



December 16, 2016

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale/Mary Fox-Stroman

SUBJECT: 2017 Budget

Attached is the 2017 Budget for the Minnesota Sports Facilities Authority for the period from January 1, 2017 through December 31, 2017. Highlights of the 2017 budget and a budget summary are included. This budget includes the operating account, the capital reserve account, and the concession capital reserve account.

Recommendation: *The Authority approves and adopts the Year 2017 Budgets.*

MINNESOTA SPORTS FACILITIES AUTHORITY

2017 BUDGET

SUMMARY

Highlights of the 2017 Budget

For fiscal year 2017 the Minnesota Sports Facilities Authority will have an operating account, a capital reserve account, and a concession reserve account. Highlights of each account are discussed below.

Operating Account

Revenues

The operating account revenue budget for 2017 consists of four revenue sources: State of Minnesota operating payment of \$6,120,000, Minnesota Vikings Use fee-operating payment of \$8,755,000, operating revenue-SMG of \$15,747,564 and miscellaneous revenues of \$372,750, for total revenues of \$30,995,314.

Expenses

The operating account total expense budget for 2017 is \$27,779,238 and includes personal services of \$931,000, professional services of \$1,568,960, audio-visual costs of \$6,000, travel and meetings of \$16,000, supplies/repairs/maintenance/network administration costs of \$187,000, rent/stadium contractual commitments/lease costs of \$933,114, insurance of \$217,000, communication of \$7,800, miscellaneous and marketing costs of \$114,800, event cabin license fee of \$300,000, and stadium operating expenses-SMG and SMG fee of \$23,497,564. The personal services budget includes salaries and benefits for employees. Professional services budget includes consulting services, legal and legislative representation services, and audit expenses. The rent, stadium contractual commitment and leases includes costs related to leases of the 1010 Metrodome Square building and leasing parking spaces at the Hennepin County Medical Center, and leasing parking spaces at the Mills Fleet Farm Parking Ramp.

Nonoperating revenues/(expenses) includes taxes from the State of Minnesota of \$1,686,000, and commemorative brick revenues of \$1,866,000 and commemorative brick expenses of \$1,213,246, for a total net operating revenues of \$2,340,754.

Account Balance

Budgeted change in account balance for the operating account is \$5,556,830, and then there is a budgeted transfer to capital reserve fund of \$2,000,000. The budgeted operating account ending account balance is \$11,510,186.

Capital Reserve Account

The capital reserve account revenue budget for 2017 consists of two revenue sources: State of Minnesota capital cost payment of \$1,545,000 and the Minnesota Vikings capital cost payment of \$1,545,000, for a combined total of \$3,090,000. Budgeted expenses for 2017 are \$3,673,000, budgeted transfer from the operating account is \$2,000,000, and the budgeted ending account balance is \$4,067,292.

Concession Capital Reserve Account

The concession capital reserve account revenue budget for 2017 consists of \$650,000 from the Aramark catering and concessions operation. Budgeted expenses for 2017 are \$661,293 and the budgeted ending account balance is \$636,078.

MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2017 BUDGET
January 1, 2017 through December 31, 2017

	<u>Budget 2017</u>
<u>Operating Account</u>	
Revenues:	
Stadium operating payments	
State of Minnesota operating payment	\$ 6,120,000
Minnesota Vikings operating payment	\$ 8,755,000
Stadium operating revenue-SMG	\$ 15,747,564
Miscellaneous revenues	\$ 372,750
Total revenues	<u>\$ 30,995,314</u>
 Expenses:	
Personal services	\$ 931,000
Professional services	\$ 1,568,960
Audio-visual costs	\$ 6,000
Travel and meetings	\$ 16,000
Supplies, repairs and maintenance and network administration	\$ 187,000
Rent, stadium contractual commitments and leases	\$ 933,114
Insurance	\$ 217,000
Communication	\$ 7,800
Miscellaneous and marketing	\$ 114,800
Event cabin use fee	\$ 300,000
Stadium operating expenses-SMG and SMG fee	\$ 23,497,564
Total expenses	<u>\$ 27,779,238</u>
Net Income/(loss)	<u>\$ 3,216,076</u>
 Nonoperating revenues/(expenses):	
Investment earnings	\$ 2,000
Taxes-State of Minnesota	\$ 1,686,000
Commemorative brick fundraising:	
Revenues	\$ 1,866,000
Expenses	\$ (1,213,246)
Total nonoperating revenues/(expenses)	<u>\$ 2,340,754</u>
 Change in Account Balance	 \$ 5,556,830
 Transfers:	
Transfer to Capital Reserve fund	\$ (2,000,000)
 Beginning Operating Account Balance	 \$ 7,953,356
 Ending Operating Account Balance	 <u><u>\$ 11,510,186</u></u>

Capital Reserve Account

Revenues:

Minnesota Vikings Capital Cost payment	\$	1,545,000
State of Minnesota Capital payment	\$	1,545,000
Total revenues	\$	<u>3,090,000</u>

Capital expenses	\$	3,673,000
Net Income/(loss)	\$	<u>(583,000)</u>

Transfer

Transfer from Operating Account	\$	2,000,000
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Beginning Capital Reserve Account Balance	\$	2,650,292
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Ending Capital Reserve Account Balance	\$	<u><u>4,067,292</u></u>
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Concession Capital Reserve Account

Revenues:

Concession Capital Reserve payment	\$	650,000
Total revenues	\$	<u>650,000</u>

Expenses	\$	<u>661,293</u>
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Net Income/(loss)	\$	<u>(11,293)</u>
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Beginning Concession Capital Reserve Account Balance	\$	647,371
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Ending Concession Capital Reserve Account Balance	\$	<u><u>636,078</u></u>
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