



MINNESOTA SPORTS FACILITIES AUTHORITY REGULAR MEETING MINUTES

Friday September 16, 2016 9:00 A.M.

401 Chicago Ave. Minneapolis, MN 55415

Hyundai Club

1. **CALL TO ORDER**

Chair Kelm-Helgen called the meeting of the Minnesota Sports Facilities Authority (MSFA) to order at 9:05 AM.

2. **ROLL CALL**

Commissioners Present: Chair Kelm-Helgen, Commissioner McCarthy, Commissioner Sertich, Commissioner Butts Williams, and Commissioner Griffith

3. **ADOPTION OF AGENDA**

Chair Kelm-Helgen presented the agenda. Commissioner Griffith moved approval of the agenda, seconded by Commissioner Butts Williams and approved unanimously – 5 YEAS, 0 NAYS

APPROVED

4. **APPROVAL OF AUTHORITY MEETING MINUTES**

Commissioner McCarthy moved approval of the August 19, 2016 Regular Meeting Minutes seconded by Commissioner Butts Williams and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

5. **CHAIR'S REPORT**

Chair Kelm-Helgen stated that on Saturday August 27th, over 600 youth football and 30 young cheerleaders attended the stadium for a youth football game, in which all communities in the Twin



Cities were represented. Inner city players from Minneapolis and St Paul were playing, and the event drew big crowds and a fun atmosphere. The young football players were excited to be able to play on the turf, as it was the day before the Vikings vs. the Packers game. The MSFA is looking forward to hosting many more youth football events, along with hundreds of community events in the future.

Chair Kelm-Helgen announced that U.S. Bank Stadium will be hosting many community events, and the public is encouraged to attend. The MSFA and the community are looking forward to hosting the high school football prep bowl and the state football championships, men and women's high school soccer championships, youth in music events, and the walking, running, roller blading clubs, Holiday Craft show, marching band competition, and Monster Jam.

U.S. Bank Stadium hosted Luke Bryan on August 19th, and Metallica on August 20th. Both concerts were a big success, and the shows were sold out. The concerts brought country and heavy metal fans to Minneapolis from around the country, proving that U.S. Bank Stadium is a prime and ideal venue for concerts. Over 49% of the attendees for the Metallica concert were from out of town stated Chair Kelm-Helgen.

Chair Kelm-Helgen announced that the Prince Tribute Concert will now be hosted at the Excel Energy Center in Downtown St. Paul. The concert will feature a great line up of artists, including John Mayer, Christina Aguilera, and Stevie Wonder.

It was announced that the U.S. Women's National Soccer Team will make their U.S. Bank Stadium debut against Switzerland on Sunday October 23rd at 12:45 p.m. This will be the first game for the U.S. Women's National Soccer Team after the completion of the 2016 National Women's Soccer League season, which concludes on October 9th. Tickets for the game go on sale on Friday September 23rd at 10 a.m, and can be purchased through ussoccer.com, and also on ticketmaster.com

6. BUSINESS

a. Action Items

i. Delegation of Authority to Execute Certain Contracts and Contract Revisions

At the August 2016 board meeting you gave the Chair and CEO/Executive Director additional authority to make contract amendments and execute other contracts that may be required on an urgent basis, up to a total of \$2 million, in order to help close out the stadium project in an efficient manner. This delegation of authority expires on September 16, 2016.



Staff requests authority to make contract amendments and execute other contracts up to a total of \$1 million until the October 2016 regular board meeting which is scheduled to be held on October 21, 2016.

Recommendation: The MSFA authorizes the Chair and CEO/Executive Director to negotiate and execute the following (1) contract amendments with M.A. Mortenson Company or other contractors, and (2) other contracts, not to exceed \$1 million in total as long as the amount of the contract increases are included in the Master Project Budget or funded by the Vikings. The Master Project Budget will be increased, under the direction of the Chair and CEO/Executive Director, in the amount of the Vikings' contribution. This authority extends until the October 2016 board meeting. Commissioner Griffith moved to approve the recommendation. Commissioner McCarthy seconded the motion.

APPROVED

b. Report Items

i. Property and Casualty Insurance Program Report

The Minnesota Sports Facilities Authority has a comprehensive property and casualty insurance program.

CBIZ marketed the property and casualty program for the policy period from January 20, 2016 through January 20, 2017 and the following policies were procured: commercial general liability, commercial excess liability, automobile liability, pollution legal liability, and property and equipment breakdown. The total premium for these policies was \$70,543.45. These policies were cancelled effective June 17, 2016, due to substantial completion of U. S. Bank Stadium and the Authority's additional contractual insurance requirements. The insurance carriers returned premiums of \$34,362.08. New policies were then written as described below.

CBIZ also marketed the workers compensation policy for the policy period from January 20, 2016 through January 20, 2017. When the workers' compensation policy expires on January 20, 2017, a request will be submitted to the carrier to extend this policy to June 17, 2017, as this date coincides with the policy expiration dates of the other policies.

Workers Compensation. SFM provides this coverage for a premium of \$6,661.00. The policy limits are statutory for Part A and \$1 million bodily injury by accident/disease for Part B employers' liability. The policy provides terrorism coverage. The premium is subject to an audit of payroll costs.



CBIZ marketed the following casualty insurance program for the policy period from June 17, 2016 through June 17, 2017.

General liability. National Casualty (K&K) provides coverage for the commercial general liability policy for a premium of \$44,559.55. This premium is flat and is not subject to audit. General liability limits are \$1 million per occurrence, \$2 million products/completed operations aggregate, \$2 million employee benefits liability aggregate and \$2 million liquor liability aggregate. There is a \$1,000 per claim deductible for employee benefits, and \$0 deductible for all other claims. This policy includes terrorism coverage.

Excess Liability. The commercial excess liability policy has a loss limit approach where each loss layer is less than the total blanket amount. The program is structured to combine several layers together to provide the coverage for the total value. This approach was necessary to achieve the coverage and cost parameters. The loss limit approach has three layers for a total value of \$50 million. The following insurers participate in the program:

Layer 1 - \$10 million lead excess	National Casualty (K&K)	premium \$21,029.00
Layer 2 - \$15 million excess of \$10 million	National Casualty (K&K)	premium \$13,387.50
Layer 3 - \$25 million excess of \$25 million	Great American	premium \$37,500.00
		Total premium \$71,916.50

Commercial Automobile/Garage keepers Liability. National Casualty (K&K) provides coverage for the commercial automobile liability and physical damage policy. Limits are: bodily injury/property damage \$1 million, uninsured/underinsured motorist \$1 million, personal injury protection \$20,000, and \$75,000 for hired auto physical damage. Deductibles for physical damage are \$1,000 for comprehension and \$1,000 for collision.

National Casualty (K&K) also provides coverage for the garage keepers legal liability policy. Limits are \$1 million per location. This policy covers the two parking facilities and the leased parking areas. Deductibles are \$1,000 per auto and \$5,000 per occurrence.

The combined premium for both policies was \$4,421.85 and the policies include terrorism coverage.



Crime. Chubb Group of Insurance Companies/Federal Insurance Co. provides this coverage. Historically the policy term had been August 1st to August 1st. The expiration date for the August 1, 2016 renewal was changed to expire on June 17, 2017 to coincide with the expiration date of the other policies, for a term premium of \$6,506.75. The policy limits are \$1 million for employee dishonesty, forgery and alteration, money and securities on premises and in transit, computer fraud and funds transfer fraud, money orders and counterfeit currency fraud, credit card fraud, and client coverage with a \$10,000 deductible. There is a \$50,000 limit for claim expense with \$0 deductible. This policy includes terrorism coverage.

Public Officials and Employment Practices Liability. Allied World (AWAC) provides this coverage. Historically the policy term had been August 1st to August 1st. The expiration date for the August 1, 2016 renewal was changed to expire on June 17, 2017 to coincide with the expiration date of the other policies for a term premium of \$14,809.43. The policy limits are \$5 million per claim and annual aggregate for each wrongful act or series of continuous, repeated or interrelated wrongful acts with a \$10,000 deductible. This policy includes terrorism coverage.

Pollution Legal Liability and Environmental Impairment. The stadium site and temporary parking facilities for Viking events were added to the pollution legal liability policy that was placed on December 31, 2015. This policy was extended to expire on June 17, 2017 to coincide with the expiration dates of the other policies for a flat additional premium of \$38,712.96. Crum & Forster provides this coverage. The policy limits were increased from \$6 million to \$10 million per claim and annual aggregate for onsite and offsite remediation and third party claims with a \$10,000 deductible. This policy includes terrorism coverage.

Willis Towers Watson was the broker for the builders risk policy for the construction project. This policy provided real property insurance and business interruption/delay insurance coverage during construction of the stadium. Willis Towers Watson worked with the carrier to extend this policy until September 18, 2016, the date of the first NFL regular season football game in U. S. Bank Stadium, as this policy had broader coverage than a property policy for the Authority and the Team and it covered the smaller construction projects that were subsequently completed. This policy included coverage for stadium operations when the policy was extended.

Willis Towers Watson then marketed a property policy for U.S. Bank Stadium for the policy period from September 18, 2016 to September 18, 2017.

Property. AIG provides the property coverage for U.S. Bank Stadium and the skyways for a premium of \$320,000.00 including broker fees. Limits of the property insurance policy include a total insurable value of \$941,060,171 with a policy limit of \$1.2 billion for real and personal property and business



interruption coverage. This policy includes boiler and machinery equipment and terrorism coverage and it has a \$100,000 deductible. For the terrorism insurance coverage, the full policy limits of \$1.2 billion apply.

INSURANCE SUMMARY

Type	Carrier	Term	Premium
General Liability	National Casualty (K&K)	6/20/16-6/20/17	\$44,559.55
Excess Liability	National Casualty (K&K) and Great American	6/20/16-6/20/17	\$71,916.50
Auto/Garage keepers	National Casualty (K&K)	6/20/16-6/20/17	\$4,421.85
Crime	Chubb Group	8/1/16-6/20/17	\$6,506.75
Public Officials	Allied World	8/1/16-6/20/17	\$14,809.43
Workers comp	SFM	1/20/16-1/20/17	\$6,661.00
Pollution Liability	Crum & Forster	6/20/16-6/20/17	\$38,712.96
Property	AIG	9/18/16-9/18/17	\$320,000.00
		Total	\$507,588.04

Recommendation: None. This report is for informational purposes.



ii. Budget Report – Q1 2016

Attached is the 2016 first quarter budget report for the Minnesota Sports Facilities Authority (Authority) for the period from January 1, 2016 through March 31, 2016.

The budgetary comparison report for the operating account includes the Authority's adopted 2016 annual budget, actual revenues and expenses for the first quarter ended March 31, 2016, the change in account balance, and the ending account balance as of March 31, 2016.

The Authority's operating revenues for the fiscal year totaled \$6,000,000, operating expenses totaled \$696,378, and nonoperating net expenses were \$1,124,815. As of March 31, 2016 the account balance increased by \$4,178,807 and the ending account balance was \$7,660,813.

The Authority's capital reserve account revenues for the fiscal year totaled \$3,000,000, there were no capital expenses, and the ending account balance was \$3,000,000.

The budgetary comparison report for the U.S. Bank Stadium project trust account includes the project budget, actual revenues and expenses for 2012, 2013, 2014, 2015, and the first quarter of 2016 and a project-to-date column. For the period from January 1, 2016 through March 31, 2016 the stadium project trust account non-operating (non-capital) revenues totaled \$104,727, project expenses were \$62,828,693, capital contributions were \$62,723,966, and the ending account balance was \$3,101. Project-to-date non-operating (non-capital) revenues totaled \$9,000,287, project-to-date expenses totaled \$940,286,776, project-to-date capital contributions were \$931,299,385 and the net account balance was \$3,101.

For period from January 1, 2016 through March 31, 2016 the Block 1 Parking Ramp expenses were \$240,601 and capital contributions were \$240,601. Project-to-date expenses were \$48,781,906 and capital contributions were \$48,871,906, (U.S. Bank Stadium project has contributed \$16,088,432 and the City of Minneapolis has contributed \$32,783,474), and the account balance was \$0. The U.S. Bank Stadium project expenses and capital contributions also include the \$16,088,432.

Also attached is the March 31, 2016 cash and investment summary.



Minnesota Sports Facilities Authority

Cash and Investment Summary

March 31, 2016

Cash and Investment Summary as of March 31, 2016:

SUMMARY OF CASH AND INVESTMENTS	
Cash and Cash Equivalents:	
U. S. Bank - operating account	\$369,501.91
U.S. Bank - payroll account	\$23,001.12
Total Cash	\$392,503.03
Investments:	
U.S. Bank investment account	\$11,602,955.44
Total Cash and Investments	\$11,995,458.47

Recommendation: *No action is required at this time. This is for informational purposes only.*

MINNESOTA SPORTS FACILITIES AUTHORITY
BUDGETARY COMPARISON SUMMARY - Q4 2015
OPERATING ACCOUNT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN ACCOUNT BALANCE
For the Period from January 1, 2015 through December 31, 2015

	2015 Budget Annual	2015 Q4 Actual 1/1/15-12/31/15
Revenues:		
Operating Revenues:		
Other	\$ -	\$ 44,993
Parking operation sand related revenue	308,000	524,455
Allocation from stadium project	2,000,000	-
Total operating revenues	2,308,000	569,448
Expenses:		
Operating expenses:		
Personal services	1,531,000	1,057,640
Professional services	813,000	2,785,941
Audio-visual maintenance costs	12,000	3,799
Travel and meetings	30,000	9,742
Supplies, repairs and maintenance	191,000	273,015
Rent	342,000	171,462
Insurance	119,000	58,518
Communication	50,000	46,710
Miscellaneous	63,500	343,476
Parking operations	277,000	235,013
Subtotal operating expenses	3,428,500	4,985,316
Operating income/(loss)	(1,120,500)	(4,415,868)
Non-Operating revenues/(expenses):		
Investment income	50,000	45,555
Other Contribution from Project	-	1,145,444
Taxes-State of MN	800,000	1,686,239
Commemorative brick fundraising revenues	-	640,195
Commemorative brick fundraising expenses	-	(761,688)
Stadium project expenses	(1,473,433)	(1,966,255)
Stadium Management Operator - SMG	(1,637,477)	(1,558,583)
Subtotal non-operating revenues/(expenses)	(2,260,910)	(769,093)
Change in Account Balance	(3,381,410)	(5,184,961)
Beginning Account Balance	8,666,967	8,666,967
Ending Account Balance	\$ 5,285,557	\$ 3,482,006

MINNESOTA SPORTS FACILITIES AUTHORITY
BUDGETARY COMPARISON SUMMARY - Q4 2015
PROJECT TRUST ACCOUNTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN ACCOUNT BALANCE
As of December 31, 2015

	Project Budget	2012 Actual 08/01/12-12/31/12	2013 Actual 1/1/13-12/31/13	2014 Actual 1/1/14-12/31/14	Q1-2015 Actual 1/1/15-3/31/15	Q2-2015 Actual 4/1/15-6/30/15	Q3-2015 Actual 7/1/15-9/30/15	Q4-2015 Actual 10/1/15-12/31/15	2015 Year-to-Date TOTAL	Project-to-Date TOTAL
US BANK STADIUM PROJECT										
Revenues										
Miscellaneous Revenues	\$ -	\$ 833,181	\$ 588,346	\$ 6,328,588	\$ 44,618	\$ 436,652	\$ 558,207	\$ 105,968	\$ 1,145,445	\$ 8,895,569
Non-Operating Contributions	-	833,181	588,346	6,328,588	44,618	436,652	558,207	105,968	1,145,445	8,895,569
Expenses										
Miscellaneous Expenses										
Noncapitalizable project expenses	-	833,181	588,346	6,315,692	44,618	436,652	558,207	130,215	1,169,692	8,906,911
Capital improvement expenses-US Bank Stadium Project*										
Site Acquisition & Improvements	54,677,540	-	751,515	26,615,655	4,000	4,409,400	7,908,544	7,456,545	19,778,489	47,145,659
Construction Costs	851,349,601	-	15,902,234	274,863,786	62,577,885	114,860,250	138,499,533	126,015,176	441,952,844	732,718,864
Furnishings, Fixtures & Equipment	56,407,430	-	-	-	-	14,419	429,322	13,137,147	13,580,888	13,580,888
Development Costs	88,781,410	2,546,938	24,355,589	23,927,104	1,571,896	3,893,210	3,959,436	3,894,273	13,318,815	64,148,446
Other Project Costs	23,013,532	-	-	-	-	-	-	14,170	14,170	14,170
Project Contingency	18,964,511	-	-	-	-	-	-	-	-	-
Earmark deposit on Downtown East ramp	-	-	855,000	(855,000)	-	-	-	-	-	-
Prepaid project insurance	-	-	10,649,497	317,895	-	-	-	(24,247)	(24,247)	10,943,145
Subtotal expenses	1,093,194,024	3,380,119	53,107,181	331,185,132	64,198,399	123,613,931	151,355,042	150,623,279	489,790,651	877,458,083
Operating Income/(loss)	(1,093,194,024)	(2,546,938)	(52,513,835)	(324,856,544)	(64,153,781)	(123,177,279)	(150,796,835)	(150,517,311)	(488,645,206)	(868,562,523)
Nonoperating revenues/(expenses):										
Interest	-	-	-	2,882	219	-	-	-	219	3,101
SBL sales revenues	-	-	3,426,786	5,564,687	1,324,194	1,861,008	1,878,510	1,424,357	6,483,069	15,474,542
SBL expenses	-	-	(3,426,786)	(5,564,687)	(1,324,194)	(1,861,008)	(1,878,510)	(1,424,357)	(6,483,069)	(15,474,542)
Subtotal nonoperating revenues/(expenses)	-	-	-	2,882	219	-	-	-	219	3,101
Capital Contribution*	1,093,194,024	2,546,938	52,513,835	324,869,440	64,153,781	123,177,279	150,796,835	150,517,311	488,645,206	868,575,419
Operating Transfer From/(To):										
Operating transfer from Operating account	-	-	-	1,523	-	-	-	-	-	1,523
Operating transfer to Operating account	-	-	-	(14,419)	-	-	-	-	-	(14,419)
Subtotal operating transfer from/(to)	-	-	-	(12,896)	-	-	-	-	-	(12,896)
Change in Account Balance	-	-	-	2,882	219	-	-	-	219	3,101
Beginning Account Balance	-	-	-	-	2,882	3,101	3,101	3,101	2,882	-
Ending Account Balance	\$ -	\$ -	\$ -	\$ 2,882	\$ 3,101	\$ 3,101	\$ 3,101	\$ 3,101	\$ 3,101	\$ 3,101
BLOCK 1 PARKING RAMP CONSTRUCTION**										
Expenses										
Capital improvement expenses										
Site Acquisition Costs	\$ 7,700,000	-	-	\$ 7,701,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,701,120
Construction Costs	41,253,484	-	-	9,178,353	3,020,121	9,114,090	11,823,393	7,794,228	31,751,832	40,930,185
Subtotal expenses	48,953,484	-	-	16,879,473	3,020,121	9,114,090	11,823,393	7,794,228	31,751,832	48,631,305
Capital Contribution	48,953,484	-	-	16,879,473	3,020,121	9,114,090	11,823,393	7,794,228	31,751,832	48,631,305
Change in Account Balance	-	-	-	-	-	-	-	-	-	-
Beginning Account Balance	-	-	-	-	-	-	-	-	-	-
Ending Account Balance (Unaudited)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* The US Bank Stadium project analysis includes costs of \$16,000,215 and capital contributions of \$16,000,215 for the Block 1 parking ramp.

** The Block 1 parking ramp project budget is \$48,953,484 and the funding sources are \$16,321,092 from the US Bank Stadium and \$32,632,392 from the City of Minneapolis. As of 12/31/2015 US Bank Stadium contributed \$16,000,215 and the City contributed \$32,632,090 to this project.



7. PUBLIC COMMENTS

There were no public comments

8. DISCUSSION

There were no discussions

9. ANNOUNCE FUTURE MEETINGS

Friday, October 21st, 2016, 9:00 A.M. – Board Meeting

10. ADJOURNMENT

There being no further business to come before the MSFA, Commissioner McCarthy moved to adjourn the meeting, seconded by Commissioner Butts Williams and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

The meeting was adjourned at 9:25 am.

Minnesota Sports Facilities Authority

1005 South 4th Street, Minneapolis, MN 55415



ADOPTED this 16th day of September 2016 by the Minnesota Sports Facilities Authority

Secretary, Bill McCarthy

Ted Mondale, CEO/Executive Director