

MINNESOTA SPORTS FACILITIES AUTHORITY

2020-2021 BUDGET

SUMMARY

U.S. Bank Stadium will begin its fifth year of operations on July 1, 2020. Attached is the 2020-2021 Budget for the period from July 1, 2020 through June 30, 2021. 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

The operating account is used to account for MSFA's operations which includes SMG's operation of U.S. Bank Stadium.

Operating Revenues

Budgeted revenues for the operating account consist of the following:

State of Minnesota operating payment	\$ 6,000,000
Minnesota Vikings operating payment	\$ 9,566,825
Stadium operating revenues-SMG	\$ 20,679,121
Miscellaneous revenues	\$ 64,200
Total budgeted operating revenues	<u>\$ 36,310,146</u>

Operating Expenses

Budgeted expenses for the operating account include the following:

Personal services	\$ 739,680
Professional services	\$ 1,857,000
Supplies and network support	\$ 112,326
Stadium contractual commitments	\$ 957,569
Insurance	\$ 292,722
Miscellaneous	\$ 61,070
Event cabin license fee	\$ 300,000
Stadium operating expenses-SMG	<u>\$30,472,900</u>
Total budgeted operating expenses	<u>\$34,793,267</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, retirement benefits from the Minnesota State Retirement System, and workers compensation insurance.

Professional Services

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

- Document Management Consulting
- Employment Assistance Services
- Financial Accounting, Auditing and Consulting Services
- Human Resources Consulting
- Investment Management Services
- Legislative Representation Services
- Legal Services
- Planning Services
- Project Management Services
- Public Relations and Communication Services

Stadium Contractual Commitments

The stadium contractual commitments include leasing costs for parking spaces 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, public officials and employment practices liability, crime insurance, cyber/privacy liability, and terrorism liability insurance. It also includes garage keepers' liability insurance for the leased parking areas.

Miscellaneous

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

Nonoperating Revenues

Nonoperating revenues include the following:

Revenues - Investment income	<u>\$ 87,000</u>
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Transfers

Budgeted transfers include a transfer from the operating account to the capital reserve account of \$2,000,000 to fund various capital projects for improvements and/or upgrades to U.S. Bank Stadium.

Transfer to the capital reserve account	<u>(\$2,000,000)</u>
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Account Balance

Beginning account balance	\$9,380,833
Change in account balance	<u>(\$396,121)</u>
Ending account balance	<u>\$8,984,712</u>

CAPITAL RESERVE ACCOUNT

The capital reserve account is used to account for capital improvements in the stadium.

Capital Reserve Revenues

The capital reserve account has the following budgeted revenues:

Minnesota Vikings capital cost payment	\$1,738,911
State of Minnesota capital payment	<u>\$1,500,000</u>
Total capital reserve revenues	<u>\$3,238,911</u>

Capital Reserve Expenses

The amended 2019-2020 capital reserve account budget included funding of \$23,607,449 for the exterior panel repair project. Not all of the budgeted project funds will be expended by June 30, 2020. Therefore, the unspent funding for the exterior panel repair capital project of \$12,941,003 needs to be rolled forward. In addition, the 2020-2021 budget has a capital plan of \$715,029 for 15 new capital projects and \$805,000 for two Team designated projects, for a total of \$1,520,029.

Capital Budget Roll Forward \$12,941,003

2020-2021 New Capital Projects:

Atmos Air/Bio Star Lease	\$134,729
ASM Global Procurement Services	\$ 76,800
Club Floor Coating	\$ 75,000
Evertz Server Replacement	\$ 50,000
Windows 10 – Upgrade	\$ 30,000
Exterior Lighting	\$ 8,500
Lighting-LED T5 Upgrades-stairwells and event level	\$ 18,000
Lighting-LED T5 Upgrades-main concourse	\$ 20,000
Stormwater Meters	\$ 10,000
Lighting System Upgrades	\$ 33,000
Attic Stock-Monitors, DMP's , and Accys	\$ 10,000
Attic Stock-Technology items-computers, monitors, mobile devices, cables, connectors, access points	\$ 10,000
Cleaning Services Equipment	\$ 24,000
HVAC System Upgrades	\$ 15,000
Snow Gutter repairs	\$2,500,000
Project Budgets Unspecified	<u>\$200,000</u>

Subtotal New Capital Projects \$3,215,029

Team Designated Projects:

Visiting Team Locker Room Shelf Replacement	\$ 55,000
Club Displays-Large HD LED Television Display	<u>\$750,000</u>
Subtotal Team Designated Projects	<u>\$805,000</u>

Total 2020-2021 Capital Expenses \$4,020,029

Total Capital Reserve Expenses \$16,961,032

Transfers

Transfer from the operating account	<u>\$ 2,000,000</u>
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Account Balance

Beginning account balance	\$22,249,105
Change in account balance	<u>(\$11,722,121)</u>
Ending account balance	<u>\$10,526,984</u>

CONCESSION CAPITAL RESERVE ACCOUNT

The concession capital reserve account is used to account for concession capital improvements in the stadium.

Concession Capital Reserve Revenues

Aramark Sports and Entertainment (Aramark) is the catering and concessionaire at U.S. Bank Stadium, and they are obligated to pay 2.5% of monthly gross sales to the MSFA for deposit to the concession capital reserve account. These funds are designated for concession related capital projects as described below.

Concession Capital Reserve Revenues	<u>\$241,725</u>
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Concession Capital Reserve Expenses

In February 2020, the MSFA approved a 2019-2020 Budget Increase Amendment of \$1,293,910 for nine concession capital reserve account projects. These projects will not be completed by June 30, 2020. Therefore, the budget for the concession capital projects of \$1,293,910 needs to be rolled forward. In addition, the 2020-2021 budget has one concession capital project of \$60,000 for COVID 19 readiness for the concession operations.

Concession Capital Budget Roll Forward	\$1,293,910
2020-2021 Concession Capital Expenses	<u>\$ 60,000</u>
Total Concession Capital Reserve Expenses	<u>\$1,353,910</u>

Account Balance

Beginning account balance	\$1,675,462
Change in account balance	<u>(\$1,112,185)</u>
Ending account balance	<u>\$ 563,277</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.