



December 18, 2015

**MEMORANDUM**

TO: MSFA Commissioners

FROM: Ted Mondale/Mary Fox-Stroman

SUBJECT: 2016 Budget

Attached is the 2016 Budget for the Minnesota Sports Facilities Authority for the period from January 1, 2016 through December 31, 2016. Highlights of the 2016 budget and a budget summary are included. This budget includes the operating account and the capital reserve account.

**Recommendation:** *The MSFA approves and adopts the Year 2016 Budget.*

# **MINNESOTA SPORTS FACILITIES AUTHORITY**

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## **2016 BUDGET**

## MINNESOTA SPORTS FACILITIES AUTHORITY

# 2016 OPERATING BUDGET

## SUMMARY

### Highlights of the 2016 Budget

For fiscal year 2016 the Minnesota Sports Facilities Authority will have an operating account and a capital reserve account. Highlights of each account are discussed below.

### Operating Account

#### Revenues

The operating account revenue budget for 2016 consists of seven revenue sources: State of Minnesota operating payment of \$6.0 million, Minnesota Vikings Use fee-operating payment of \$5.4 million, SMG operating revenue and marketing fund payment of \$3.6 million, Taxes-State of Minnesota revenue of \$1.4 million, Contribution from the project for reimbursement of FF&E deposits of \$800,000, commemorative brick fundraising revenues of \$1.6 million, and investment earnings of \$40,000, for a combined total of \$18,827,785.

#### Expenses

The operating account total expense budget for 2016 is \$12,443,647 and includes personal services, professional services, audio-visual costs, travel and meetings, supplies, rent, insurance, communication, contractual commitments related to the stadium, miscellaneous costs, stadium project expenses, stadium management operator pre-opening expenses and commemorative brick fundraising expenses. The personal services budget of \$1.1 million includes salaries and benefits for employees. Professional services budget of \$1.9 million includes consulting services, legal and legislative representation services, and audit expenses. Rent budget of \$125,000 includes costs related to Authority offices, parking at the 511 building and moving expenses. Operating expenses also include contractual commitments related to the stadium and stadium project related costs of \$5.8 million, stadium management operator pre-opening expenses of \$2.3 million, and commemorative brick fundraising expenses of \$850,000.

### Account Balance

Budgeted net income for the operating account is \$6,384,138 and the operating account ending account balance is \$9,733,500.

**Capital Reserve Account****Revenues**

The capital reserve account revenue budget for 2016 consists of two revenue sources: State of Minnesota capital cost payment of \$1.5 million and the Minnesota Vikings capital cost payment of \$1.5 million, for a combined total of \$3.0 million.

**Account Balance**

Budgeted net income for the capital reserve account is \$3.0 million, therefore the capital reserve account ending account balance is \$3.0 million.

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**YEAR 2016 BUDGET**  
**January 1, 2016 through December 31, 2016**

	<u><b>Budget 2016</b></u>
<b>Operating Account</b>	
<b>Revenues:</b>	
State of Minnesota operating payment	\$ 6,000,000
Minnesota Vikings Use fee - Operating payment	\$ 5,464,285
SMG Operating Revenue and Marketing fund payment	\$ 3,562,500
Taxes - State of Minnesota	\$ 1,361,000
Contribution from project for FF&E deposits	\$ 800,000
Commemorative Brick fundraising revenues	\$ 1,600,000
Investment earnings	\$ 40,000
Total revenues	<u>\$ 18,827,785</u>
<b>Expenses:</b>	
Personal services	\$ 1,083,000
Professional services	\$ 1,934,625
Audio-visual maintenance costs	\$ 7,000
Travel and meetings	\$ 16,000
Supplies, repairs and maintenance	\$ 67,200
Rent	\$ 125,000
Insurance	\$ 84,000
Communication	\$ 33,000
Marketing	\$ 31,250
Contractual commitments related to stadium	\$ 889,667
Miscellaneous	\$ 144,500
Stadium project expenses	\$ 3,934,030
Stadium project expense for Super Bowl seats	\$ 162,968
Stadium project expense for FF&E deposits	\$ 800,000
Stadium mangement operator - SMG pre-opening expenses	\$ 2,281,407
Commemorative Brick fundraising expenses	\$ 850,000
Total expenses	<u>\$ 12,443,647</u>
Net Income/(loss)	<u>\$ 6,384,138</u>
 Beginning Operating Account Balance	 \$ 3,349,362
 <b>Ending Operating Account Balance</b>	 <u><u>\$ 9,733,500</u></u>
<b>Capital Reserve Account</b>	
<b>Revenues:</b>	
Minnesota Vikings Capital Cost payment	\$ 1,500,000
State of Minnesota Capital payment	\$ 1,500,000
Total revenues	<u>\$ 3,000,000</u>
Net Income/(loss)	<u>\$ 3,000,000</u>
 Beginning Capital Reserve Account Balance	 \$ -
 <b>Ending Capital Reserve Account Balance</b>	 <u><u>\$ 3,000,000</u></u>
<b>Combined Reserve Account Balances</b>	<u><u>\$ 12,733,500</u></u>