



**MINNESOTA  
SPORTS FACILITIES  
AUTHORITY**

**MINNESOTA SPORTS FACILITIES AUTHORITY MEETING AGENDA**

Thursday, June 17, 2021, 8:00 A.M.

**Zoom Link:** <https://zoom.us/j/99635017621>

**Zoom Phone Number:** 929-436-2866

**Meeting ID/Pass Code:** 996 3501 7621

Pursuant to the Governor’s ongoing Emergency Executive Orders, the Minnesota Sports Facilities Authority (MSFA) is holding its previously scheduled **8:00 a.m., June 17, 2021**, Board meeting via Zoom and telephonically consistent with Minnesota Statutes, Section 13D.021. The MSFA Chair has concluded that an in-person meeting is not practical or prudent because of the health pandemic declared under the Emergency Executive Orders and the importance of social distancing and minimizing contact with others pursuant to the Orders. **The public may monitor the meeting by downloading the Zoom video app and using the following website: <https://zoom.us/j/99635017621> If you do not have access to the video app, the public may choose to Dial-In by using the following Zoom phone number: 929-436-2866, with passcode: 996 3501 7621. Should the public want to make a public comment, they must raise their virtual hand during that portion of the meeting. In order to do this, click on the “Participant” button on the bottom of the screen, and then click on the “Raise Hand Button”. The Chair will then call your name in the order it was received. The Agenda and meeting materials will be available at [www.msfa.com](http://www.msfa.com).**

1. CALL TO ORDER
2. APPROVAL OF PRIOR MEETING MINUTES – May 20, 2021
3. BUSINESS
  - a. **Action Items**
    - i. **Approve MSFA 2021-2022 Budget**
    - ii. **Approve ASM Global Contract for Capital Procurement Communication Services**
    - iii. **Approve Professional Audit Services Contract**
    - iv. **Approve Tegra Contract Revision**
  - b. **Reports**
    - i. **Casualty Insurance Report**
    - ii. **U.S. Bank Stadium Updates**
      - a. **ASM Global – John Drum**
    - iii. **Executive Director Report**
4. PUBLIC COMMENTS
5. DISCUSSION
6. ANNOUNCEMENT OF NEXT MEETING – July 15, 2021
7. ADJOURNMENT



**MINNESOTA  
SPORTS FACILITIES  
AUTHORITY**

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

1. **CALL TO ORDER**

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

2. **ROLL CALL**

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

Commissioners Absent: Bill McCarthy

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

4. **BUSINESS**

a. Action Items

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

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

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

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

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

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

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

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

*The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to finalize negotiations and to enter into parking contracts with Time Share Systems, Inc. and HCMC for the 2021-2022 Minnesota Vikings' season.*

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

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

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

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

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

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

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

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

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

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

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

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

## **b. Report Items**

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

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

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

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

### iii. Stadium Update

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

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

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

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

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

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

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

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

There were no public comments.

6. DISCUSSION

There was no discussion.

7. ANNOUNCEMENT OF NEXT MEETING

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

8. ADJOURNMENT

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

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

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Tony Sertich, Secretary/Treasurer

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James Farstad, Executive Director





**MEMORANDUM**

TO: MSFA Commissioners

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

DATE: June 17, 2021

SUBJECT: 2021-2022 Budget

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

**Recommended Motion:**

*The Minnesota Sports Facilities Authority adopts the attached 2021-2022 Budget for the fiscal period July 1, 2021 through June 30, 2022 for the Operating account, the Capital Reserve account, and the Concession Capital Reserve account. The Authority authorizes the Chair and the Executive Director to make adjustments to the detailed revenue and expense budget lines within the Operating account budget and to adjust the project budgets within the Capital Reserve project budget and Concession Capital Reserve project budget.*





## **2021-2022 BUDGET**

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

### **OPERATING ACCOUNT**

**Operating Revenues**

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

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

**Operating Expenses**

Budgeted expenses for the operating account include:

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

**Personal Services**

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

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

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

**Professional Services**

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

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



**Stadium Contractual Commitments**

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

**Insurance**

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

**Miscellaneous**

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

**Nonoperating revenues**

Nonoperating revenues include the following:

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

**Transfer**

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

|                                         |                    |
|-----------------------------------------|--------------------|
| Transfer to the capital reserve account | <u>\$4,000,000</u> |
|-----------------------------------------|--------------------|

**Account Balance**

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

**CAPITAL RESERVE ACCOUNT**

**Capital Reserve Revenues**

The capital reserve account has the following budgeted revenues:

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

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

**Capital Reserve Expenses**

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

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



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

**Transfer**

|                                     |                    |
|-------------------------------------|--------------------|
| Transfer from the operating account | <u>\$4,000,000</u> |
|-------------------------------------|--------------------|

**Account Balance**

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

**CONCESSION CAPITAL RESERVE ACCOUNT**

**Concession Capital Reserve Revenues**

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

|                                            |                   |
|--------------------------------------------|-------------------|
| <b>Concession Capital Reserve Revenues</b> | <u>\$ 600,000</u> |
|--------------------------------------------|-------------------|

**Concession Capital Reserve Expenses**

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

|                                 |                   |
|---------------------------------|-------------------|
| New Concession Capital Projects | <u>\$ 175,363</u> |
|---------------------------------|-------------------|

**Account Balance**

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

**BUDGET CHANGE AUTHORITY**

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

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



Budget 2021-2022

July 1, 2021 - June 30, 2022

2021-2022 Capital Projects List - Capital Reserve Account

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

**NEW CAPITAL RESERVE PROJECTS:**

**Security**

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

**Technology**

|                       |            |
|-----------------------|------------|
| Lumen Firewall        | \$ 150,000 |
| UPS Replacement       | \$ 35,000  |
| IT equipment upgrades | \$ 45,000  |
| Subtotal Technology   | \$ 230,000 |

**Production & A/V**

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

**Electrical**

|                             |            |
|-----------------------------|------------|
| Lighting - LED Upgrade      | \$ 97,000  |
| Lighting System Upgrade     | \$ 23,000  |
| UPS Replacement and Upgrade | \$ 35,000  |
| Subtotal Electrical         | \$ 155,000 |

**Mechanical**

|                        |            |
|------------------------|------------|
| HVAC System Upgrades   | \$ 59,000  |
| Steam Flash Tank       | \$ 70,000  |
| Sump pump replacements | \$ 7,000   |
| Subtotal Mechanical    | \$ 136,000 |

**General Building**

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

**Site**

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

**Club & Suite Refresh**

|                               |           |
|-------------------------------|-----------|
| Replace Club Floors           | \$ 75,000 |
| Subtotal Club & Suite Refresh | \$ 75,000 |

**Specialty Items & Systems**

|                                    |            |
|------------------------------------|------------|
| Atmos Air                          | \$ 145,000 |
| ASM Management Fee                 | \$ 76,800  |
| Subtotal Specialty Items & Systems | \$ 221,800 |

**FF&E**

**Emergency Capital Repairs**

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

**NEW MINNESOTA VIKINGS DESIGNATED CAPITAL PROJECTS**

**General Building**

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



Budget 2021-2022

July 1, 2021 - June 30, 2022

2021-2022 Concession Capital Projects List - Concession Capital Reserve Account

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

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

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





June 17, 2021

**MEMORANDUM**

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

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

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

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

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

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



**MEMORANDUM**

TO: MSFA Commissioners

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

DATE: June 17, 2021

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

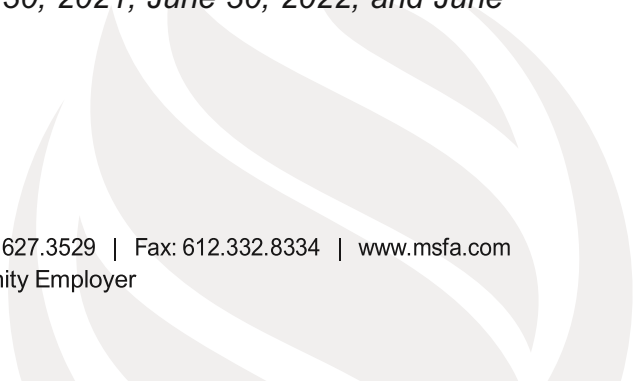
On May 13, 2021 the Authority published on its website a Request for Proposals (RFP) for Professional Audit Services. Audit services will include an evaluation and assessment of the Authority’s internal control structure for financial accounting and operations, substantive testing and analysis of financial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

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

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

**Recommended Motion:**

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





MEMORANDUM

TO: MSFA Commissioners

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

DATE: June 17, 2021

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

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

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

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

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





## MEMORANDUM

TO: MSFA Commissioners

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

DATE: June 17, 2021

SUBJECT: Casualty Insurance Program Report

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

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

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

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

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

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

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

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

Automobile liability:

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

Garage keepers legal liability:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- \$50 million each occurrence/annual aggregate
-

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

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

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