



December 19, 2014

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale/Mary Fox-Stroman

SUBJECT: 2015 Operating Budget

Attached is the 2015 Operating Budget for the Minnesota Sports Facilities Authority for the period from January 1, 2015 through December 31, 2015. Highlights of the 2015 budget and a budget summary are included.

Recommendation: *The Authority approves and adopts the Year 2015 Operating Budget.*

MINNESOTA SPORTS FACILITIES AUTHORITY

511 Eleventh Avenue South, Suite 401

Minneapolis, Minnesota 55415

www.msfa.com



2015 OPERATING BUDGET

MINNESOTA SPORTS FACILITIES AUTHORITY

2015 OPERATING BUDGET

SUMMARY

Highlights of the 2015 Budget

Revenues

The operating revenue budget for 2015 consists of two revenue sources: Downtown East Parking Ramp of \$308,000 and an allocation from the stadium project for operations for \$2,000,000, for a combined total of \$2,308,000.

The stadium project budget allocated \$4,500,000 to the Authority to fund operating and/or capital needs of the Authority. This was initially included in the 2014 budget, however it has been determined that this funding should be delayed and that \$2,000,000 should be allocated to the 2015 budget and \$2,500,000 should be allocated to the 2016 budget.

Expenses

The operating expense budget for 2015 is \$5,065,977 and includes personal services, professional services, audio-visual costs, travel and meetings, supplies, rent, insurance, communication, and miscellaneous costs. The personal services budget of \$1,531,000 includes salaries and benefits for 12 full-time positions. Professional services includes consulting services of \$375,000, legal and legislative representation services of \$358,000 and other expenses of \$80,000. Rent expense includes costs related to Authority offices and parking at the 511 building. Operating expenses also include costs for operating the Downtown East Parking Ramp of \$277,000 and pre-opening stadium management operator costs of \$1,637,477.

Non-Operating revenues include investment earnings of \$50,000 and taxes from the State of Minnesota of \$800,000. Non-operating expenses include stadium project expenses of \$1,473,433.

Account Balances

Ending account balance is proposed to decrease by \$3,381,410, from \$9,460,186 to \$6,078,776.

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2015 BUDGET SUMMARY**

	<u>Budget 2015</u>
Revenues	
Operating Revenues:	
Parking	\$ 308,000
Allocation from stadium project	\$ 2,000,000
Total operating revenues	<u>\$ 2,308,000</u>
Expenses	
Operating expenses:	
Personal services	\$ 1,531,000
Professional services	\$ 813,000
Audio-visual maintenance costs	\$ 12,000
Travel and meetings	\$ 30,000
Supplies, repairs and maintenance	\$ 191,000
Rent	\$ 342,000
Insurance	\$ 119,000
Communication	\$ 50,000
Miscellaneous	\$ 63,500
Parking operations - DTE Ramp	\$ 277,000
Stadium mangement operator - SMG	\$ 1,637,477
Subtotal operating expenses	<u>\$ 5,065,977</u>
Operating income/(loss)	\$ (2,757,977)
Non-Operating revenues/(expenses)	
Investment earnings	\$ 50,000
Taxes-State of Minnesota	\$ 800,000
Stadium project expenses	\$ (1,473,433)
Total non-operating revenues/(expenses)	<u>\$ (623,433)</u>
Change in Account Balances	\$ (3,381,410)
Beginning Account Balances	\$ 9,460,186
Ending Account Balances	<u><u>\$ 6,078,776</u></u>

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2015 BUDGET SUMMARY**

	Budget 2014	Actual 01/1/14-09/30/14	Projection 01/01/14-12/31/14	Budget 2015
Revenues				
Operating Revenues:				
Charges for services	\$ -	\$ 23,367.00	\$ 10,700.00	\$ -
Parking - DTE Ramp and McClellan Block 1	\$ -	\$ 291,105.00	\$ 125,993.00	\$ 308,000.00
Miscellaneous revenues	\$ -	\$ 581,241.00	\$ 581,161.00	\$ -
Allocation from stadium project	\$ 4,500,000.00	\$ -	\$ -	\$ 2,000,000.00
Total operating revenues	<u>\$ 4,500,000.00</u>	<u>\$ 895,713.00</u>	<u>\$ 717,854.00</u>	<u>\$ 2,308,000.00</u>
Expenses				
Operating expenses:				
Concession costs	\$ 239,000.00	\$ 220,650.00	\$ 220,650.00	\$ -
Personal services	\$ 2,193,505.00	\$ 1,563,398.00	\$ 2,185,158.00	\$ 1,531,000.00
Professional services	\$ 905,000.00	\$ 1,334,927.00	\$ 674,237.00	\$ 813,000.00
Contractual building services	\$ 106,000.00	\$ 68,521.00	\$ 68,521.00	\$ -
Audio-visual maintenance costs	\$ 16,000.00	\$ 10,458.00	\$ 12,000.00	\$ 12,000.00
Travel and meetings	\$ 30,000.00	\$ 5,506.00	\$ 15,000.00	\$ 30,000.00
Supplies, repairs and maintenance	\$ 180,500.00	\$ 152,437.00	\$ 174,780.00	\$ 191,000.00
Utilities	\$ 367,000.00	\$ 96,842.00	\$ 96,842.00	\$ -
Rent	\$ 130,000.00	\$ 134,919.00	\$ 160,000.00	\$ 342,000.00
Insurance	\$ 111,000.00	\$ 117,061.00	\$ 117,061.00	\$ 119,000.00
Communication	\$ 44,000.00	\$ 42,139.00	\$ 48,000.00	\$ 50,000.00
Miscellaneous	\$ 65,000.00	\$ 104,013.00	\$ 125,291.00	\$ 63,500.00
Parking operations - DTE Ramp and McClellan Block 1	\$ -	\$ 564,003.00	\$ 625,948.00	\$ 277,000.00
Stadium management operator - SMG	\$ -	\$ -	\$ 193,457.00	\$ 1,637,477.00
Subtotal operating expenses	<u>\$ 4,387,005.00</u>	<u>\$ 4,414,874.00</u>	<u>\$ 4,716,945.00</u>	<u>\$ 5,065,977.00</u>
Operating income/(loss)	\$ 112,995.00	\$ (3,519,161.00)	\$ (3,999,091.00)	\$ (2,757,977.00)
Non-Operating revenues/(expenses)				
Investment earnings	\$ 200,000.00	\$ 15,233.00	\$ 20,000.00	\$ 50,000.00
Taxes-State of MN	\$ -	\$ -	\$ 800,000.00	\$ 800,000.00
Other contributions from stadium project	\$ 1,015,095.00	\$ -	\$ -	\$ -
Stadium project expenses	\$ (1,015,095.00)	\$ (361,324.00)	\$ -	\$ (1,473,433.00)
Repairs, replacement and improvements	\$ -	\$ -	\$ -	\$ -
Concession reserve	\$ -	\$ (571.00)	\$ (571.00)	\$ -
Total non-operating revenues/(expenses)	<u>\$ 200,000.00</u>	<u>\$ (346,662.00)</u>	<u>\$ 819,429.00</u>	<u>\$ (623,433.00)</u>
Change in Account Balances	\$ 312,995.00	\$ (3,865,823.00)	\$ (3,179,662.00)	\$ (3,381,410.00)
Beginning Account Balances	\$ 12,639,848.00	\$ 12,639,848.00	\$ 12,639,848.00	\$ 9,460,186.00
Ending Account Balances	<u><u>\$ 12,952,843.00</u></u>	<u><u>\$ 8,774,025.00</u></u>	<u><u>\$ 9,460,186.00</u></u>	<u><u>\$ 6,078,776.00</u></u>