



MINNESOTA SPORTS FACILITIES AUTHORITY MEETING AGENDA

Monday, June 22, 2020, 8:00 A.M.

Call-In Only

Dial-in Number: 612-808-8565

Dial-In Passcode: 485043#

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 18, 2020**, Board meeting 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 meeting will be held telephonically-only due to the pandemic and the public may monitor the meeting by calling 612-808-8565 and using the code 485043#. The Agenda and meeting materials will be available at msfa.com.**

1. CALL TO ORDER
2. APPROVAL OF PRIOR MEETING MINUTES – May 21, 2020
3. BUSINESS
 - a. **Action Items**
 - i. **Approve Flex Stand Video Wall Project**
 - ii. **Approve Contract with Time Share Systems, Inc. for Annual Stadium Event Parking**
 - iii. **Approve MSFA 2020-2021 Budget**
 - iv. **Snow Gutter Repairs Contractor**
 - b. Reports
 - i. 3rd Quarter Budget Report March 31, 2020
 - ii. Casualty Insurance Report
 - iii. Status of U.S. Bank Stadium
 - iv. Executive Director's Report
4. PUBLIC COMMENTS
5. DISCUSSION
6. ANNOUNCEMENT OF NEXT MEETING – 8:00 a.m. Thursday, July 16 at Medtronic Club *or* telephonically
7. ADJOURNMENT

***Items in bold require action**



MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – May 21, 2020 at 8:00 A.M.
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, Bill McCarthy, Barbara Butts Williams, Angela Burns Finney, and Tony Sertich

3. APPROVAL OF MEETING MINUTES – April 16, 2020. See, Exhibit A.

4. BUSINESS

a. Action Items

i. Authorize Negotiation for the Casualty Insurance Program

Mary Fox-Stroman, the Director of Finance at the MSFA, stated that CBIZ, the MSFA’s casualty insurance program broker, marketed insurance policies to various insurance carriers. Several of the carriers have expressed an interest; however, quotes have yet to be finalized. Some of the quotes included unexpected policy language changes, endorsements, that removed pandemic language from the policies, and CBIZ is negotiating with the carriers to reconsider the policy language changes, as well as negotiate for improved coverages and pricing. See, Exhibit B.

Chair Vekich asked Ms. Fox-Stroman if the casualty insurance program is consistent with prior years and if she was expecting large premium increases. Ms. Fox-Stroman confirmed that it is consistent with prior years, and that she has yet to receive information on quoted premiums, but should know soon.

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

The MSFA authorizes the Chair and Executive Director to finalize negotiations and enter into contracts for the casualty insurance program. A full insurance report will be presented at the next MSFA board meeting.

b. Report Items

i. ASM Global Event Update

John Drum, Interim General Manager of U.S. Bank Stadium, provided the MSFA board with a stadium update. He stated that ASM Global is following all the safety recommendations from the CDC and is also complying with the governor's request that all staff eligible to work from home continue to do so. He noted that only necessary staff are currently allowed inside the stadium, and those employees have been receptive and cooperative of the temperature screening and the medical survey in order to receive access to the building.

Mr. Drum stated that some capital and maintenance projects are still being conducted, and when site visits are necessary, all contractors and vendors must follow the same rules and regulations as the staff who enter the stadium. Mr. Drum also notified the board that the stadium is taking great precautions to prevent the spread of Covid-19, and stated that the stadium is being cleaned and disinfected on a daily basis as there are staff and contractors inside the stadium each day.

Mr. Drum then addressed future events in the stadium and noted that August 14th will be the first Viking's preseason game for the 2020-2021 season. He stated that although ASM Global and the NFL are unaware of what games days will be like due to Covid-19, stadium staff has been planning for various scenarios, and will be ready for any situation come August.

Lastly, Mr. Drum announced that on May 14th, the Department of Homeland Security issued U.S. Bank Stadium a Safety Act Designation, which is awarded when a venue either meets or exceeds expectations for security requirements. Mr. Drum thanked G4S, Whalen Security, and Aaron Liepins (Director of Security at ASM Global) for their dedication and hard work in making U.S. Bank Stadium a safe venue for all its guests and employees.

ii. Executive Director Report

Mr. Farstad, Executive Director of the MSFA, stated that the construction of the metal panels project is on track, and that the safety of the employees remains a top priority. He noted that the following regulations have been implemented to ensure that each employee remains healthy throughout the duration of the project: there is a safety meeting for all employees each morning as well as a voluntary temperature check upon arrival of the construction site, site visits now consist of smaller teams, lunch breaks are socially distanced, washing stations have been installed, face masks are now required on lifts of two people or more, and safety reviews are now given at orientation. Employees and crews have been vigilant in following these new procedures, and no coronavirus cases have been reported.

Mr. Farstad stated that the construction workers have begun reinstalling insulation on the building, and that the metal panels have begun fabrication in factories in Indiana and Wisconsin. These panels will be ready and delivered to the stadium beginning on June 8th.

Mr. Farstad notified the board that there are currently ten capital projects in progress, which include: IPTV Upgrades, Concession Equipment, Flex Stand Video Equipment, Premium Food Service Presentation Equipment, Food Service Operational Equipment, Concession Production Equipment, DMP Players & Switches, Wireless Belt Packs, and Communications Antennas.

Mr. Farstad then announced that the MSFA and ASM Global received a Wastewater Treatment Facility Operational Award. The award was given in recognition of the stadium's exceptional compliance with the Minnesota Pollution Control Agency NPDES/SDS wastewater permit during the 2019 review year.

Mr. Farstad stated that Vertical Limit and Parson's will begin construction on the installation of Verizon Wireless' 5G equipment beginning on Tuesday, May 26th, and AT&T has presented preliminary installation options.

Lastly, Mr. Farstad stated that the Request for Proposal for the snow gutter insurance repair has been posted to the MSFA website. He noted that the RFP was published to identify and develop acceptable repair procedures, procure material, repair/install items in the snow gutter, acquire all permits, and to ensure that the project conforms to all state and local codes. He stated that the project is an insurance matter which involves the design, install, hook up, testing, and final inspection/verification on all items required to complete the work associated with the project, which include the receiving, inspecting, uncrating, and removal/disposal of packing material. The RFP is focused on the selection of proposer that will provide the best value to the Authority in the identification, design, coordination, supply, construction, installation, commissioning, and final testing/inspection of the project, and that proposer must have significant experience in design and construction similar to this scope. Proposals are due on June 9th, a provider will be selected by June 26th, and the project must be completed by November 2nd.

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 18, 2020, 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 8:35 A.M.

Approved and adopted the 18th day of June 2020, by the Minnesota Sports Facilities Authority.

Tony Sertich, Secretary/Treasurer

James Farstad, Executive Director



MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

DATE: June 22, 2020

SUBJECT: Approve Contract with Albrecht Sign Company for Flex Stand Signage

On May 5, 2020 the MSFA posted a Request for Quote for 118 – 46” Samsung televisions to be used as flexible concession stand signage. This new signage will provide Aramark with the flexibility to change the menu boards at each concession stand to cater to the different events hosted at U.S. Bank Stadium.

The following concession stands will receive flexible signage:

- 111 Revival: 10 - 46” Samsung televisions
- 121 Andrew Zimmern: 16 - 46” Samsung televisions
- 304 North Star: 24 - 46” Samsung televisions
- 311 Rusty Taco (Mill City): 10 - 46” Samsung televisions
- 317 Rusty Taco (Mill City): 8 - 46” Samsung televisions
- 341 Rusty Taco (Milly City): 10 - 46” Samsung televisions
- 324 Caribou (MKT BBQ): 12 - 46” Samsung televisions
- 339 1st & Fry (BK Kitchen): 10 - 46” Samsung televisions
- 344 TBD: 8 - 46” Samsung televisions
- 349 Heggies Pizza (Mill City): 10 - 46”

Responses to the Request for Quote were due on May 22, 2020, and two proposals were received. Albrecht Sign Company submitted the lowest cost proposal in the amount of \$259,294.00.

Recommended Motion: *The MSFA authorizes the Chair and Executive Director to enter into a contract with Albrecht Sign Company for the Flex Stand Video project in the amount of \$259,294.00.*



June 22, 2020

MEMORANDUM

TO: MSFA Commissioners
FROM: James Farstad
SUBJECT: Approve Parking Agreement with Timeshare Systems, Inc.

The MSFA developed a parking plan that includes the two parking facilities it owns, the Mills Fleet Farm Parking Ramp and the Downtown East (DTE) Parking Ramp, leased space from Hennepin County and leased space from Timeshare Systems, Inc. The plan designated 963 spaces at the Mills Fleet Farm Parking Ramp, 452 spaces at the DTE Parking Ramp, 150 leased spaces from Hennepin County Medical Center, and up to 935 leased spaces from Timeshare Systems, Inc. on game days for the premium seating patrons. The 2019-2020 Minnesota Viking's season contract was in the amount of \$434,981.25.

Timeshare Systems, Inc. has offered to lease the 935 parking spaces to the MSFA on Minnesota Vikings game days at the same rate as last year, which follows:

<u>Parking Facility</u>	<u>Rate¹</u>
511 Ramp	\$40/space/game, \$50 post-season/space/game
511 Surface lot	\$45/space/game, \$45 post season/space/game
1010 Ramp	\$45/space/game, \$60 post season/space/game

¹ Applicable taxes are not included in the above rates.

Recommended Motion: *The MSFA approves and authorizes the Chair and Executive Director to execute the agreement with Timeshare Systems, Inc. for the use of up 935 game-day parking spaces, for a contract amount not to exceed \$434,981.25.*



June 22, 2020

MEMORANDUM

TO: MSFA Commissioners

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

SUBJECT: 2020-2021 Budget

Attached is the 2020-2021 Budget for the fiscal period from July 1, 2020 to June 30, 2021 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 2020-2021 Budget for the fiscal period from July 1, 2020 through June 30, 2021 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 project budget.*

MINNESOTA SPORTS FACILITIES AUTHORITY

2020-2021 BUDGET

SUMMARY

U.S. Bank Stadium will begin its fifth year of operations on July 1, 2020. Attached is the 2020-2021 Budget for the period from July 1, 2020 through June 30, 2021. The budget includes three accounts, the operating account, capital reserve account, and concession capital reserve account. Highlights of each account are discussed below.

OPERATING ACCOUNT

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

Operating Revenues

Budgeted revenues for the operating account consist of the following:

State of Minnesota operating payment	\$ 6,000,000
Minnesota Vikings operating payment	\$ 9,566,825
Stadium operating revenues-SMG	\$ 20,679,121
Miscellaneous revenues	\$ 64,200
Total budgeted operating revenues	<u>\$ 36,310,146</u>

Operating Expenses

Budgeted expenses for the operating account include the following:

Personal services	\$ 739,680
Professional services	\$ 1,857,000
Supplies and network support	\$ 112,326
Stadium contractual commitments	\$ 957,569
Insurance	\$ 292,722
Miscellaneous	\$ 61,070
Event cabin license fee	\$ 300,000
Stadium operating expenses-SMG	<u>\$30,472,900</u>
Total budgeted operating expenses	<u>\$34,793,267</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, retirement benefits from the Minnesota State Retirement System, and workers compensation insurance.

Professional Services

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

- Document Management Consulting
- Employment Assistance Services
- Financial Accounting, Auditing and Consulting Services
- Human Resources Consulting
- Investment Management Services
- Legislative Representation Services
- Legal Services
- Planning Services
- Project Management Services
- Public Relations and Communication Services

Stadium Contractual Commitments

The stadium contractual commitments include leasing costs for parking spaces 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, public officials and employment practices liability, crime insurance, cyber/privacy liability, and terrorism liability insurance. It also includes garage keepers' liability insurance for the leased parking areas.

Miscellaneous

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

Nonoperating Revenues

Nonoperating revenues include the following:

Revenues - Investment income	<u>\$ 87,000</u>
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Transfers

Budgeted transfers include a transfer from the operating account to the capital reserve account of \$2,000,000 to fund various capital projects for improvements and/or upgrades to U.S. Bank Stadium.

Transfer to the capital reserve account	<u>(\$2,000,000)</u>
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Account Balance

Beginning account balance	\$9,380,833
Change in account balance	<u>(\$396,121)</u>
Ending account balance	<u>\$8,984,712</u>

CAPITAL RESERVE ACCOUNT

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

Capital Reserve Revenues

The capital reserve account has the following budgeted revenues:

Minnesota Vikings capital cost payment	\$1,738,911
State of Minnesota capital payment	<u>\$1,500,000</u>
Total capital reserve revenues	<u>\$3,238,911</u>

Capital Reserve Expenses

The amended 2019-2020 capital reserve account budget included funding of \$23,607,449 for the exterior panel repair project. Not all of the budgeted project funds will be expended by June 30, 2020. Therefore, the unspent funding for the exterior panel repair capital project of \$12,941,003 needs to be rolled forward. In addition, the 2020-2021 budget has a capital plan of \$715,029 for 15 new capital projects and \$805,000 for two Team designated projects, for a total of \$1,520,029.

Capital Budget Roll Forward \$12,941,003

2020-2021 New Capital Projects:

Atmos Air/Bio Star Lease	\$134,729
ASM Global Procurement Services	\$ 76,800
Club Floor Coating	\$ 75,000
Evertz Server Replacement	\$ 50,000
Windows 10 – Upgrade	\$ 30,000
Exterior Lighting	\$ 8,500
Lighting-LED T5 Upgrades-stairwells and event level	\$ 18,000
Lighting-LED T5 Upgrades-main concourse	\$ 20,000
Stormwater Meters	\$ 10,000
Lighting System Upgrades	\$ 33,000
Attic Stock-Monitors, DMP's , and Accys	\$ 10,000
Attic Stock-Technology items-computers, monitors, mobile devices, cables, connectors, access points	\$ 10,000
Cleaning Services Equipment	\$ 24,000
HVAC System Upgrades	\$ 15,000
Snow Gutter repairs	\$2,500,000
Project Budgets Unspecified	<u>\$200,000</u>

Subtotal New Capital Projects \$3,215,029

Team Designated Projects:

Visiting Team Locker Room Shelf Replacement	\$ 55,000
Club Displays-Large HD LED Television Display	<u>\$750,000</u>
Subtotal Team Designated Projects	<u>\$805,000</u>

Total 2020-2021 Capital Expenses \$4,020,029

Total Capital Reserve Expenses \$16,961,032

Transfers

Transfer from the operating account	<u>\$ 2,000,000</u>
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Account Balance

Beginning account balance	\$22,249,105
Change in account balance	<u>(\$11,722,121)</u>
Ending account balance	<u>\$10,526,984</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

Aramark Sports and Entertainment (Aramark) is the catering and concessionaire at U.S. Bank Stadium, and they are obligated to pay 2.5% of monthly gross sales to the MSFA for deposit to the concession capital reserve account. These funds are designated for concession related capital projects as described below.

Concession Capital Reserve Revenues	<u>\$241,725</u>
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Concession Capital Reserve Expenses

In February 2020, the MSFA approved a 2019-2020 Budget Increase Amendment of \$1,293,910 for nine concession capital reserve account projects. These projects will not be completed by June 30, 2020. Therefore, the budget for the concession capital projects of \$1,293,910 needs to be rolled forward. In addition, the 2020-2021 budget has one concession capital project of \$60,000 for COVID 19 readiness for the concession operations.

Concession Capital Budget Roll Forward	\$1,293,910
2020-2021 Concession Capital Expenses	<u>\$ 60,000</u>
Total Concession Capital Reserve Expenses	<u>\$1,353,910</u>

Account Balance

Beginning account balance	\$1,675,462
Change in account balance	<u>(\$1,112,185)</u>
Ending account balance	<u>\$ 563,277</u>

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.

MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2020-2021 BUDGET
July 1, 2020 to June 30, 2021

<u>Operating Account</u>	<u>Original Budget 2020</u>	<u>Amended Budget 2020</u>	<u>Projection 7/1/19-6/30/20</u>	<u>Recommended Budget 2020-2021</u>
Revenues:				
Stadium operating payments				
State of Minnesota operating payment	\$ 6,672,378	\$ 6,672,378	\$ 6,609,089	\$ 6,000,000
Minnesota Vikings operating payment	\$ 9,288,180	\$ 9,288,180	\$ 9,288,180	\$ 9,566,825
Stadium operating revenue-SMG	\$ 25,663,719	\$ 25,663,719	\$ 14,859,109	\$ 20,679,121
Miscellaneous revenues	\$ 64,200	\$ 64,200	\$ 1,847,121	\$ 64,200
Total operating revenues	<u>\$ 41,688,477</u>	<u>\$ 41,688,477</u>	<u>\$ 32,603,499</u>	<u>\$ 36,310,146</u>
Expenses:				
Personal services	\$ 712,866	\$ 712,866	\$ 718,201	\$ 739,680
Professional services	\$ 1,609,725	\$ 1,609,725	\$ 1,396,111	\$ 1,857,000
Supplies and network support	\$ 221,000	\$ 221,000	\$ 212,452	\$ 112,326
Stadium contractual commitments	\$ 957,569	\$ 957,569	\$ 800,699	\$ 957,569
Insurance	\$ 322,118	\$ 322,118	\$ 234,935	\$ 292,722
Miscellaneous	\$ 186,220	\$ 186,220	\$ 73,724	\$ 61,070
Event cabin license fee	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Stadium operating expenses-SMG	\$ 34,630,201	\$ 34,630,201	\$ 25,475,065	\$ 30,472,900
Total operating expenses	<u>\$ 38,939,699</u>	<u>\$ 38,939,699</u>	<u>\$ 29,211,187</u>	<u>\$ 34,793,267</u>
Operating income/(loss)	<u>\$ 2,748,778</u>	<u>\$ 2,748,778</u>	<u>\$ 3,392,312</u>	<u>\$ 1,516,879</u>
Nonoperating revenues/(expenses):				
Revenues-Investment earnings	\$ 84,000	\$ 84,000	\$ 121,973	\$ 87,000
Revenues-Taxes-State of Minnesota	\$ 2,430,018	\$ 2,430,018	\$ 2,120,019	\$ -
Expenses-Stadium construction project expenses	\$ -	\$ -	\$ (159,792)	\$ -
Total nonoperating revenues/(expenses)	<u>\$ 2,514,018</u>	<u>\$ 2,514,018</u>	<u>\$ 2,082,200</u>	<u>\$ 87,000</u>
Net Income/(loss) before transfers	\$ 5,262,796	\$ 5,262,796	\$ 5,474,512	\$ 1,603,879
Transfers:				
Transfer to Capital Reserve fund	<u>\$ (4,500,000)</u>	<u>\$ (4,500,000)</u>	<u>\$ (4,500,000)</u>	<u>\$ (2,000,000)</u>
Change in Account Balance	<u>\$ 762,796</u>	<u>\$ 762,796</u>	<u>\$ 974,512</u>	<u>\$ (396,121)</u>
Beginning Operating Account Balance	\$ 8,406,321	\$ 8,406,321	\$ 8,406,321	\$ 9,380,833
Ending Operating Account Balance	<u>\$ 9,169,117</u>	<u>\$ 9,169,117</u>	<u>\$ 9,380,833</u>	<u>\$ 8,984,712</u>
Capital Reserve Account				
Revenues:				
Minnesota Vikings Capital Cost payment	\$ 1,688,263	\$ 1,688,263	\$ 1,688,273	\$ 1,738,911
State of Minnesota Capital payment	\$ 1,668,095	\$ 1,668,095	\$ 1,652,272	\$ 1,500,000
Settlement agreement and project closeout funding	\$ -	\$ 26,959,266	\$ 25,778,900	\$ -
Total revenues	<u>\$ 3,356,358</u>	<u>\$ 30,315,624</u>	<u>\$ 29,119,445</u>	<u>\$ 3,238,911</u>
Capital expenses	<u>\$ 3,444,721</u>	<u>\$ 30,403,987</u>	<u>\$ 13,504,628</u>	<u>\$ 16,961,032</u>
Net Income/(loss) before transfers	<u>\$ (88,363)</u>	<u>\$ (88,363)</u>	<u>\$ 15,614,817</u>	<u>\$ (13,722,121)</u>
Transfers:				
Transfer from Operating Account	<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>	<u>\$ 2,000,000</u>
Change in Account Balance	<u>\$ 4,411,637</u>	<u>\$ 4,411,637</u>	<u>\$ 20,114,817</u>	<u>\$ (11,722,121)</u>
Beginning Capital Reserve Account Balance	\$ 2,134,288	\$ 2,134,288	\$ 2,134,288	\$ 22,249,105
Ending Capital Reserve Account Balance	<u>\$ 6,545,925</u>	<u>\$ 6,545,925</u>	<u>\$ 22,249,105</u>	<u>\$ 10,526,984</u>
Concession Capital Reserve Account				
Revenues:				
Concession Capital Reserve payment	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 639,757</u>	<u>\$ 241,725</u>
Concession capital expenses	<u>\$ 705,080</u>	<u>\$ 1,998,990</u>	<u>\$ 674,792</u>	<u>\$ 1,353,910</u>
Net Income/(loss) before transfers	<u>\$ 94,920</u>	<u>\$ (1,198,990)</u>	<u>\$ (35,035)</u>	<u>\$ (1,112,185)</u>
Transfers:				
Transfer to Capital Reserve Account	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Account Balance	<u>\$ 94,920</u>	<u>\$ (1,198,990)</u>	<u>\$ (35,035)</u>	<u>\$ (1,112,185)</u>
Beginning Concession Capital Reserve Account Balance	\$ 1,710,497	\$ 1,710,497	\$ 1,710,497	\$ 1,675,462
Ending Concession Capital Reserve Account Balance	<u>\$ 1,805,417</u>	<u>\$ 511,507</u>	<u>\$ 1,675,462</u>	<u>\$ 563,277</u>



June 22, 2020

MEMORANDUM

TO: MSFA Commissioners

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

SUBJECT: Snow Gutter Repairs Contractor

On April 15, 2018 a large snow fall caused damage to the interior walls, drains, and cameras in the south snow gutter. The MSFA notified its property carrier and submitted an insurance claim for this damage.

A RFP was published on May 19, 2020 to attract proposals for the snow gutter repairs as well as for optional pricing for the redesign and installation for improved access into the snow gutter from inside the building, replacing three clerestory windows, and replacing a small amount of brown paneling on the southeast corner of the building. This RFP is focused on the selection of a proposer who will provide the best value to the MSFA in the design, coordination, supply, construction, installation, replacement, and testing for this project.

The selected contractor will:

- Acquire all permits and conform to local and state codes,
- Remove and dispose of existing damaged materials,
- Design, provide, install, coordinate, test, and perform final inspection/verification on all items required to complete the work associated with the project,
- Clean all work areas and recycle construction debris
- Provide testing and commissioning of the system(s)

Staff reviewed the one proposal that was received and shared it with the property insurance adjuster for his review. The claim settlement is pending. Based on the best and final proposal, results of an interview, final submittals, and the final claim settlement, the Chair and Executive Director will make a final selection of a contractor. In order to complete this project by November 2, 2020, a contract needs to be executed prior to the next MSFA board meeting on July 16, 2020.

Recommended Motion: *The Minnesota Sports Facilities Authority authorizes the Chair and the Executive Director to finalize negotiations and execute a contract with the selected contractor for the snow gutter repairs and the other repairs for an amount not to exceed \$2,500,000.*



June 22, 2020

MEMORANDUM

TO: MSFA Commissioners

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

SUBJECT: Q3 Budget Report – March 31, 2020

Attached is the Q3 Budgetary Comparison Report for the period from July 1, 2019 through March 31, 2020 for the MSFA's operating account, capital reserve account, and concession capital reserve account. Following is a high-level summary of the accounts' activities for the third quarter:

Operating Account

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

	2019-2020 Budget	2019-2020 Amended Budget	Q3 – Actual 07/01/19-3/31/20
Operating revenues	\$41,688,477	\$41,688,477	\$26,956,188
Operating expenses	(\$38,939,699)	(\$38,939,699)	(\$26,168,302)
Operating income/(loss)	\$2,748,778	\$2,748,778	\$787,886
Net nonoperating revenues/(expenses)	\$2,514,018	\$2,514,018	\$2,060,868
Transfers	(\$4,500,000)	(\$4,500,000)	(\$3,453,578)
Change in Account Balance	\$762,796	\$762,796	(\$604,824)
Beginning Operating Account Balance	\$8,406,321	\$8,406,321	\$8,406,321
Ending Operating Account Balance	\$9,169,117	\$9,169,117	\$7,801,497

Capital Reserve Account

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

	2019-2020 Budget	2019-2020 Amended Budget	Q3 – Actual 07/01/19-3/31/20
Capital revenues	\$3,356,358	\$30,315,624	\$3,607,035
Capital expenses	(\$3,444,721)	(\$30,403,987)	(\$6,202,093)
Net income/(loss)	(\$88,363)	(88,363)	(\$2,595,058)
Transfers	\$4,500,000	\$4,500,000	\$3,453,578
Change in Account Balance	\$4,411,637	\$4,411,637	\$858,520
Beginning Capital Reserve Account Balance	\$2,134,288	\$2,134,288	\$2,134,288
Ending Capital Reserve Account Balance	\$6,545,925	\$6,545,925	\$2,992,808

Concession Capital Reserve Account

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

	2019-2020 Budget	2019-2020 Amended Budget	Q3 – Actual 07/01/19-3/31/20
Concession Capital revenues	\$800,000	\$800,000	\$639,757
Concession Capital expenses	(\$705,080)	(\$1,998,990)	(\$650,542)
Net income/(loss)	\$94,920	(\$1,198,990)	(\$10,785)
Transfers	-	-	-
Change in Account Balance	\$94,920	(\$1,198,990)	(\$10,785)
Beginning Concession Capital Reserve Account Balance	\$1,710,497	\$1,710,497	\$1,710,497
Ending Concession Capital Reserve Account Balance	\$1,805,417	\$511,507	\$1,699,712

SUMMARY OF CASH AND INVESTMENTS

As of March 31, 2020

Cash and Cash Equivalents:	
U.S. Bank – operating account	\$263,538.82
U.S. Bank – payroll account	\$1,000.32
U.S. Bank – SMG managed accounts-operating account, box office account, and event marketing account, and cash on hand	\$40,603,685.07
Total Cash and Cash Equivalents	\$40,868,224.21
Investments:	
U.S. Bank investment account	\$8,284,756.32

MINNESOTA SPORTS FACILITIES AUTHORITY
 Budget Report 2019-2020
 July 1, 2019 to March 31, 2020

<u>Operating Account</u>	Original 2019-2020 Annual Budget	Amended 2019-2020 Annual Budget	Q3 - Actual 07/01/2019-03/31/2020
Revenues:			
Stadium operating payments			
State of Minnesota operating payment	\$ 6,672,378	\$ 6,672,378	\$ 4,906,161
Minnesota Vikings operating payment	\$ 9,288,180	\$ 9,288,180	\$ 6,966,135
Stadium operating revenue-SMG	\$ 25,663,719	\$ 25,663,719	\$ 14,630,174
Miscellaneous revenues	\$ 64,200	\$ 64,200	\$ 453,718
Total operating revenues	<u>\$ 41,688,477</u>	<u>\$ 41,688,477</u>	<u>\$ 26,956,188</u>
Expenses:			
Personal services	\$ 712,866	\$ 712,866	\$ 546,313
Professional services	\$ 1,609,725	\$ 1,609,725	\$ 1,088,470
Supplies and network support	\$ 221,000	\$ 221,000	\$ 190,877
Stadium contractual commitments	\$ 957,569	\$ 957,569	\$ 800,699
Insurance	\$ 322,118	\$ 322,118	\$ 234,935
Miscellaneous	\$ 186,220	\$ 186,220	\$ 360,024
Event cabin license fee	\$ 300,000	\$ 300,000	\$ -
Stadium operating expense-SMG	\$ 34,630,201	\$ 34,630,201	\$ 22,946,984
Total operating expenses	<u>\$ 38,939,699</u>	<u>\$ 38,939,699</u>	<u>\$ 26,168,302</u>
Operating income/(loss)	<u>\$ 2,748,778</u>	<u>\$ 2,748,778</u>	<u>\$ 787,886</u>
Nonoperating revenues/(expenses):			
Revenues-Investment earnings	\$ 84,000	\$ 84,000	\$ 97,456
Revenues-Taxes-State of Minnesota	\$ 2,430,018	\$ 2,430,018	\$ 2,120,019
Expenses-Stadium construction project expenses	\$ -	\$ -	\$ (156,607)
Total nonoperating revenues/(expenses)	<u>\$ 2,514,018</u>	<u>\$ 2,514,018</u>	<u>\$ 2,060,868</u>
Net Income/(loss) before transfers	<u>\$ 5,262,796</u>	<u>\$ 5,262,796</u>	<u>\$ 2,848,754</u>
Transfers:			
Transfer to Capital Reserve fund	\$ (4,500,000)	\$ (4,500,000)	\$ (3,453,578)
Change in Account Balance	<u>\$ 762,796</u>	<u>\$ 762,796</u>	<u>\$ (604,824)</u>
Beginning Operating Account Balance	\$ 8,406,321	\$ 8,406,321	\$ 8,406,321
Ending Operating Account Balance	<u>\$ 9,169,117</u>	<u>\$ 9,169,117</u>	<u>\$ 7,801,497</u>
Capital Reserve Account			
Revenues:			
Minnesota Vikings Capital Cost payment	\$ 1,688,263	\$ 1,688,263	\$ 1,688,263
State of Minnesota Capital payment	\$ 1,668,095	\$ 1,668,095	\$ 1,652,272
Miscellaneous revenues	\$ -	\$ -	\$ 266,500
Settlement agreement and project closeout funding	\$ -	\$ 26,959,266	\$ -
Total revenues	<u>\$ 3,356,358</u>	<u>\$ 30,315,624</u>	<u>\$ 3,607,035</u>
Capital expenses	<u>\$ 3,444,721</u>	<u>\$ 30,403,987</u>	<u>\$ 6,202,093</u>
Net Income/(loss) before transfers	<u>\$ (88,363)</u>	<u>\$ (88,363)</u>	<u>\$ (2,595,058)</u>
Transfers:			
Transfer from Operating Account	\$ 4,500,000	\$ 4,500,000	\$ 3,453,578
Change in Account Balance	<u>\$ 4,411,637</u>	<u>\$ 4,411,637</u>	<u>\$ 858,520</u>
Beginning Capital Reserve Account Balance	\$ 2,134,288	\$ 2,134,288	\$ 2,134,288
Ending Capital Reserve Account Balance	<u>\$ 6,545,925</u>	<u>\$ 6,545,925</u>	<u>\$ 2,992,808</u>
Concession Capital Reserve Account			
Revenues:			
Concession Capital Reserve payment	\$ 800,000	\$ 800,000	\$ 639,757
Concession capital expenses	<u>\$ 705,080</u>	<u>\$ 1,998,990</u>	<u>\$ 650,542</u>
Change in Account Balance	<u>\$ 94,920</u>	<u>\$ (1,198,990)</u>	<u>\$ (10,785)</u>
Beginning Concession Capital Reserve Account Balance	\$ 1,710,497	\$ 1,710,497	\$ 1,710,497
Ending Concession Capital Reserve Account Balance	<u>\$ 1,805,417</u>	<u>\$ 511,507</u>	<u>\$ 1,699,712</u>



June 22, 2020

MEMORANDUM

TO: MSFA Commissioners

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

SUBJECT: Report on 2020 – 2021 Casualty Insurance Program

This is a report on MSFA's comprehensive casualty insurance program which is separate from the property insurance program. The casualty insurance program includes the following policies: commercial general liability, excess liability, commercial automobile and garage keepers legal liability, crime, public officials and employment practices liability, workers compensation and employer liability, cyber/privacy liability, and terrorism liability.

CBIZ marketed the MSFA's casualty insurance program to several carriers to obtain competitive pricing on the various lines of insurance for the policy period from June 17, 2020 through June 17, 2021. Not all markets contacted by CBIZ were willing to provide a quote, some markets had more restricted coverage terms than desired, and other markets had significantly higher pricing. After receiving the quotes CBIZ aggressively negotiated better pricing and improved terms for the various policies. Following is a summary of each insurance policy:

Commercial general liability. This policy was placed with American Specialty (Arch) for a premium of \$44,587.00. 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 does not exclude 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 placed with the following insurers:

<u>Carrier</u>	<u>Layer</u>	<u>Premium</u>
American Specialty (Arch)	Layer 1 - \$10 million lead excess-primary policies	\$24,808.00
Axis	Layer 2 – Quota Share - \$15 million excess of \$10 million	\$38,640.00
Endurance	Layer 2 – Quota Share - \$15 million excess of \$10 million	\$38,640.00
Great American	Layer 3 - \$25 million excess of \$25 million	\$45,000.00
	Total	<u>\$147,088.00</u>

The \$10 million lead excess primary policy placed with American Specialty does not exclude communicable disease coverage.

Automobile/Garage Keepers Legal Liability. This policy was placed with American Specialty (Arch) for a premium of \$13,394.00. 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 \$1,347.00. 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 credit card fraud

The policy has a \$10,000 deductible. There is a \$50,000 limit for expense coverage with \$0 deductible.

Cyber/privacy liability. This policy was renewed with Houston Casualty/NAS for a premium of \$8,893.38. The cyber/privacy liability policy limits are:

- \$5 million security/privacy liability
- \$5 million website media liability and \$5 million multimedia liability
- \$5 million privacy regulation/crisis management

- \$5 million fraud response expense/extortion loss/ransom ware loss
- \$5 million business interruption/data recovery expense
- \$5 million combined aggregate limit
- \$5 million PCI DSS liability, \$5 million system failure and, \$1 million dependent system failure
- \$5 million cyber extortion
- \$1 million additional defense costs limit
- \$100,000 cyber crime
- \$50,000 reward expenses and \$50,000 TCPA

There is a \$10,000 deductible per claim, \$30,000 aggregate and a 12-hour waiting period for business interruption losses. Breach event costs are paid in addition to the limit.

Public officials and employment practices liability. This policy was renewed with Chubb for a premium of \$26,408.00. 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 each occurrence

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 \$2,699.00. 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 on an annual basis *Best's Insurance Reports* 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. Best Rating</u>	<u>Premium</u>
Commercial General Liability	American Specialty (Arch)	A XV	\$44,587.00
Excess Liability	American Specialty (Arch)	A XV	\$24,808.00
	Axis	A XV	\$38,640.00
	Endurance	A+ XV	\$38,640.00
	Great American	A+ XV	\$45,000.00
Commercial Automobile/Garage keepers Liability	American Specialty (Arch)	A+ XV	\$13,394.00
Crime	Travelers	A+ XV	\$1,347.00
Cyber/Privacy Liability*	Houston Casualty/NAS	A XV	\$8,893.38
Public Officials and Employment Liability	Chubb	A++ XV	\$26,408.00
Workers Compensation	SFM	Not rated	\$2,699.00
Terrorism Liability	Lloyds of London/Miller Syndicate	A XV	\$41,576.64
CBIZ annual fee = \$30,000. Certain premiums included commissions of \$20,571.84, and this has been netted out of CBIZ's fee.	Broker fee		\$9,428.16
		Total	\$295,421.18

Recommended Motion: The MSFA approves the 2020-2021 Casualty Insurance Report. The property insurance program will be presented at a future board meeting.