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 ‘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.
## Operating Account

### 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:** $30,995,314

### 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:** $27,779,238

**Net Income/(loss):** $3,216,076

### 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):** $2,340,754

**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:** $11,510,186
Capital Reserve Account

Revenues:
Minnesota Vikings Capital Cost payment $1,545,000
State of Minnesota Capital payment $1,545,000
Total revenues $3,090,000

Capital expenses
Net Income/(loss) $ (583,000)

Transfer
Transfer from Operating Account $2,000,000

Beginning Capital Reserve Account Balance $2,650,292
Ending Capital Reserve Account Balance $4,067,292

Concession Capital Reserve Account

Revenues:
Concession Capital Reserve payment $650,000
Total revenues $650,000

Expenses
Net Income/(loss) $ (11,293)

Beginning Concession Capital Reserve Account Balance $647,371
Ending Concession Capital Reserve Account Balance $636,078