interest	-	-	-	2,882	219	3,886	3,225	10,212
SBL sales revenues	-	-	3,426,786	5,564,687	6,483,069	6,271,723	3,253,735	25,000,000
SBL expenses	-	-	(3,426,786)	(5,564,687)	(6,483,069)	(6,271,723)	(1,392,284)	(23,138,549)
Subtotal nonoperating revenues/(expenses)	-	-	-	2,882	219	3,886	1,864,676	1,871,663
Capital Contribution								
	1,131,753,337	2,546,938	52,513,835	324,869,440	488,645,206	228,299,089	1,134,559	1,098,009,067
Operating Transfer From/(To):								
Operating transfer from Operating account	-	-	-	1,523	-	1,985,405	-	1,986,928
Operating transfer to Operating account	-	-	-	(14,419)	-	(736,104)	-	(750,523)
Subtotal operating transfer from/(to)	-	-	-	(12,896)	-	1,249,301	-	1,236,405
Change in Account Balance	-	-	-	2,882	219	3,886	1,864,675	1,871,662
Beginning Account Balance	-	-	-	-	2,882	3,101	6,987	-
Ending Account Balance	\$ -	\$ -	\$ -	\$ 2,882	\$ 3,101	\$ 6,987	\$ 1,871,662	\$ 1,871,662