



MINNESOTA
SPORTS FACILITIES
AUTHORITY

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

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director
Mary Fox-Stroman, Director of Finance

DATE: June 17, 2021

SUBJECT: 2021-2022 Budget

Attached is the 2021-2022 Budget for the fiscal period from July 1, 2021 to June 30, 2022 for the Operating account, Capital Reserve account, and the Concession Capital Reserve account. The budget includes a narrative that presents highlights of each account and the line item budget.

Recommended Motion:

The Minnesota Sports Facilities Authority adopts the attached 2021-2022 Budget for the fiscal period July 1, 2021 through June 30, 2022 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.



2021-2022 BUDGET

U.S. Bank Stadium will begin its sixth year of operations on July 1, 2021. Attached is the Fiscal Year 2021 - 2022 Budget for the period from July 1, 2021 through June 30, 2022. The budget includes three accounts, the operating account, capital reserve account, and concession capital account. Highlights of each account are discussed below.

OPERATING ACCOUNT

Operating Revenues

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

State of Minnesota operating revenues	\$ 6,608,293
Minnesota Vikings operating revenues	\$ 9,853,830
Stadium operating revenues-ASM	\$ 14,464,197
Miscellaneous revenues	\$ 64,200
Total budgeted operating revenues	<u>\$ 30,990,520</u>

Operating Expenses

Budgeted expenses for the operating account include:

Personal services	\$ 739,108
Professional services	\$ 1,151,020
Supplies and network support costs	\$ 112,405
Stadium contractual commitments	\$ 957,507
Insurance	\$ 301,837
Miscellaneous expense	\$ 451,830
Stadium operating expenses-ASM	<u>\$25,074,794</u>
Total budgeted operating expenses	<u>\$28,788,501</u>

Personal Services

The personal services budget includes the Chair's salary and the salaries and benefits for the four full-time MSFA employees:

Executive Director	1.0
Director of Finance	1.0
Accountant	1.0
Project Coordinator	<u>1.0</u>
Total full-time positions	<u>4.0</u>

Employee benefits include health insurance, dental insurance, long-term disability insurance, life insurance, and retirement benefits from Minnesota State Retirement System.

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:

- Communication and Public Relations Services
- Document Management Consulting
- Human Resources Consulting
- Legal services and Legislative Representation
- Strategic Planning Services



Stadium Contractual Commitments

The stadium contractual commitments and leases includes costs related to securing parking as required in the Stadium Act. The MSFA also has a long-term lease with Hennepin County for use of the Hennepin County Medical Examiner space for the U.S. Bank Stadium plaza area.

Insurance

Insurance includes commercial general liability, excess liability, automobile and garage keepers' liability, public officials and employment practices liability, crime insurance, cyber liability, and terrorism insurance.

Miscellaneous

Miscellaneous expenses include a variety of smaller expenses: travel, meetings and training expenses, postage expenses, MSFA board member expenses, license and inspection fees, and bank fees.

Nonoperating revenues

Nonoperating revenues include the following:

Revenues - Investment income	<u>\$ 12,000</u>
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Transfer

Budgeted transfers include a transfer to the capital reserve account of \$4,000,000 to fund various capital projects for improvements and/or upgrades to U.S. Bank Stadium.

Transfer to the capital reserve account	<u>\$4,000,000</u>
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Account Balance

Beginning account balance	\$ 9,724,613
Change in account balance	<u>(\$1,785,981)</u>
Ending account balance	<u>\$ 7,938,632</u>

CAPITAL RESERVE ACCOUNT

Capital Reserve Revenues

The capital reserve account has the following budgeted revenues:

Minnesota Vikings capital cost payment	\$1,791,078
State of Minnesota capital payment	\$1,652,074
Other	<u>\$3,573,529</u>
Total capital reserve revenues	<u>\$7,016,681</u>

- Per the terms of the Stadium Use Agreement between the MSFA and the Minnesota Vikings Football Stadium, LLC (Stadco), Stadco was 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 was required to contribute \$1,500,000 to the MSFA beginning in 2016, and this amount increases annually by an adjustment factor.

Capital Reserve Expenses

The 2020-2021 capital reserve account budget of \$17,061,032 included 57 projects, however, not all of the budgeted project funds will be expended by June 30, 2021. Therefore, the budget for capital project commitments of \$2,842,223 at June 30, 2021 needs to be rolled forward.

In addition, the 2021-2022 budget has a capital plan of \$3,007,800 for new capital projects. Following the narrative is a list of capital projects.



Capital Budget Roll Forward	\$ 2,842,223
New Capital Projects	<u>\$ 3,007,800</u>
Total Capital Expenses	<u>\$ 5,850,023</u>
Transfer	
Transfer from the operating account	<u>\$4,000,000</u>
Account Balance	
Beginning account balance	\$11,343,095
Change in account balance	<u>5,116,658</u>
Ending account balance	<u>\$16,509,753</u>

CONCESSION CAPITAL RESERVE ACCOUNT

Concession Capital Reserve Revenues

Aramark Sports and Entertainment provides catering and concession services at U.S. Bank Stadium, and they are 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	<u>\$ 600,000</u>
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Concession Capital Reserve Expenses

The 2021-2022 budget has a concession capital plan of \$175,363 for 12 new projects. Following the narrative is a list of concession capital projects.

New Concession Capital Projects	<u>\$ 175,363</u>
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Account Balance

Beginning account balance	\$ 756,488
Change in account balance	<u>424,637</u>
Ending account balance	<u>\$ 1,181,125</u>

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 budget line items.



Budget 2021-2022
July 1, 2021 - June 30, 2022
2021-2022 Capital Projects List - Capital Reserve Account

<u>Project</u>	<u>Original Budget</u>
CAPITAL RESERVE BUDGET ROLL FORWARD:	
Exterior metal panel project	\$ 2,738,566
Capital Projects	\$ 103,657
Subtotal Roll Forward	<u>\$ 2,842,223</u>

NEW CAPITAL RESERVE PROJECTS:

Security	
Security Server Upgrade	\$ 260,000
Additional Security Cameras	\$ 30,000
Locks, Cores and access control	\$ 22,000
Vehicle Vector Analysis	\$ 30,000
Team Store Door Security Hardware/Alarms	\$ 17,000
Subtotal Security	<u>\$ 359,000</u>
Technology	
Lumen Firewall	\$ 150,000
UPS Replacement	\$ 35,000
IT equipment upgrades	\$ 45,000
Subtotal Technology	<u>\$ 230,000</u>
Production & A/V	
Daktronics Control Equipment	\$ 850,000
KVM Replacement	\$ 150,000
Suite iPads	\$ 6,000
Ross Graphics Hardware Replacement	\$ 50,000
Display Monitors	\$ 25,000
Dante Interfacing	\$ 25,000
DMPs	\$ 10,000
Camera Safety Anchors	\$ 5,000
Subtotal Production & A/V	<u>\$ 1,121,000</u>
Electrical	
Lighting - LED Upgrade	\$ 97,000
Lighting System Upgrade	\$ 23,000
UPS Replacement and Upgrade	\$ 35,000
Subtotal Electrical	<u>\$ 155,000</u>
Mechanical	
HVAC System Upgrades	\$ 59,000
Steam Flash Tank	\$ 70,000
Sump pump replacements	\$ 7,000
Subtotal Mechanical	<u>\$ 136,000</u>
General Building	
Install ceilings for Loading Dock Office	\$ 55,000
Restroom Gates and Locks	\$ 175,000
Large Operable Doors	\$ 74,000
Subtotal General Building	<u>\$ 304,000</u>
Site	
Sidewalk Along 4th Street	\$ 70,000
Design fees and costs to support the perimeter fence project	\$ 25,000
Subtotal Site	<u>\$ 95,000</u>
Club & Suite Refresh	
Replace Club Floors	\$ 75,000
Subtotal Club & Suite Refresh	<u>\$ 75,000</u>
Specialty Items & Systems	
Atmos Air	\$ 145,000
ASM Management Fee	\$ 76,800
Subtotal Specialty Items & Systems	<u>\$ 221,800</u>
FF&E	
Emergency Capital Repairs	

Emergency Capital Repair	\$	<u>250,000</u>
Subtotal Emergency Capital Repairs	\$	<u>250,000</u>
Total Stadium Capital Projects	\$	<u>2,999,800</u>

NEW MINNESOTA VIKINGS DESIGNATED CAPITAL PROJECTS

General Building

Suite Door Stops	\$	<u>8,000</u>
Minnesota Vikings Designated Capital Projects	\$	<u>8,000</u>
GRAND TOTAL CAPITAL PROJECTS	\$	<u><u>5,850,023</u></u>



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Budget 2021-2022
July 1, 2021 - June 30, 2022
2021-2022 Concession Capital Projects List - Concession Capital Reserve Account

<u>Project</u>	<u>Original Budget</u>
CONCESSION CAPITAL BUDGET ROLL FORWARD:	\$ -
<u>NEW CONCESSION CAPITAL PROJECTS:</u>	
Metal doors for concourse bars	\$ 16,688
Appetize terminals	\$ 30,000
Stanchions and sign holders	\$ 22,250
Caribou side door install	\$ 10,000
Infill entry cover plates	\$ 40,000
Corner guards overhead doors	\$ 4,000
Security monitor-Aramark offices	\$ 5,000
FMP-additional fryer	\$ 20,000
Power modifications	\$ 10,000
FMP-ansul	\$ 2,500
Portable cabinets for storage	\$ 6,925
Portable wraps	\$ 8,000
Subtotal	\$ 175,363
Grand Total	\$ 175,363



YEAR 2021-2022 BUDGET
Operating Account, Capital Reserve Account, Concession Capital Reserve Account
July 1, 2021 to June 30, 2022

	Original Budget 2021	Amended Budget 2021	Projection 7/1/20-6/30/21	Recommended Budget 2021-2022
Operating Account				
Revenues:				
Stadium operating payments				
State of Minnesota operating payment	\$ 6,000,000	\$ 6,000,000	\$ 6,607,497	\$ 6,608,293
Minnesota Vikings operating payment	\$ 9,566,825	\$ 9,566,825	\$ 9,566,825	\$ 9,853,830
Stadium operating revenue-ASM Global	\$ 20,679,121	\$ 20,679,121	\$ 12,892,956	\$ 14,464,197
Miscellaneous revenues	\$ 64,200	\$ 64,200	\$ 64,200	\$ 64,200
Total operating revenues	\$ 36,310,146	\$ 36,310,146	\$ 29,131,478	\$ 30,990,520
Expenses:				
Personal services	\$ 739,680	\$ 739,680	\$ 746,087	\$ 739,108
Professional services	\$ 1,857,000	\$ 1,857,000	\$ 1,479,719	\$ 1,151,020
Supplies and network support	\$ 112,326	\$ 112,326	\$ 130,188	\$ 112,405
Stadium contractual commitments	\$ 957,569	\$ 957,569	\$ 475,223	\$ 957,507
Insurance	\$ 292,722	\$ 292,722	\$ 252,893	\$ 301,837
Miscellaneous	\$ 361,070	\$ 361,070	\$ 683,785	\$ 451,830
Stadium operating expenses-ASM Global	\$ 30,472,900	\$ 30,472,900	\$ 23,918,572	\$ 25,074,794
Total operating expenses	\$ 34,793,267	\$ 34,793,267	\$ 27,686,467	\$ 28,788,501
Operating income/(loss)	\$ 1,516,879	\$ 1,516,879	\$ 1,445,011	\$ 2,202,019
Nonoperating Revenues/(Expenses):				
Revenues-Investment earnings	\$ 87,000	\$ 87,000	\$ 8,761	\$ 12,000
Revenues-Taxes-State of Minnesota				
Total nonoperating revenues/(expenses)	\$ 87,000	\$ 87,000	\$ 8,761	\$ 12,000
Net Income/(loss) before transfers	\$ 1,603,879	\$ 1,603,879	\$ 1,453,772	\$ 2,214,019
Transfers:				
Transfer to Capital Reserve fund	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (4,000,000)
Change in Account Balance	\$ (396,121)	\$ (396,121)	\$ (546,228)	\$ (1,785,981)
Beginning Operating Account Balance	\$ 10,270,841	\$ 10,270,841	\$ 10,270,841	\$ 9,724,613
Ending Operating Account Balance	\$ 9,874,720	\$ 9,874,720	\$ 9,724,613	\$ 7,938,632
Capital Reserve Account				
Revenues:				
Minnesota Vikings Capital Cost payment	\$ 1,738,911	\$ 1,738,911	\$ 1,738,911	\$ 1,791,078
State of Minnesota Capital payment	\$ 1,500,000	\$ 1,500,000	\$ 1,651,874	\$ 1,652,074
Other	\$ -	\$ 1,955,211	\$ 1,955,211	\$ 3,573,529
Total revenues	\$ 3,238,911	\$ 5,194,122	\$ 5,345,996	\$ 7,016,681
Capital Expenses:				
Net Income/(loss) before transfers	\$ (13,722,121)	\$ (11,866,910)	\$ (5,587,072)	\$ 1,166,658
Transfers:				
Transfer from Operating Account	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000
Change in Account Balance	\$ (11,722,121)	\$ (9,866,910)	\$ (3,587,072)	\$ 5,166,658
Beginning Capital Reserve Account Balance	\$ 14,930,167	\$ 14,930,167	\$ 14,930,167	\$ 11,343,095
Ending Capital Reserve Account Balance	\$ 3,208,046	\$ 5,063,257	\$ 11,343,095	\$ 16,509,753
Concession Capital Reserve Account				
Revenues:				
Concession Capital Reserve payment	\$ 241,725	\$ 3,748	\$ 4,044	\$ 600,000
Concession Capital Expenses:				
Net Income/(loss) before transfers	\$ (1,112,185)	\$ (1,350,162)	\$ (918,974)	\$ 424,637
Transfers:				
Transfer to Capital Reserve Account	\$ -	\$ -	\$ -	\$ -
Change in Account Balance	\$ (1,112,185)	\$ (1,350,162)	\$ (918,974)	\$ 424,637
Beginning Concession Capital Reserve Account Balance	\$ 1,675,462	\$ 1,675,462	\$ 1,675,462	\$ 756,488
Ending Concession Capital Reserve Account Balance	\$ 563,277	\$ 325,300	\$ 756,488	\$ 1,181,125