

Management Committee

For the Metropolitan Council meeting of March 30, 2011

ADVISORY INFORMATION

Date Prepared: March 24, 2011

Subject: Metropolitan Sports Facilities Commission 2011 Budget Amendment,
Resolution No. 2011-07

Proposed Action:

The Metropolitan Council approve Resolution No. 2011-07 granting approval for the Metropolitan Sports Facilities Commission (MSFC) Year 2011 Budget Amendment #1 and Report on User Fee Charges.

Summary of Committee Discussion / Questions:

Mr. Robert Thatcher, MSFC Finance Committee Chair discussed the insurance coverage for the Metrodome roof repair and impact on budget should NFL lockout cancel the season.

Management Committee

Meeting date: March 23, 2011

ADVISORY INFORMATION	
Date:	March 17, 2011
Subject:	Metropolitan Sports Facilities Commission 2011 Budget, Resolution No. 2011-07
District(s), Member(s):	All Members
Policy/Legal Reference:	Metropolitan Sports Facilities Commission annual budget and user fee review. Minnesota Statutes Section 473.595, Subd. 3
Staff Prepared/Presented:	Bill Lester, Executive Director of Sports Facilities Commission; Mary Bogie, Deputy Chief Financial Officer , 651-602-1359;
Division/Department:	Regional Administration/Fiscal Services

Proposed Action

The Metropolitan Council approve Resolution No. 2011-07 granting approval for the Metropolitan Sports Facilities Commission Year 2011 Budget Amendment #1 and Report on User Fee Charges.

Background

Minnesota Statutes Section 473.595, subd. 3 requires Council approval of the Metropolitan Sports Facilities Commission (MSFC) budget and amendments thereto.

Overview and Funding

The Metropolitan Council initially approved the 2011 MSFC Budget and Report of User Fee Charges on September 22, 2010. Due to the collapse of the Metrodome roof on December 12, 2010 and submission of proof of loss to their insurer on February 10, 2011, the MSFC has submitted an amended budget for approval by the Council.

	Original Budget	Change	Amended Budget
Beginning Account Balance	\$ 14,387,358	\$ (1,000,000)	\$ 13,387,358
Revenues	9,212,250	-	9,212,250
Expenses	(11,264,000)	-	(11,264,000)
Roof Repair	-	(22,727,000)	(22,727,000)
Insurance Proceeds	-	22,327,000	22,327,000
Transfers between Accounts	-	-	-
Net Increase (Decrease)	<u>\$ (2,051,750)</u>	<u>\$ (400,000)</u>	<u>\$ (2,451,750)</u>
Ending Account Balance	<u>\$ 12,335,608</u>	<u>\$ (1,400,000)</u>	<u>\$ 10,935,608</u>

The MSFC contracted with consultants and experts on an emergency basis to seek advice and recommendations regarding a permanent restoration of the Metrodome roof. The consultants recommend full replacement of the entire roof membrane, and conclude that no other repair method is sufficient to certify the public's safety.

The budget appears to be reasonable based on the projected recovery of \$22.3 million from insurance coverage.

RESOLUTION NO. 2011-07

**RESOLUTION APPROVING THE YEAR 2011 BUDGET AMENDMENT #1 OF THE
METROPOLITAN SPORTS FACILITIES COMMISSION**

- WHEREAS,** Minnesota Statutes Section 473.595, subd. 3 requires that the Metropolitan Sports Facilities Commission (MSFC) budget, including operating and capital accounts, be reviewed and approved by the Metropolitan Council; and
- WHEREAS,** Minnesota Statutes Section 473.595, subd. 3 also requires the Metropolitan Council to approve amendments to that budget; and
- WHEREAS,** the Council has reviewed the MSFC 2011 Budget Amendment #1 and Report on User Fee Charges.

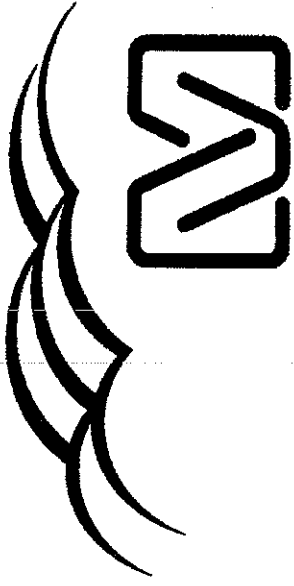
NOW, THEREFORE, BE IT RESOLVED

That the attached Metropolitan Sports Facilities Commission Year 2011 Budget Amendment #1 and Report on User Fee Charges is approved.

Adopted this 30th day of March, 2011

Susan Haigh, Chair

Dawn Hoffner, Recording Secretary



M E T R O D O M E

METROPOLITAN SPORTS FACILITIES COMMISSION

**YEAR 2011 BUDGET AMENDMENT #1
AND
REPORT ON USER FEE CHARGES**

REPROJECTED March 17, 2011

METROPOLITAN SPORTS FACILITIES COMMISSION
 YEAR 2011 BUDGET SUMMARY AND REPORT ON USER FEE CHARGES

3/17/2011

	Actual 12/31/2008	Actual 12/31/2009	2010		2011	
			Amended Budget	Projection	Recommended Budget	Reprojection
Revenues						
MN Twins Regular Season Net Revenues	\$ 2,057,866	\$ 2,176,353	\$ -	\$ -	\$ -	\$ -
MN Twins Post Season Net Revenues	-	37,504	-	-	-	-
MN Vikings Regular Season Net Revenues	6,504,232	6,125,145	7,335,920	7,335,920	6,638,750	6,638,750
MN Vikings Post Season Net Revenues	-	737,282	-	898,099	-	-
U of M Gopher Football Net Revenues	232,122	-	-	-	-	-
Other Events Net Revenues	1,792,211	1,638,362	1,431,612	1,431,612	1,380,000	1,380,000
Miscellaneous Revenues	3,144,866	2,986,651	700,000	693,500	693,500	693,500
Investment Income	727,739	1,031,818	350,000	500,000	500,000	500,000
Total revenues	\$ 14,459,036	\$ 14,733,115	\$ 9,817,532	\$ 10,859,131	\$ 9,212,250	\$ 9,212,250
Expenses						
Operating expenses:						
Personal services	\$ 3,820,069	\$ 4,313,474	\$ 3,033,000	\$ 2,235,008	\$ 2,301,000	\$ 2,301,000
Professional services	408,029	444,911	335,000	373,000	373,000	373,000
Contractual building services	4,923,616	4,730,583	2,310,000	2,520,000	2,520,000	2,520,000
Audio-visual maintenance costs	289,305	287,412	290,000	305,000	305,000	305,000
Travel and meetings	46,597	34,553	30,000	30,000	30,000	30,000
Supplies, repairs and maintenance	975,650	902,187	787,000	767,000	767,000	767,000
Utilities	4,168,875	3,688,505	3,270,000	2,900,000	2,900,000	2,900,000
Insurance	457,344	483,024	561,000	533,000	472,000	472,000
Communication	98,353	87,763	100,000	90,000	90,000	90,000
Miscellaneous	2,836,456	2,894,163	1,000,000	1,000,000	1,026,000	1,026,000
Less: reimbursed expenses	(3,477,195)	(3,693,486)	(780,000)	(780,000)	(745,000)	(745,000)
Subtotal operating expenses	\$ 14,547,099	\$ 14,173,089	\$ 10,936,000	\$ 9,973,008	\$ 10,039,000	\$ 10,039,000
Repairs, Replacements and Improvements	193,675	307,935	1,725,000	1,745,000	1,000,000	1,000,000
Roof restoration project expenses (estimated)	-	-	1,500,000	1,000,000	-	22,727,000
Roof restoration insurance recovery (estimated)	-	-	-	-	-	(22,327,000)
Concessions - Repair and maintenance	352,672	361,617	150,000	150,000	150,000	150,000
Concessions - Replacements and new equipment	111,753	139,623	100,000	100,000	75,000	75,000
Concessions - Promotions expense	72,821	65,293	-	-	-	-
Total expenses	\$ 15,278,020	\$ 15,047,557	\$ 14,411,000	\$ 12,968,008	\$ 11,264,000	\$ 11,664,000
Change in Account Balances	\$ (818,984)	\$ (314,442)	\$ (4,593,468)	\$ (2,108,877)	\$ (2,051,750)	\$ (2,451,750)
Beginning Account Balances	\$ 16,629,661	\$ 15,810,677	\$ 15,496,235	\$ 15,496,235	\$ 13,387,358	\$ 13,387,358
Ending Account Balances	\$ 15,810,677	\$ 15,496,235	\$ 10,902,767	\$ 13,387,358	\$ 11,335,608	\$ 10,935,608
Recap Ending Account Balances:						
Operating Account	\$ 10,336,467	\$ 9,443,952	\$ 7,913,484	\$ 9,918,075	\$ 8,679,325	\$ 8,679,325
Repair, Replacements & Improvements Account	4,921,188	4,613,253	1,388,253	1,868,253	868,253	468,253
Concessions Reserve Accounts	553,022	1,439,030	1,601,030	1,601,030	1,788,030	1,788,030
Total Ending Account Balances	\$ 15,810,677	\$ 15,496,235	\$ 10,902,767	\$ 13,387,358	\$ 11,335,608	\$ 10,935,608

METROPOLITAN SPORTS FACILITIES COMMISSION

AMENDING RESOLUTION NO. 2011-4

**AMENDING 2011 BUDGET
RELATING TO ROOF RESTORATION PROJECT**

WHEREAS, after a weekend of heavy snow and high wind conditions, the Metrodome roof collapsed on December 12, 2010, and five of the Metrodome's 106 fabric roof panels ruptured; and

WHEREAS, the Metropolitan Sports Facilities Commission contracted with consultants and experts on an emergency basis to seek advice and recommendations regarding a permanent restoration of the roof, and after stabilizing the roof and minimizing damage to existing structures, the consultants began a thorough and deliberate examination of the roof, which included subjecting numerous samples to a regimen of testing, extensive visual examination of the cables, clamps and other roof systems, a statistical modeling and removal of the inner liner; and

WHEREAS, as a result of the observations, tests, examinations, modeling and analyses, the Commission's consultants unequivocally recommend a full replacement of the entire roof membrane, and conclude that no other repair method is sufficient to certify the public's safety; and

WHEREAS, after deliberation the Commission approved the submission of a proof of loss to the insurer on February 10, 2011; and

WHEREAS, the Commission must amend its 2011 budget and resubmit the amended budget to the Metropolitan Council.

NOW, THEREFORE, BE IT RESOLVED:

1. The 2011 original budget shall be amended as follows:

Repair, Replacements, and Improvement Account:

Expenses:	<u>Original Budget</u>	<u>Amended/Reprojected Budget</u>	<u>Change</u>
Roof Restoration Project (estimated)	\$0	\$22,727,000	\$22,727,000

