MINNESOTA
SPORTS FACILITIES
AUTHORITY

Minnesota Sports Facilities Authority
1005 4th Street South, Minneapolis, MN 55415

MEMORANDUM

TO: MSFA Commissioners

FROM: Mary Fox-Stroman

DATE: June 13, 2023

SUBJECT: 2024-2025 Operating and Capital Budget

The 2024-2025 Operating and Capital Budget for the fiscal period from July 1, 2024 through June 30, 2025 is attached. This budget includes the Operating account, Capital Reserve account, and the Concession Capital Reserve account. A narrative that discusses the budgeted revenues, expenses, and transfers for each account, a capital projects list, and a concession capital projects list are also included in this budget document.

Recommended Motion:

The Minnesota Sports Facilities Authority adopts the attached 2024-2025 Operating and Capital Budget for the fiscal period July 1, 2024 through June 30, 2025 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 Reserve Project budget.

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2024 – 2025

OPERATING AND CAPITAL BUDGETS

July 1, 2024 – June 30, 2025

MINNESOTA
SPORTS FACILITIES
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Minnesota Sports Facilities Authority
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2024-2025 OPERATING AND CAPITAL BUDGET

U.S. Bank Stadium will begin its ninth year of operations on July 1, 2024. Attached is the Fiscal Year 2024-2025 Operating and Capital Budget for the period from July 1, 2024 through June 30, 2025. 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

Operating Revenues
Budgeted revenues for the operating account consist of the following revenue sources:

State of Minnesota/City of Minneapolis operating revenues	$ 7,810,658
Minnesota Vikings operating revenues	$10,767,546
Stadium operating revenues-ASM Global	$30,407,310
Miscellaneous revenues	$ 64,200
Total Operating Revenues	$49,049,714

Operating Expenses
Budgeted expenses for the operating account include:

Personal services	$ 955,199
Professional services	$ 1,388,815
Supplies and network support costs	$ 139,043
Stadium contractual commitments	$ 828,890
Insurance	$ 466,553
Miscellaneous expense	$ 877,584
Stadium operating expenses-ASM Global	$40,825,085
Total Operating Expenses	$45,481,169

Personal Services
The personal services budget includes the Chair's salary and the salaries and benefits for the full-time MSFA employees. Employee benefits include health insurance, dental insurance, long-term disability insurance, life insurance, and retirement benefits from Minnesota State Retirement System. Worker's compensation insurance is also included in this category.

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

- Auditing Services
- Communication and Public Relations Services
- Document Management Consulting
- Financial Consulting
- Human Resources Consulting
- Legal services and Legislative Representation
- Various Other Consulting Services

Stadium Contractual Commitments
The stadium's contractual commitments and leases include costs related to securing parking as required in the Stadium Act and the Stadium Use Agreement. The MSFA also has a long-term lease with Hennepin County for use of their space for the U.S. Bank Stadium Plaza area.

Insurance
Insurance includes commercial general liability, excess liability, automobile and garage keepers' liability, public entity management liability, crime insurance, network security and privacy liability (cyber), and terrorism insurance.

Miscellaneous
Miscellaneous expenses include a variety of expenses: travel, meetings expenses, training expenses, postage expenses, MSFA board member expenses, license and inspection fees, bank fees, and expense contingency for unknown future expenses.

Nonoperating Revenues
Nonoperating revenues include the following:

Revenues - Investment income	$ 1,000,000

Transfer
Budgeted transfers include a transfer to the Capital Reserve account of $10,000,000 to fund various capital projects for improvements and/or upgrades to U.S. Bank Stadium.

Transfer to the Capital Reserve account	($ 10,000,000)

Account Balance

Beginning Operating account balance	$31,160,858
Change in account balance	($5,431,455)
Ending Operating account balance	**$25,729,403**

CAPITAL RESERVE ACCOUNT

Capital Reserve Revenues
The capital reserve account has the following budgeted revenues:

Minnesota Vikings capital cost payment	$1,957,160
State of Minnesota/City of Minneapolis capital payment	$1,952,665
State of Minnesota/City of Minneapolis excess sales tax	$2,279,267
Total Capital Reserve Revenues	$6,189,092

- Per the terms of the Stadium Use Agreement between the MSFA and the Minnesota Vikings Football Stadium, LLC, the Minnesota Vikings were required to contribute $1,500,000 to the MSFA beginning in 2016, and this amount increases annually by 3%.
- Per Minnesota Statute, 473J.12, subd.4 the State of Minnesota /City of Minneapolis were required to contribute $1,500,000 to the MSFA beginning in 2016, and this amount increases annually by an adjustment factor.
- Per the 2023 Tax Bill, the MSFA must use the City of Minneapolis excess sales tax revenues for capital repairs, replacements, and improvements for the stadium or stadium infrastructure, and this revenue is included in the capital reserve account budget.

Capital Reserve Expenses
The 2023-2024 capital reserve account budget included projects that will not be completed by year-end. Therefore, the budget for capital project commitments of $12,271,413 at June 30, 2024 needs to be rolled forward, and this includes the roll forward amount for the Secured Perimeter Project – Phase I of $3,449,456. In addition, the 2024-2025 budget has a capital plan of $10,469,195 for new capital projects.

Following this narrative is a list of the capital projects.

Capital Budget Roll Forward	$12,271,413
New Capital Reserve Projects	$10,469,195
Total Capital Reserve Expenses	$22,740,608

Transfer

Transfer from the Operating account	$10,000,000

Account Balance

Beginning Capital Reserve account balance	$38,945,647
Change in account balance	($6,551,516)
Ending Capital Reserve account balance	**$32,394,131**

CONCESSION CAPITAL RESERVE ACCOUNT

Concession Capital Reserve Revenues
Aramark Sports and Entertainment provides catering and concession services at U.S. Bank Stadium, and Aramark is obligated to pay 2.5% of gross sales to the MSFA on a monthly basis for deposit into the concession capital reserve account. These funds are designated for concession related capital projects as described below.

Concession Capital Reserve Revenues	$ 800,000

Concession Capital Reserve Expenses
The 2023-2024 concession capital reserve account budget included the Point of Sale (POS) project that will be not completed by year-end. Therefore, the budget for the POS commitments of $1,365,613 at June 30, 2024 needs to be rolled forward. In addition, the 2024-2025 budget has a concession capital reserve plan of $1,080,000 for new concession capital projects.

Following this narrative is a list of the concession capital projects.

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Concession Capital Budget Roll Forward	$1,365,613
New Concession Capital Reserve Projects	$1,080,000
Total Concession Capital Reserve Expenses	$2,445,613

Account Balance

Beginning Concession Capital Reserve account balance	$2,569,409
Change in account balance	($1,645,613)
Ending Concession Capital Reserve account balance	**$923,796**

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 project budgets in the capital reserve and concession capital reserve account.

MINNESOTA SPORTS FACILITIES AUTHORITY

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YEAR 2024-2025 BUDGET
Operating Account, Capital Reserve Account, Concession Capital Reserve Account
July 1, 2024 to June 30, 2025

Operating Account	Original Budget 2023-2024	Amended Budget 2023-2024	Projection 7/1/23-6/30/24	Recommended Budget 2024 -2025
Revenues:				
Stadium operating payments				
State of Minnesota/City of Minneapolis operating payment	$ 7,362,000	$ 7,362,000	$ 7,649,925	$ 7,810,658
Minnesota Vikings operating payment	$ 10,453,928	$ 10,453,928	$ 10,453,928	$ 10,767,546
Stadium operating revenue-ASM Global	$ 31,058,892	$ 31,058,892	$ 31,058,892	$ 30,407,310
Miscellaneous revenues	$ 64,200	$ 64,200	$ 88,300	$ 64,200
Total operating revenues	$ 48,939,020	$ 48,939,020	$ 49,251,045	$ 49,049,714
Expenses:				
Personal services	$ 855,180	$ 855,180	$ 512,041	$ 955,199
Professional services	$ 1,341,154	$ 1,341,154	$ 1,033,273	$ 1,388,815
Supplies and network support	$ 131,453	$ 131,453	$ 198,843	$ 139,043
Stadium contractual commitments	$ 836,888	$ 836,888	$ 834,299	$ 828,890
Insurance	$ 421,532	$ 421,532	$ 466,553	$ 466,553
Miscellaneous	$ 660,436	$ 660,436	$ 241,479	$ 877,584
Stadium operating expenses-ASM Global	$ 40,705,637	$ 40,705,637	$ 40,705,637	$ 40,825,085
Total operating expenses	$ 44,952,280	$ 44,952,280	$ 43,992,125	$ 45,481,169
Operating income/(loss)	$ 3,986,740	$ 3,986,740	$ 5,258,920	$ 3,568,545
Nonoperating Revenues/(Expenses):				
Revenues-Investment earnings	$ 1,080,000	$ 1,080,000	$ 2,410,697	$ 1,000,000
	$ -	$ -		$ -
Total nonoperating revenues/(expenses)	$ 1,080,000	$ 1,080,000	$ 2,410,697	$ 1,000,000
Net Income/(loss) before transfers	$ 5,066,740	$ 5,066,740	$ 7,669,617	$ 4,568,545
Transfers:				
Transfer to Capital Reserve fund	$ (7,000,000)	$ (7,000,000)	$ (7,000,000)	$ (10,000,000)
Change in Account Balance	$ (1,933,260)	$ (1,933,260)	$ 669,617	$ (5,431,455)
Beginning Operating Account Balance	$ 30,491,241	$ 30,491,241	$ 30,491,241	$ 31,160,858
Ending Operating Account Balance	**$ 28,557,981**	**$ 28,557,981**	**$ 31,160,858**	**$ 25,729,403**

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YEAR 2024-2025 BUDGET
Operating Account, Capital Reserve Account, Concession Capital Reserve Account
July 1, 2024 to June 30, 2025

Capital Reserve Account	Original Budget 2023-2024	Amended Budget 2023-2024	Projection 7/1/23-6/30/24	Recommended Budget 2024 -2025
Revenues:				
Minnesota Vikings Capital Cost payment	$ 1,900,155	$ 1,900,155	$ 1,900,155	$ 1,957,160
State of Minnesota/City of Minneapolis Capital payment	$ 1,841,000	$ 1,841,000	$ 1,912,481	$ 1,952,665
State of Minnesota/City of Minneapolis Sales tax	$ 1,755,548	$ 1,755,548	$ 2,232,363	$ 2,279,267
Total revenues	$ 5,496,703	$ 5,496,703	$ 6,044,999	$ 6,189,092
Capital Expenses:	$ 25,710,411	$ 33,510,411	$ 17,166,929	$ 22,740,608
Net Income/(loss) before transfers	$ (20,213,708)	$ (28,013,708)	$ (11,121,930)	$ (16,551,516)
Transfers:				
Transfer from Operating Account	$ 7,000,000	$ 7,000,000	$ 7,000,000	$ 10,000,000
Total transfers	$ 7,000,000	$ 7,000,000	$ 7,000,000	$ 10,000,000
Change in Account Balance	$ (13,213,708)	$ (21,013,708)	$ (4,121,930)	$ (6,551,516)
Beginning Capital Reserve Account Balance	$ 43,067,577	$ 43,067,577	$ 43,067,577	$ 38,945,647
Ending Capital Reserve Account Balance	**$ 29,853,869**	**$ 22,053,869**	**$ 38,945,647**	**$ 32,394,131**
Concession Capital Reserve Account				
Revenues:				
Concession Capital Reserve payment	$ 800,000	$ 800,000	$ 883,630	$ 800,000
Total revenues	$ 800,000	$ 800,000	$ 883,630	$ 800,000
Concession Capital Expenses:	$ 655,674	$ 1,718,514	$ 100,602	$ 2,445,613
Net Income/(loss) before transfers	$ 144,326	$ (918,514)	$ 783,028	$ (1,645,613)
Change in Account Balance	$ 144,326	$ (918,514)	$ 783,028	$ (1,645,613)
Beginning Concession Capital Reserve Account Balance	$ 1,786,381	$ 1,786,381	$ 1,786,381	$ 2,569,409
Ending Concession Capital Reserve Account Balance	**$ 1,930,707**	**$ 867,867**	**$ 2,569,409**	**$ 923,796**

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Budget 2024-2025
July 1, 2024 - June 30, 2025
2024-2025 Capital Reserve Projects List - Capital Reserve Account

Item	Project Name	Budget	Project Description
CAPITAL RESERVE BUDGET ROLL FORWARD:			
	Major Projects:		
	Secure Perimeter - Phase I	$ 3,449,456	
	Secure Perimeter - Phase II	$ 136,822	
	Other Projects:		
	Consulting services for Synthetic Turf Replacement Project	$ 13,241	
	Synthetic Turf Replacement Project	$ 588,295	
	Architectural services for SOC remodel project	$ 27,400	
	Consulting services for Wi-Fi System Replacement Project	$ 37,018	
	Wi-Fi System Replacement Project	$ 7,627,130	
	Plaza and Seven Seas Monument Repair Project	$ 167,221	
	Suite Furniture (stools) Replacement Project	$ 122,470	
	Signage Project	$ 36,880	
	Electrical Architectural Fixture Replacement Project	$ 65,480	
	Subtotal Roll Forward	**$ 12,271,413**	
CAPITAL RESERVE PROJECTS:			
Item 1 - Secured Perimeter Project - Phase II			
1.01	Design Development Services	$ 1,800,000	Architectural Design Services
1.02	Consulting Services	$ 300,000	Owner's Representative and Other Services
Item 2 - Security			
2.01	Fob Card Readers	$ 20,000	Additional FOB card readers for site access
2.02	JOC/SOC Renovation	$ 450,000	Remodel JOC/SOC
2.03	NFL/Vikings Credential Scanners	$ 66,000	NFL credential system
Item 3 - Technology			
3.01	Lumen Firewall	$ 146,000	Lumen Firewall Lease Payment
3.02	Server Replacement	$ 550,000	Replace Server Infrastrucure
3.03	Board Room Technology Updates	$ 150,000	Replace Board Room Presentation Technology
Item 4 - Production and Audio Visual			
4.01	Display Monitors	$ 100,000	Replace Display Monitors
4.02	Evertz Magnum Server Replacement	$ 65,000	Replace Routing Equipment
4.03	Audio Monitor Replacement	$ 50,000	Equipment Replacement
4.04	Instant Replay System Replacement	$ 1,200,000	Equipment Replacement
4.05	Video Wall Monitor Replacement	$ 300,000	Replace Monitors
4.06	Wireless Intercom System Replacement	$ 500,000	Upgrade System to DECT Based System
4.07	Wireless Cameras	$ 325,000	Replace/Upgrade Wireless Camera System
4.08	Club Projector Upgrades	$ 2,000,000	Replace Projectors/Install video walls
4.09	West Video Board Sound Curtain	$ 200,000	Sound Cover for West Video Board
4.1	Consultant Design Services	$ 100,000	Conversion Broadcast System from SDI to Network Based System
Item 5 - Electrical			
5.01	Douglas Lighting Upgrade	$ 700,000	Replace Douglas Lighting System
Item 6 - Mechanical			
6.01	Storm Water Meters	$ 35,000	Replace Storm Water Meters
Item 8 - General Building			
8.01	Baseball Wenches	$ 50,000	Wenches for Backstop Netting
8.02	Bowl Exhaust Platform Project	$ 328,765	Bowl Exhaust Platform Access
8.03	Legacy Door Actuators	$ 35,000	Replace Locking Pin Actuators
8.04	West Event Level Project	$ 39,600	West Event Level Project
Item 9 - Site			
9.01	Exterior Grates	$ 25,000	Replace Grates
Item 12 -Specialty Items and Systems			
12.01	Air Ionization System	$ 213,830	Atmos Air/Biostar Lease Payments
12.02	Bike Rack	$ 25,000	Additional Bike Racks

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Budget 2024-2025
July 1, 2024 - June 30, 2025
2024-2025 Capital Reserve Projects List - Capital Reserve Account

Item	Project Name	Budget	Project Description
Item 13 - Equipment			
13.01	Cleaning Services Equipment	$ 125,000	Additional Cleaning Services Equipment
13.02	Lift	$ 20,000	Additional Lift
13.03	Turf Sweeper	$ 50,000	Laymor sweeper for Turf Maintenance
Item 15 - Emergency Capital Repairs and Unspecified Projects			
15.01	Emergency Capital Repairs and Unspecified Projects	$ 500,000	Contingency for Emergency Expenses and Unspecified Projects
	Total New Capital Reserve Projects	**$ 10,469,195**	
	GRAND TOTAL CAPITAL RESERVE PROJECTS	**$ 22,740,608**	

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Budget 2024-2025
July 1, 2024 - June 30, 2025
2024-2025 Concession Capital Reserve Projects List -Concession Capital Reserve Account

Item	Project Name	Budget	Project Description
CONCESSION CAPITAL RESERVE PROJECTS:			
CAPITAL RESERVE BUDGET ROLL FORWARD:			
	Major Projects:		
	Point of Sale (POS) System Project	$ 1,365,613	
C.01	Equipment Replacement	$ 250,000	Replace Equipment
C.02	Digital Headers	$ 350,000	Digital Headers for Flexible Concession Stands
C.03	Portable Condiment Carts	$ 100,000	Replacement of Condiment Carts
C.04	Vehicle Purchase	$ 75,000	Replacement of Equipment
C.05	Event Level Freezer Upgrade	$ 55,000	Valve and Evaporator Replacement
C.06	Electrical Service for Concession Stands	$ 100,000	Additional Electrical Service for Concession Stands
C.06	Beverage Room Improvements	$ 50,000	
C.06	Emergency Capital Repairs and Unspecified Projects	$ 100,000	Contingency for Emergency Expenses and Unspecified Projects
	Total New Concession Capital Reserve Projects	**$ 1,080,000**	
	GRAND TOTAL CONCESSION CAPITAL RESERVE PROJECTS	**$ 2,445,613**	