



February 14, 2017

Minnesota Sports Facilities Authority
Members & Executive Director
1005 4th Street South
Minneapolis, MN 55415

via electronic delivery

Members of the Authority and Executive Director Mondale:

The release last week of the Office of Legislative Auditor's (OLA) report on the Minnesota Sports Facilities Authority's (MSFA) use of luxury suites at the US Bank Stadium makes clear the need for more transparency and accountability. Yet knowing the full extent of the MSFA's abuse of that privilege only raises more questions. Specifically, it is troubling that just two people – Chair Kelm-Helgen and Executive Director Mondale – had carte blanche authority to enter into million dollar public contracts with little or no oversight.

According to MSFA records, the authority has a standing policy that any contract amendment less than \$250,000 could be approved without authorization from the full authority. However, from at least May through October 2016, Ms. Kelm-Helgen and Mr. Mondale were permitted to enter into contracts and contract amendments up to \$2,000,000 in total without full board approval. From October through November 2016, the same officers were given authority to enter into contracts up to \$1,000,000 in total without full board approval.

This power began in limited form by permitting Ms. Kelm-Helgen and Mr. Mondale to negotiate and execute contract amendments with Mortenson Company and other construction contractors, but evolved into broad authority to enter into apparently almost any contract under \$2,000,000. The reason most commonly cited in authority minutes for this shortcut was "to help close out the Stadium project in an efficient manner."

The ability to delegate contracting authority in this manner is, at best, unclear. Relevant sections of law authorize the authority, as established in Minn. Stat. 473J.07 to enter into contracts for various purposes. No ability to delegate high dollar or any contracts is provided. In fact, the full authority routinely discussed and approved other contracts and amendments of low and high value during this period. Authority members have an obligation to understand, vet and oversee any contract entered into by the authority and any money spent by the authority. Members cannot do that if they have little or no knowledge of high dollar contracts negotiated and approved by just two people.

In addition to the questionable delegation of contracting authority, it is concerning that the MSFA has entered into two \$200,000 per year contracts with Tunheim Partners for "advisory services" concentrated on communications support. A significant part of Ms. Kelm-Helgen's defense of her highly salaried position is that she is responsible for authority communications. The outline of responsibilities for the MSFA Chair indicate that public and intergovernmental relations are the main

duties. To supplement Ms. Kelm-Helgen's role, the authority employs a full-time communications director.

MSFA minutes from September 18, 2015 indicate the authority broke from the Minnesota Sports Facilities Commission's practice of "paying for [Tunheim's] services with purchase orders" to enter into an ongoing professional services contract. Given the in-house services available, the need for an outside communication firm's services on anything other than a per-project basis appears extravagant. In fact, the only documentation of Tunheim's work - a communication plan for the stadium's ribbon cutting and grand opening - indicate that a per-project contract for strategic communications is more appropriate.

That principals and employees of Tunheim Partners have donated thousands of dollars to DFL candidates makes the contract appear even more questionable. Given the MSFA Director of Communications previously served in the same position for Mr. Mondale's gubernatorial bid, it is nothing if not consistent that the MSFA would provide a large contract to a firm with a long history of donating to and being on the payroll of Governor Dayton. The MSFA's system of patronage appears to come with a sign: only Democrats need apply.

The critical ethical and legal issues raised by the OLA and delegated contracting authority underscore the dire need for reform. Minnesotans are tired of their money being used to pad the pockets of and pay perks to political allies and bureaucrats who should be focused on public service.

At your earliest convenience, please provide a list of all contracts entered into by Ms. Kelm-Helgen and Mr. Mondale under the above referenced delegated authority, a complete copy of Tunheim Partners' contracts with the authority, and any Tunheim Partners' work product delivered under the professional services contract(s). In addition, we would appreciate clarification on the legal basis for delegating the ability to negotiate and approve high value contracts to the authority chair and its executive director, rather than obtaining approval from the full authority.

We look forward to working together to ensure that the authority's ethical lapses do not repeat themselves.

Sincerely,



Representative Kelly Fenton
Assistant Majority Leader
District 53B - Woodbury



Representative Sarah Anderson
Chair, State Government Finance Committee
District 44A - Plymouth