



MINNESOTA SPORTS FACILITIES AUTHORITY MEETING AGENDA

Friday, April 26, 2019, 9:00 A.M.
Medtronic Club – U.S. Bank Stadium

1. CALL TO ORDER
2. APPROVAL OF PRIOR MEETING MINUTES – March 15, 2019
3. BUSINESS
 - a. **Action Items**
 - i. **Approve Equity Advisor Contract**
 - ii. **Approve Branding Enhancements Contract**
 - b. Reports
 - i. 2nd Quarter Report
 - ii. Final Four Update
 - iii. Turf Update
 - iv. Executive Director's Report
4. PUBLIC COMMENTS
5. DISCUSSION
6. ANNOUNCEMENT OF NEXT MEETING – Friday, May 17, 2019 at U.S. Bank Stadium in the Medtronic Club
7. ADJOURNMENT

***Items in bold require action**



MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – March 15, 2019 at 9:00 A.M.
Mill City Museum
710 South 2nd Street Minneapolis, MN 55401

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, Bill McCarthy, and Tony Sertich

3. APPROVAL OF MEETING MINUTES – January 18, 2019. See, Exhibit A.

4. BUSINESS

a. Action Items

i. Approve Insurance Brokerage Services Contract

Mary Fox-Stroman, Director of Finance for the MSFA, stated that the MSFA received three proposals in response to the request for proposals (RFP) for insurance brokerage services for the property and casualty program, which includes: auto and garage keepers’ legal liability, crime, cyber/privacy liability, general and excess liability, property, public officials, and workers’ compensation. Based on the proposals, the MSFA staff recommends that the casualty insurance program be awarded to CBIZ for a negotiated annual fee of \$30,000, and WillisTowersWatson for property insurance for an annual fee of the lesser of 10% commission of gross premium or a fee of \$48,500. See, Exhibit B.

Chair Vekich asked Ms. Fox-Stroman if the brokers' fees increased from the prior year. Ms. Fox-Stroman stated that the annual CBIZ fees remained the same, and WillisTowersWatson agreed to reduce their commission from 15% to 10% and capped the commission at \$48,500.

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

The Minnesota Sports Facilities Authority accepts the proposal for insurance brokerage services for the property and casualty insurance program and authorizes the Chair and the Executive Director to execute a professional services agreement with CBIZ for an annual fee of \$30,000 and a separate professional services agreement with WillisTowersWatson for an annual fee equal to the lesser of 10% commission on gross premium or \$48,500.

ii. Approve Amp Room Cooling Contract

James Farstad, Executive Director of the MSFA, stated that the MSFA authorized a contract with Harris Companies for the first phase of the amp room cooling project for \$135,000, and said that staff has subsequently determined that the entire project should be completed in this fiscal year. He also stated that the temperature in the amp room should not exceed 70° F, and the cooling units all needed to keep the room below the 70° F limit. See, Exhibit C.

Commissioner Sertich 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 the Executive Director to execute a contract with Harris Companies for the amp room cooling project for a total cost of \$415,880.

iii. 2018-2019 Capital Budget (Capital Reserve Project Budget & Concession Capital Reserve Project Budget)

Capital Reserve Project Budget

Mr. Farstad stated that the MSFA board approved the 2018-2019 Capital Reserve Account budget at the June 28, 2018 meeting, with a total capital expenses budget of \$8,912,063.00. However, there are currently 37 capital projects in progress or have been completed for a total budget of \$8,028,104.29. Per Section 5.6(a)(ii) of the Use Agreement, the Minnesota Vikings (Team) may designate \$750,000 per year over a five-year period in capital improvements to the stadium, and recently the team submitted a request to designate additional capital improvements for a total expense of \$510,000.00. See, Exhibit D.

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 approves the 2018-2019 revised capital reserve project plan and budget and approves inclusion of the Minnesota Vikings designated capital projects in the plan.

Concession Capital Reserve Account Budget and Plan:

Mr. Farstad stated that the MSFA board approved the 2018-2019 Concession Capital Reserve Account budget at the June 28, 2018 meeting, which included a total concession capital project expenses of \$1,085,055. He stated that Aramark recently recommended additional capital projects totaling \$448,049.00. The concession capital reserve project budget and plan was revised to include these projects. See, Exhibit E.

Commissioner Sertich asked Mr. Farstad for more clarification about the line item titled "Equipment" in the Concession Capital Reserve Account. Mr. Farstad stated that the "equipment" relates to the addition of concession equipment to many concessions stands on the main concourse and the upper concourse of the stadium. He stated that they will also be adding a Caribou Coffee Stand on the upper concourse, which will require new equipment for the buildout of the stand.

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

The Minnesota Sports Facilities Authority approves the 2018-2019 revised concession capital reserve account project budget and plan.

iv. Approve Integration of Operating and Capital Improvement Equity Plans

Mr. Farstad stated that the MSFA would like to integrate the Operations Equity Plan with the Capital Equity Plan. He stated that the plan is designed to further the MSFA's evolution as a leader in equity, inclusion, and diversity. *See, Exhibit F.*

Chair Vekich asked Mr. Farstad if any significant changes have been made to the integrated equity plan, and Mr. Farstad stated that there are no major changes.

Commissioner McCarthy 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 and Capital Improvement Equity Plan. The MSFA authorizes the Chair and the Executive Director to implement the plan.

v. Approve Equity Advisor Contract

Mr. Farstad stated that on January 15, 2019, the MSFA published an RFP to attract a creative community leader or team - with a shared vision and commitment to enhance the fulfillment of the MSFA's Equity Plan and serve as Equity Advisor. He noted that the selected Advisor will identify and develop relationships with key community leaders and partners, maintain and provide updated database of outreach contacts, and prioritize key opportunities to grow the stadium's network of community stakeholders and associations. Mr. Farstad and Commissioner Butts Williams have interviewed two very qualified companies, and that a decision should be made in the next few weeks. *See, Exhibit G.*

Chair Vekich thanked Commissioner Butts Williams for participating in the selection of the equity advisor. Commissioner Butts Williams stated that both candidates are top notch, and that she will be pleased with the outcome of the chosen company.

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

The Minnesota Sports Facilities Authority authorizes the Chair and the Executive Director to execute a contract with the selected Equity Advisor for an amount not to exceed \$80,000 per year.

vi. Approve Artificial Playing Surface Contract

Mr. Farstad stated that U.S. Bank Stadium's original artificial playing surface was estimated to last five years; however, due to the many concerts, corporate events, religious events, dirt events, and the constant covering and uncovering of the field turf cover, the life of the field turf has been reduced. Mr. Farstad stated that on December 11, 2018, the MSFA published an RFP to attract proposals for a new artificial playing surface solution, and that three qualified candidates have been interviewed, which include: Act Global, Kieffer USA, and Hellas Construction. The installation of the artificial playing surface will take 18 days to install, and the project will be completed by the end of May. *See, Exhibit H.*

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

The Minnesota Sports Facilities Authority authorizes the Chair and the Executive Director to finalize negotiations and execute a contract with the selected artificial playing surface contractor for an amount not to exceed \$1,300,000.

b. Report Items

i. Final Four Update (Facility Transformation, Final Four Procurement, & Staffing)

Patrick Talty, General Manager of SMG, gave an update on the Final Four. See, Exhibit H.

Following Mr. Talty's presentation, Chair Vekich asked Mr. Talty to provide information about the Final Four Reese's event that will take place on Friday April 5, 2019. Mr. Talty stated that the event is open and free to the public, and that stadium doors will open at 10:00 am. The stadium is expecting an attendance of 20,000 and 30,000 people. These guests can watch the final four teams practice on the court, as well as attend the All-Star Game, which begins at 3:30 pm. Commissioner Butts Williams asked Mr. Talty about the anticipated crowd flow for the events, and Mr. Talty stated that stadium officials are expecting over 72,000 people to visit the stadium, which is a larger crowd than Super Bowl. He noted that there will be additional seating in the bowl, and that more concession stands will be brought in to reduce wait time, and keep lines shorter. Stadium officials expect that people who attend the Final Four activities will most likely be eating two meals a day in the stadium, so additional food will be made, and more point of sale stations will be installed. He also stated that this will be the first NCAA Final Four in history where alcohol (beer and wine) will be served.

ii. Executive Director's Report

Mr. Farstad reported that external resources have assisted in the monitoring of the MSFA and the stadium's exchange servers and firewalls. He noted that the stadium has been using the same company since 2012, and believes it is time for the MSFA to publish a request for proposal (RFP) so additional entities can submit bids. The RFP was published on January 18, 2019, and the MSFA has received five proposals from reputable companies. Mr. Farstad stated that the MSFA staff is in the process of reviewing the proposals, and will soon chose two to three finalists. Staff will then present a vendor recommendation at a future meeting.

Mr. Farstad stated that the MSFA would like to redesign its website, as it has not been updated in many years. He stated that MSFA staff found a woman-owned company located in Duluth, MN, and

expressed the importance in selecting companies throughout the state of Minnesota, and not only companies located in the Twin Cities

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 April 19, 2019, at U.S. Bank Stadium in the Medtronic Club at 9:00 A.M.

8. **ADJOURNMENT**

There being no further business to come before the MSFA, the meeting was adjourned at 9:45 A.M.

Approved and adopted the 26th day of April 2019, by the Minnesota Sports Facilities Authority.

Tony Sertich, Secretary/Treasurer

James Farstad, Executive Director



April 26, 2019

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: Contract Award to Tempo Creative for Equity Advisor Services

On January 15, 2019 the MSFA published a Request for Proposals (RFP) for an Equity Advisor to develop a strategic plan to help the MSFA drive critical focus areas, strengthen performance as a community leader, and expand inclusive talent and targeted business pipelines.

The MSFA received five proposals in response to the RFP. Staff recommends that the MSFA award the contract to Temp Creative Consultants, LLC as their proposal demonstrated that they have extensive equity experience and strong technical qualifications. Tempo Creative Consultants, LLC's proposed fee is \$40,000, for a nine-month contract period.

We are confident Mai Moya and Jodie Tanaka at Tempo Creative will bring leadership and energy to develop a shared vision to enhance the fulfillment of the MSFA's Equity Plan. This process will cultivate and enhance an inclusive work environment with stakeholders, community partners, professional organizations and associations, where equity, inclusion and diversity are supported and advanced.

Recommended Motion: *The MSFA Board authorizes the Chair and the Executive Director to execute a contract with Tempo Creative Consultants, LLC for a contract amount not to exceed \$40,000 for a nine-month commitment.*



April 26, 2018

MEMORANDUM

TO: MSFA Commissioners
FROM: James Farstad and Mary Fox-Stroman
SUBJECT: Q2 Budget Report – December 31, 2018

Attached is the Q2 Budget Report for the period from July 1, 2018 through December 31, 2018 for the MSFA’s operating account, capital reserve account, and concession capital reserve account. The report presents the original budget 2019, amended budget 2019, and year-to-date Q2 actual activities. Following is a high level summary of each account’s activities:

Operating Account

The operating account is used to account for the MSFA’s operations which includes SMG’s operation of U. S. Bank Stadium.

	Amended Budget 2019	Actual
Operating revenues	\$50,433,484	\$ 26,717,036
Operating expenses	(\$52,401,197)	(\$ 25,057,991)
Operating income	(\$ 1,967,713)	\$ 1,659,045
Net nonoperating revenues/(expenses)	<u>\$ 1,704,554</u>	<u>\$ 1,379,549</u>
Net income	(\$ 263,159)	\$ 3,038,594
Transfers	<u>(\$ 1,000,000)</u>	-
Change in account balance	(\$ 1,263,159)	\$ 3,038,594
Beginning account balance	<u>\$ 5,999,496</u>	<u>\$ 5,999,496</u>
Ending account balance	<u>\$ 4,736,337</u>	<u>\$ 9,038,090</u>

Capital Reserve Account

The capital reserve account is used to account for capital improvements in the stadium.

Capital reserve revenues	\$ 4,976,080	\$ 1,617,629
Capital reserve expenses	<u>(\$ 8,912,063)</u>	<u>(\$ 2,905,692)</u>
Net income	(\$ 3,935,983)	(\$ 1,288,063)
Transfers	<u>\$ 1,600,000</u>	-
Change in account balance	(\$ 2,335,983)	(\$ 1,288,063)
Beginning account balance	<u>\$ 4,712,356</u>	<u>\$ 4,712,356</u>
Ending account balance	<u>\$ 2,376,373</u>	<u>\$ 3,424,293</u>

Concession Capital Reserve Account

The concession capital reserve account is used to account for concession capital improvements in the stadium.

Concession capital reserve revenues	\$ 850,000	\$ 613,692
Concession capital reserve expenses	<u>(\$1,085,055)</u>	<u>(\$ 222,455)</u>
Net income	(\$ 235,055)	\$ 391,237
Transfers	<u>(\$ 600,000)</u>	<u>-</u>
Change in account balance	(\$ 835,055)	\$ 391,237
Beginning account balance	<u>\$1,429,865</u>	<u>\$ 1,429,865</u>
Ending account balance	<u>\$ 594,810</u>	<u>\$ 1,821,102</u>

SUMMARY OF CASH AND INVESTMENTS As of December 31, 2018*	
Cash and Cash Equivalents:	
U. S. Bank - operating account	\$60,389.05
U.S. Bank - payroll account	\$1,000.25
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	\$16,970,884.23
Total Cash and Cash Equivalents	\$17,094,626.30
Investments:	
U.S. Bank investment account	\$10,677,642.23
Total Investments	\$10,677,642.23

* The above summary does not include the construction trust accounts.

MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2018-2019 BUDGET
July 1, 2018 to December 31, 2018

<u>Operating Account</u>	<u>Original Budget 2019</u>	<u>Amended Budget 2019</u>	<u>Q2 - Actual 7/1/18-12/31/18</u>
Revenues:			
Stadium operating payments			
State of Minnesota operating payment	\$ 6,484,384	\$ 6,484,384	\$ 3,270,773
Minnesota Vikings operating payment	\$ 9,017,650	\$ 9,017,650	\$ 4,508,825
Stadium operating revenue-SMG	\$ 32,667,250	\$ 32,667,250	\$ 18,854,574
NCAA Final Four 2019 concessions	\$ 1,800,000	\$ 2,000,000	\$ -
MN LOC NCAA Final Four 2019 contribution		\$ 200,000	\$ -
Miscellaneous revenues	\$ 64,200	\$ 64,200	\$ 82,864
Total revenues	\$ 50,033,484	\$ 50,433,484	\$ 26,717,036
Expenses:			
Personal services	\$ 815,370	\$ 815,370	\$ 321,035
Professional services	\$ 1,864,450	\$ 1,864,450	\$ 841,782
Travel and meetings	\$ 16,000	\$ 16,000	\$ 2,911
Supplies and network administration	\$ 221,000	\$ 221,000	\$ 124,184
Rent, stadium contractual commitments and leases	\$ 857,641	\$ 857,641	\$ 700,526
Insurance	\$ 190,916	\$ 190,916	\$ 159,655
Communication	\$ 5,520	\$ 5,520	\$ 2,389
Miscellaneous and marketing	\$ 495,148	\$ 495,148	\$ 82,368
NCAA Final Four event expense	\$ 6,492,588	\$ 6,915,008	\$ -
Event cabin license fee	\$ 300,000	\$ 300,000	\$ 300,000
Stadium operating expenses-SMG	\$ 40,720,144	\$ 40,720,144	\$ 22,523,141
Total expenses	\$ 51,978,777	\$ 52,401,197	\$ 25,057,991
Operating income/(loss)	\$ (1,945,293)	\$ (1,967,713)	\$ 1,659,045
Nonoperating revenues/(expenses):			
Revenues-Investment earnings	\$ 60,000	\$ 60,000	\$ 69,839
Revenues-Taxes-State of Minnesota	\$ 1,854,554	\$ 1,854,554	\$ 1,310,920
Expenses-Stadium project costs	\$ (210,000)	\$ (210,000)	\$ -
Expenses-Commemorative Brick program	\$ -	\$ -	\$ (1,210)
Total nonoperating revenues/(expenses)	\$ 1,704,554	\$ 1,704,554	\$ 1,379,549
Net income	\$ (240,739)	\$ (263,159)	\$ 3,038,594
Transfers:			
Transfer to Capital Reserve fund	\$ (1,000,000)	\$ (1,000,000)	\$ -
Change in Account Balance	\$ (1,240,739)	\$ (1,263,159)	\$ 3,038,594
Beginning Operating Account Balance	\$ 7,578,252	\$ 5,999,496	\$ 5,999,496
Ending Operating Account Balance	\$ 6,337,513	\$ 4,736,337	\$ 9,038,090
Capital Reserve Account			
Revenues:			
State of Minnesota Capital payment	\$ 1,636,989	\$ 1,636,989	\$ 817,693
Minnesota Vikings Capital Cost payment	\$ 1,639,091	\$ 1,639,091	\$ 799,936
Minnesota NCAA LOC Final Four 2019 Contribution	\$ 1,800,000	\$ 1,700,000	\$ -
Total revenues	\$ 5,076,080	\$ 4,976,080	\$ 1,617,629
Capital expenses	\$ 8,912,063	\$ 8,912,063	\$ 2,905,692
Net Income/(loss)	\$ (3,835,983)	\$ (3,935,983)	\$ (1,288,063)
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)	\$ (2,335,983)	\$ (1,288,063)
Beginning Capital Reserve Account Balance	\$ 5,108,122	\$ 4,712,356	\$ 4,712,356
Ending Capital Reserve Account Balance	\$ 2,872,139	\$ 2,376,373	\$ 3,424,293
Concession Capital Reserve Account			
Revenues:			
Concession Capital Reserve payment	\$ 850,000	\$ 850,000	\$ 613,692
Expenses	\$ 1,085,055	\$ 1,085,055	\$ 222,455
Net Income/(loss)	\$ (235,055)	\$ (235,055)	\$ 391,237
Transfers:			
Transfer to Capital Reserve Account	\$ (600,000)	\$ (600,000)	\$ -
Change in Account Balance	\$ (835,055)	\$ (835,055)	\$ 391,237
Beginning Concession Capital Reserve Account Balance	\$ 1,471,951	\$ 1,429,865	\$ 1,429,865
Ending Concession Capital Reserve Account Balance	\$ 636,896	\$ 594,810	\$ 1,821,102