



Minneapolis Park and Recreation Board
Financial Status Report
as of Year-End, 2011

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Budget Overview

Minneapolis Park and Recreation Board operating activities are accounted for in funds. The Park Board funds included in this financial status report are the General Fund, Enterprise Fund and Internal Service Funds. The report consists of two sections and reports the individual fund status through December 31, 2011. The first section of the report details the operations of the General, Enterprise and Internal Service Funds. The second section details the results of the budget initiatives adopted in the 2011 Annual Budget.

This interim financial report has been prepared by the Minneapolis Park and Recreation Board Finance Department. Financial information contained in this report is preliminary and has not been audited, nor is the information contained in this report a complete presentation of all financial activity within the Minneapolis Park and Recreation Board.

General Fund

The General Fund accounts for services and goods provided by the Park Board that are primarily supported by property taxes. To the end of 2011, General Fund revenues were \$59.9 million and expenditures were \$59.1 million.

On May 22, 2011 a tornado and severe storms damaged a large portion of North Minneapolis including park property. The Minneapolis Park and Recreation Board was instrumental in the emergency response, debris clean-up and resident assistance. A Presidential Disaster for Public Assistance was declared and the Park Board will receive disaster relief funds from the federal government and State of Minnesota. Park Board storm expenses and disaster relief fund revenues are included in this report.

On July 20, 2011 the Governor signed bills into law ending the State shutdown. These bills included reductions to Park Board state aids of approximately \$200,000. The Park Board developed a plan to address the reduction and to increase pay-as-you-go neighborhood capital rehabilitation funding by \$1.1 million.

The 2011 year-end un-audited fund balance is estimated at \$5.6 million, which exceeds financial policy requirements. This balance is an increase of \$784,000 over the 2010 year-end balance.

Enterprise Fund

The Enterprise Fund accounts for all business-type operations of the Park Board including golf courses, concessions, ice arenas, permits and recreational activities. The fund is focused on income generation and supports Park Board programs and improvements. Enterprise Fund operating income ended 2011 at \$1.9 million.

Internal Service Funds

Internal Service Funds account for equipment fleet, information technology and self-insurance services to Park Board departments. Internal Service Fund revenues ended 2011 at \$7.7 million and expenses ended the year at \$7.4 million.

Budget Strategies and Initiatives

The 2011 Annual Budget included Board adopted strategies and initiatives related to the strategies. This report details the results of those initiatives during 2011.



General Fund

Summary

The General Fund is the operating fund of the Minneapolis Park and Recreation Board. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund began 2011 with a fund balance of \$4.8 million and ended the year with a fund balance of \$5.6 million.

In 2011 revenue generated by the Park Board totaled \$59.9 million, up 3.3 percent from the \$58.0 million collected in 2010.

In 2011 actual expenditures totaled \$59.1 million, up 4.1 percent from the \$56.8 million spent in 2010. This increase is due to the funding of \$4.4 million of capital projects through the General Fund.

The fund balance for the General Fund at fiscal year-end 2010 exceeded the financial policy requirement of 5 percent of the General Fund operating budget. The 2011 year-end General Fund balance exceeds the requirement as well.

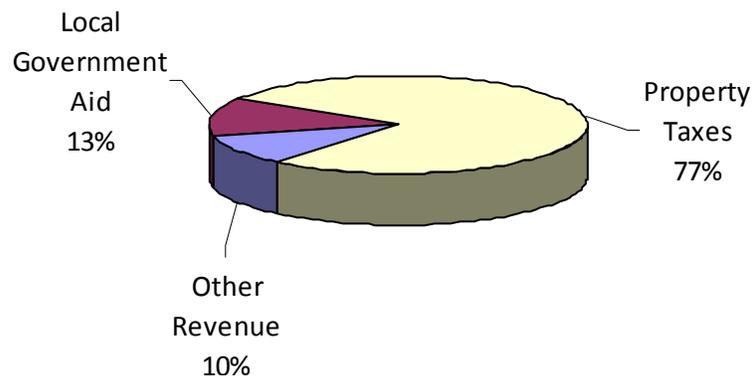
The financial information contained in this report has not been audited. The audited 2011 financial information may fluctuate from the information contained in this report.

General Fund Revenues

Actual revenues to the end of 2011 totaled \$59.9 million, 0.1 percent below budget and 3.3 percent higher than 2010.

Revenues by Major Category

	2010	2011		
	Actual Year-End	Current Budget	Actual 12/31/2011	Percent Recognized
Property and Other Taxes	\$44,403,101	\$46,272,466	\$46,273,318	100.0%
Local Government Aid	7,423,928	7,570,039	7,571,635	100.0%
Fees, Fines and Other Revenues	6,210,611	6,158,301	6,088,549	98.9%
Total Revenues	\$58,037,640	\$60,000,806	\$59,933,502	99.9%





Property Taxes

Property taxes provided 77 percent of revenue, the largest funding source of the General Fund. Property tax revenue met budget in 2011, and was 4.2 percent higher than 2010. Historically, property tax revenue has exceeded budget due to delinquent property tax collections. However, in 2011 a large number of property owners contested their property valuations and won, reducing their 2011 property tax bill. This reduced Park Board property tax revenue in 2011, but will not affect future property tax revenue.

Local Government Aid

Local Government Aid (LGA) provided 13 percent of 2011 revenue, the second largest funding source of the General Fund. The State Budget included the 2011 City of Minneapolis LGA allocation of \$64.1 million. The City of Minneapolis revenue distribution policy provides for the transfer of a portion of this LGA to the Park Board.

Fees, Fines and Other Revenue

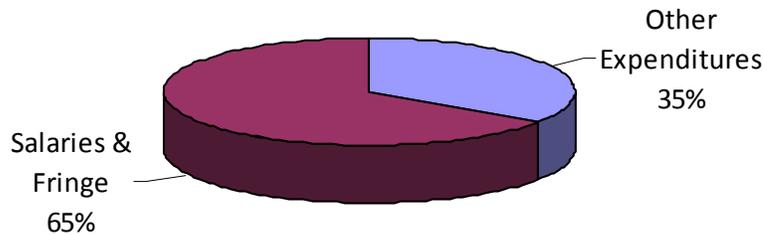
Fees, fines and other revenue provided ten percent of 2011 revenue. Revenues ended the year below budget largely due to a reduction in Park Board regional park operations and maintenance funding of \$200,000 in 2011.

General Fund Expenditures

Actual expenditures to the end of 2011 totaled \$59.1 million, 1.4 percent below budget, and 4.1 percent higher than the \$56.8 million spent in 2010.

Expenditures by Major Category

	2010	2011		
	Actual Year-End	Current Budget	Actual 12/31/2011	Percent Expended
Salaries & Fringe	\$40,410,345	\$40,062,717	\$38,688,716	96.6%
Other Expenditures	16,429,603	19,938,089	20,460,745	102.6%
Total Expenditures	\$56,839,948	\$60,000,806	\$59,149,461	98.6%



Salaries and Fringe Benefits

Salaries and fringe benefits ended the year 96.6 percent expended. Expenses were 4.3 percent lower than 2010 largely due to vacancies being held open during 2011. In response to state aid reductions, the Park Board eliminated 17 vacant positions from General Fund operations in 2011 resulting in a salary and fringe benefit savings of \$1.1 million.



Other Expenditures

Other expenditures include materials, supplies, contractual services and capital outlay. Other expenditures ended the year 102.6 percent expended. Other expenditures were over budget due to equipment rental and supply purchases associated with the May 22 tornado. Other expenditures were \$4.0 million higher than 2010 due to the transfer of \$4.4 million to fund pay-as-you-go-rehabilitation.

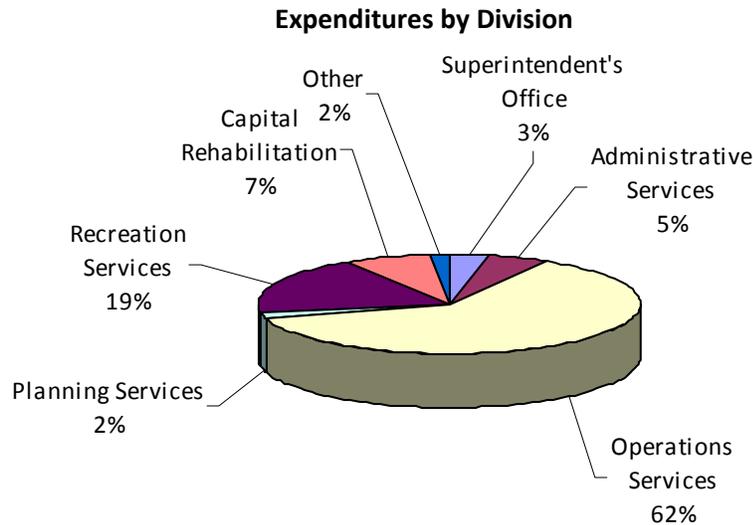
Expenditures by Service Area

	2010	2011		
	Actual Year-End	Current Budget	Actual 12/31/2011	Percent Expended
Operating Departments				
Superintendent's Office				
Superintendent's Office	\$507,843	\$585,967	\$681,337	116.3%
Board of Commissioners	499,379	515,296	526,925	102.3%
Communications & Marketing	307,010	396,796	312,591	78.8%
Human Resources	425,969	512,501	482,602	94.2%
Administrative Services				
Customer Service	294,263	361,024	381,820	105.8%
Finance	1,054,624	884,639	880,069	99.5%
City Mgmt Fee, Contributions & Other	1,408,557	1,646,328	1,781,699	108.2%
Operations Services				
Environmental	1,255,098	1,429,012	1,272,241	89.0%
Volunteer Services	130,237	147,923	131,745	89.1%
Forestry	9,959,736	9,779,217	9,776,762	100.0%
Maintenance	15,814,981	15,492,826	15,786,080	101.9%
Summer Youth Empl.-Teen Teamworks	969,066	1,087,627	963,547	88.6%
Park Police	4,931,914	4,909,756	5,063,538	103.1%
Trades & Field Services	3,603,644	3,611,092	3,420,584	94.7%
Planning Services				
Planning	1,373,133	1,390,804	1,386,953	99.7%
Recreation Services				
Aquatics	771,691	430,651	420,251	97.6%
Recreation	10,252,153	11,073,440	10,157,441	91.7%
Wirth Winter Recreation Area	350,274	366,005	391,964	107.1%
Neiman Complex	238,101			
Other				
Storm Damage*		477,014	976,314	
Stormwater Charges	1,542,650			
Severance Cost	462,231			
Total Operating Expenditures	<u>\$56,152,554</u>	<u>\$55,097,918</u>	<u>\$54,794,463</u>	<u>99.4%</u>
Capital				
Pay-as-You-Go-Rehabilitation	687,394	4,902,888	4,354,998	88.8%
Total Capital Expenditures	<u>\$687,394</u>	<u>\$4,902,888</u>	<u>\$4,354,998</u>	<u>88.8%</u>
Total General Fund	\$56,839,948	\$60,000,806	\$59,149,461	98.6%



***Storm Damage**

On May 22, 2011 a tornado and severe storms damaged a large portion of North Minneapolis including park property. The Park Board expenses from the emergency response, debris clean-up and resident assistance was \$976,314. A Presidential Disaster for Public Assistance was declared and the Park Board will receive disaster relief funds from the federal government of approximately \$863,000, which is included in the revenue for the General Fund.



2011 expenditures ended the year under budget by \$851,345. Savings in the Pay-as-You-Go Rehabilitation budget and position vacancies contributed to this savings.

The following is information regarding the service areas that exceeded budget:

- The Superintendent’s Office and Board of Commissioners exceeded budget mainly due to spending on legal fees and professional services.
- Customer Service exceeded budget due to staffing authorized to maintain service levels during an extended leave.
- A grant of \$75,000 to the Foundation for Minneapolis Parks was paid from City Management Fee, Contributions & Other. This grant was funded through excess 2010 fund balance.
- Maintenance exceeded budget in 2011 due to the payment of the City of Minneapolis stormwater fee, which proved to be greater than anticipated. Maintenance also incurred driver and equipment expenses to handle the large snowfalls experienced in the beginning of 2011.
- Park Police exceeded budget due to one-time expenses including the purchase of ticket writers and a mobile camera system.
- Due to record snowfall from January through March, Wirth Winter required staffing above budgeted levels.



General Fund Balance

The 2011 year-end fund balance is estimated to be \$5.6 million, 16.2 percent higher than 2010.

	General Fund Balance			
	2010	2011		
	Actual Year-End	Current Budget	Actual 12/31/2011	Percent Recognized
Total Revenue	\$58,037,640	\$60,000,806	\$59,933,502	99.9%
Total Expenditures	56,839,948	60,000,806	59,149,461	98.6%
Revenue Over/(Under) Expenditures	\$1,197,692	\$0	\$784,041	

Park Board financial policy requires the General Fund balance to be maintained at a level of 5 percent of the current year adopted expenditure appropriation. Based on un-audited figures, the year-end 2011 balance is estimated at \$5.6 million, a \$784,041 increase in fund balance. This fund balance exceeds financial policy requirements by \$2.7 million.

2011 Un-audited Projected General Fund Year-End Fund Balance

Fund Balance, January 1, 2011	\$4,833,807
Projected Revenues in Excess of Expenditures	784,041
Projected Fund Balance, December 31, 2011	5,617,848
Fund Balance Requirement (5%)	2,953,159
Fund Balance in Excess of Requirement	\$2,664,689

The figures and information in this report have not been audited. The audited 2010 financial information may fluctuate from the information contained in this report.



Enterprise Fund

Fund Description

The Enterprise Fund is a self-supporting fund established to account for all business-type operations of the Park Board including golf courses, concessions, ice arenas, permits and recreational activities. Operating income from operations is reserved for capital rehabilitation, construction or improvements as well as debt service and general fund support.

		Enterprise Fund by Service Area			
		2010	2011		
		Actual Year End	Current Budget	Actual 12/31/2011	Percent Recognized
Golf					
	Revenues	\$6,093,993	\$6,595,195	\$5,321,841	80.7%
	Expenses	5,873,058	6,013,830	5,724,667	95.2%
	Net Income	\$220,935	\$581,365	(\$402,826)	
Use & Events Permitting					
	Revenues	\$1,232,682	\$1,022,062	\$1,246,889	122.0%
	Expenses	895,676	646,633	723,241	111.8%
	Net Income	\$337,006	\$375,429	\$523,648	
Concessions					
	Revenues	\$931,913	\$933,400	\$1,033,341	110.7%
	Expenses	181,843	165,335	177,246	107.2%
	Net Income	\$750,070	\$768,065	\$856,095	
Parking					
	Revenues	\$900,037	\$923,000	\$1,102,393	119.4%
	Expenses	174,176	216,053	218,042	100.9%
	Net Income	\$725,861	\$706,947	\$884,351	
Ice Arenas					
	Revenues	\$848,823	\$840,000	\$812,083	96.7%
	Expenses	823,346	721,589	837,282	116.0%
	Net Income	\$25,477	\$118,411	(\$25,199)	
Athletic Facilities					
	Revenues	\$0	\$254,000	\$268,907	105.9%
	Expenses	142,804	361,123	462,246	128.0%
	Net Income	(\$142,804)	(\$107,123)	(\$193,339)	
Lupient Water Park					
	Revenues	In the General Fund	\$183,503	\$243,092	132.5%
	Expenses	In 2010	306,503	325,947	106.3%
	Net Income		(\$123,000)	(\$82,855)	
Wirth Winter					
	Revenues	\$73,548	\$60,850	\$43,591	71.6%
	Expenses	76,036	60,395	60,378	100.0%
	Net Income	(\$2,488)	\$455	(\$16,787)	
Sculpture Garden & Cowles Conservatory					
	Revenues	\$41,949	\$32,900	\$28,370	86.2%
	Expenses	275,220	245,843	256,317	104.3%
	Net Income	(\$233,271)	(\$212,943)	(\$227,947)	



Enterprise Fund by Service Area (Continued)

	2010	2011		
	Actual Year End	Current Budget	Actual 12/31/2011	Percent Recognized
Canoe Docks & Sailboat Buoys				
Revenues	\$239,901	In the General Fund in 2011		
Expenses	34,737			
Net Income	\$205,164			
Recreation				
Revenues	\$3,640,025	\$3,360,804	\$3,960,150	117.8%
Expenses	3,244,433	3,360,804	3,367,875	100.2%
Net Income	\$395,592	\$0	\$592,275	
Total Operating Income				
Revenues	\$14,002,871	\$14,205,714	\$14,060,657	99.0%
Expenses	11,721,329	12,098,108	12,153,241	100.5%
Net Income	\$2,281,542	\$2,107,606	\$1,907,416	
Non-Operating Expenses				
Improvements	\$808,221	\$816,169	\$475,067	58.2%
Debt Service	858,736	746,437	757,025	101.4%
Athletic Field Improvements	114,232	250,000	339,030	135.6%
Payment of prior year expense	295,384	0	0	
Transfers	442,399	295,000	295,000	100.0%
Total Non-Operating Exp	\$2,518,972	\$2,107,606	\$1,866,122	
Income after Non-Operating Expenses	(\$237,430)	\$0	\$41,294	

Golf Operations

Golf revenue was impacted by the late start to the 2011 golf season and poor weather conditions throughout the season. Weather caused 2011 to have 31 fewer playable golf days than 2010. In addition, Columbia, Hiawatha and Wirth golf courses were damaged by summer flooding. Wirth Golf Course also suffered extensive damage to the front nine during the May 22 tornado. As a result of the weather issues in 2011, golf operations experienced a loss of \$402,826.

Use & Events Permitting

Use & Events Permitting net income ended 2011 at \$523,648 an increase of \$186,642 over 2010. Staffing changes in the events group reduced expenses, increasing net income.

Concessions

Concessions net income increased by \$106,025 to \$856,095 in 2011 due to the opening of the Lake Harriet concession *Bread & Pickle*.



Parking

Parking operations include revenue collection and maintenance of on-street single-space parking meters, multi-space pay and display machines, patron parking permit sales and event parking. Net Income ended the year at \$884,351, up \$158,490 from 2010. Net income increased due to the installation of additional parking machines, a new collection and maintenance vendor that kept machines in service, increased parking enforcement, and more event parking. Expenses ended the year slightly over budget due to credit card fees associated with increased revenues and an increase in the number of parking machines that accept credit cards.

Ice Arenas

Ice arena operations consist of the Parade and Northeast Ice Arenas. Revenues ended 2011 3.3 percent under budget. Expenses ended 2011 16.0 percent over budget due to unexpected repair costs including pipe repair and Freon replacement at Parade Ice Arena. To the end of 2011 ice arena operations had a loss of \$25,199.

Athletic Facilities

Athletic Facilities consist of Neiman Complex, Parade Athletic Fields, Van Cleve Field and Quilici Field. To the end of 2011 this operation had a loss of \$193,339.

Lupient Water Park

Lupient Water Park was transferred to the Enterprise Fund during 2011 with the goal of making this operation self-supporting within four years. Revenues exceeded budget by 32 percent in 2011, helping Lupient Water Park finish the year with a lower operating loss than budgeted.

Wirth Winter Recreation Area

The Enterprise Fund reports revenues and expenses for the operation of the tubing hill. The Wirth Winter Recreation Area benefited from heavy snowfall from January through March, but warm weather and lack of snowfall in November and December caused a loss of \$16,787 in 2011.

Sculpture Garden & Cowles Conservatory

Cowles Conservatory and the Sculpture Garden are part of the Parade Complex. Revenue is generated from rentals of Cowles Conservatory and the Sculpture Garden. In 2011 both revenues and expenses were below 2010 levels, and 2011 ended with a loss of \$227,947.

Recreation

Recreation includes fee-based community programs, school-age child care, and adult sports. In 2011 recreation net income was \$592,275, an increase of \$196,683 from 2010 net income. This is due to improved revenue collections and more efficient programming using the CSA model.

Enterprise Operating Income

Operating income is the difference between operating revenues and operating expenses. Operating income in 2011 was \$1.9 million. Operating income is lower than 2010 due to reduced net income in golf operations, the transfer of canoe docks and sailboat buoys to the General Fund, and maintaining Lupient Water Park in the Enterprise Fund.

Operating income is used for four purposes; facility improvements, transfers to support the General Fund, matching funds for the Hennepin County youth sports grants, and debt service. Improvements completed in 2011 include the rehabilitation of the Lake Harriet concession, fire alarm system at Columbia Golf Course, new



windows at Columbia Manor and new pay and display parking machines. In addition, unplanned golf course renovations were undertaken due to flood and storm damage. Several improvements planned for 2011 were deferred due to decreased net income, including a new zamboni at Parade Ice Arena, Hiawatha Golf Course parking lot renovation and Meadowbrook Golf Course well and irrigation renovations.



Internal Service Fund

Summary

The Internal Service Fund provides accounting for equipment fleet, information technology and self-insurance services to Park Board departments.

	2010	2011		
	Actual Year End	Current Budget	Actual 12/31/2011	Percent Recognized
Equipment				
Revenues	\$4,055,468	\$4,417,649	\$4,359,518	98.7%
Expenses	4,145,909	4,717,649	4,608,360	97.7%
Net Income	(\$90,441)	(\$300,000)	(\$248,842)	
Information Technology Services				
Revenues	\$918,454	\$898,586	\$920,135	102.4%
Expenses	908,649	898,586	833,469	92.8%
Net Income	\$9,805	\$0	\$86,666	
Self-Insurance				
Revenues	\$2,652,613	\$2,659,283	\$2,443,409	91.9%
Expenses	1,844,800	2,659,283	1,972,075	74.2%
Net Income	\$807,813	\$0	\$471,334	

Equipment

Equipment rental is charged to Park Board departments for use of equipment owned by the Park Board. Equipment revenue ended the year up 7.5 percent compared to 2010 due to increases in equipment rental rates. Expenses ended the year up 11.2 percent compared to 2010 due to scheduled equipment purchases that included two wheel loaders, chippers, mowers and police vehicles. In addition, the Equipment fund purchased two vehicles to replace the 10 Toyota vehicles that had been provided as part of an agreement that were returned when the agreement ended. During the fourth quarter of 2011 an appropriation increase of \$300,000 to fund equipment purchases was approved by the Board. The estimated year-end equipment reserve balance is \$834,000.

Information Technology Services

Park Board departments are charged an annual fee for the use and service of computer workstations and access to the Park Board network. Information Technology Services revenues ended year over budget due to the addition of new workstations and the completion of a comprehensive inventory of workstation usage that resulted in additional departmental charges. Expenses ended the year below budget due to position vacancies. The estimated year-end Information Technology Services equipment reserve is \$439,000.

Self Insurance

Self Insurance premiums are collected from Park Board departments to fund activities including workers compensation; property, fire and vandalism insurance; and general, automotive and police professional liability. Self Insurance revenues and expenses ended the year under budget due to the lower rate of workers compensation settlements.



Equipment Services and Information Technology Services Equipment Reserve Balance

The Internal Service Fund equipment reserve at year-end 2010 was \$1.4 million. During 2011, expenses exceeded revenues by \$162,176, decreasing the equipment reserve balance.

2011 Projected Internal Service Fund Year-End Equipment Reserve Balance

Working Capital January 1, 2011	\$1,435,225
Equipment Services revenue in excess of expenditures	(248,842)
ITS revenue in excess of expenditures	<u>86,666</u>
Working Capital December 31, 2011	\$ 1,273,049

Self Insurance Fund Net Asset Balance

The Self Insurance Fund net assets balance at year-end 2010 was \$7.2 million. During 2011 revenues exceed expenses by \$471,334, increasing the net assets balance to \$7.7 million.

2011 Projected Self Insurance Fund Year-End Net Asset Balance

Working Capital January 1, 2011	\$7,248,601
Self Insurance Fund revenue in excess of expenditures	<u>471,334</u>
Working Capital December 31, 2011	\$ 7,719,935



2011 Budget Strategy Initiatives Year-End Report

The Minneapolis Park and Recreation Board 2011 Annual Budget included seven budget strategies and initiatives related to these strategies. This report details the progress on the initiatives during 2011. The strategies and initiatives are written as they appear in the 2011 Annual Budget book on pages 12 to 15. The 2011 year-end reports are given after each initiative. For a copy of the Minneapolis Park and Recreation Board 2011 Annual Budget see the website at www.minneapolisparcs.org.

STRATEGY ONE: Focus resources on a well maintained park system. Address issues of aging infrastructure especially in neighborhood parks. Use Comprehensive plan as guidance for maintenance of natural areas and boulevard trees.

2011 Initiatives

Neighborhood park capital funding

The Park Board 2011-2016 Neighborhood Capital Improvement Program focuses on improving energy efficiency and improvements to recreation centers at Pershing and Luxton Parks, upgrading neighborhood playgrounds at Marshall Terrace and Levin Parks, providing new aquatic amenities at Webber Park, repaving parking lots at Corcoran, Fuller, and Bryant Square Parks, matching the Hennepin County Youth Sports grant program, and matching the regional park funding for parkway paving. Pay-as-You-Go capital will be invested in the Farview Park wading pool, Powderhorn Park paths, water parks and parkway paving and lighting.

Year-end Report: The following results have been achieved for the neighborhood park capital funding initiative:

- Energy improvements at Pershing and Luxton Park are ready for bid with work scheduled to be complete in early 2012.
- Bids have been received for the new playground at Levin Park. The Board will be asked to approve the low bid in early 2012.
- A successful design charrette for Webber Park was completed. The community is anticipated to provide final recommendations on the master plan in January 2012.
- The parking lots at Corcoran, Fuller, Bryant and Longfellow Parks have been repaved. Final seal coating will occur in 2012.
- The field renovations at Northeast, Pearl and Pershing Parks are nearing completion and/or are complete. The installation of new field lights at Currie and Northeast fields is nearing completion. Final redesign for the East Phillips field improvements is underway. Construction will begin in 2012.
- Hennepin County Youth Sport grant applications for Elliot Park fields and Linden Hills tennis courts were approved for 2012.
- Design development for the Parade Road is nearing completion and construction anticipated for the 2012 construction season.
- The location for a 6th Park District Dog Park was identified.



- The Freedom Form No 2 sculpture at Rev. Dr. Martin Luther King Jr was relocated near its original position in the park.
- The new Farview Park wading pool will go out for bid in early 2012 and is scheduled to open in July, 2012.

Parkway paving and lighting capital funding

The Park Board began discussions with the City of Minneapolis regarding the Park Board resuming the lead role in managing the capital program for parkways and parkway lighting. Discussions will continue in 2011 with the goal of reaching an equitable agreement. The Park Board 2011-2016 Neighborhood Capital Improvement Program includes an increased focus on the improvement of these amenities. Parkway paving improvement projects are prioritized by considering the condition index assessment information provided by the City of Minneapolis Public Works Department. Parkway lighting replacement will receive priority to allow for the removal of temporary light poles and to provide for consistent light standards along the parkways.

Year-end Report: An analysis of funding scenarios based on current conditions of parkway road surfaces and lighting was completed in August and presented to the Board in September. Staff took the analysis and incorporated them into the five-year capital improvement program. In December, the Board approved \$2,000,000 for parkway and parkway lighting improvements in 2012 in the 2012-2017 Capital Improvement Program. Staff will meet with the City of Minneapolis to plan for and coordinate parkway paving and lighting improvements in early 2012. MPRB Staff will continue to work with the City staff to work on development of an improved coordinated work plan for parkway paving and lighting maintenance and capital investments.

STRATEGY TWO: BECOME A NATIONAL LEADER IN ISSUES OF SUSTAINABILITY, INCLUDING COLLABORATIVE EFFORTS WITH THE CITY COUNCIL, MAYOR, COUNTY, LOCAL BUSINESS LEADERS, AND THE PUBLIC, MAKING OUR CITY GREENER, CLEANER, AND ENERGY EFFICIENT.

2011 Initiatives

Recreation building energy improvements

The Park Board has adopted an energy efficiency plan developed by the McKinstry Essention consultant group to implement energy efficiency measures in Pershing, Logan, McRae, Mathews, and Nokomis recreation centers. Based on the results of consultant analysis of these buildings, the Park Board can expect to achieve up to 20-29% in energy savings by upgrading lighting, providing new temperature controls, and implementing building envelope improvements. In 2011, the results will be evaluated and a system wide implementation plan will be developed. Specific focus will be placed on setting new energy improvement guidelines that will guide future capital improvement program expenditures for recreation buildings.

Year-end Report: The energy efficiency action team, as a part of the organization-wide integration of sustainability, has developed an action plan to use a state-wide system to track and compare energy consumption of buildings. Consumption data will be entered into the system in early 2012 and will be used to help develop capital improvement recommendations.



Enhanced planting

The Forestry operations budget includes funding to plant 4,000 trees. The Board approved the 2011-2016 Neighborhood Capital Improvement Program that includes an allocation of \$150,000 to plant 1,500 additional trees. The Board also approved an allocation of \$50,000 for ornamental shrubs and hardy perennials. The ornamental shrubs and hardy perennials will be strategically planted to reduce operations costs, including mowing in selected locations.

Year-end Report: The Forestry Department planted 5589 boulevard trees, including 500 in the downtown area. Gardeners, Teen Teamworks crews, and Conservation Corp Minnesota crews completed ornamental shrub and native perennial plantings along the Lake Nokomis shoreline, Longfellow Gardens, Minnehaha Park, WWII Memorial to Horses Fountain, the 17th street overpass, Irving Triangle, Stinson Triangle, and the Humboldt Greenway. Work will be completed along Lake Calhoun, Audubon Park, and Adam's Triangle in 2012.

Green events

The Park Board maintains its commitment to reduce waste generated from community and city-wide events and continues to seek partners and sponsors who share its values regarding environmental sustainability. Through the incorporation of biodegradable, recyclable and re-useable products the Park Board looks to be a green leader in the park and recreation industry. Examples of such practices include eliminating bottled water through the utilization of tap water stations and compostable cups at events such as the Minneapolis Bike Tour, The Recycle Run, Monarch Festival and Minneapolis Red, White and Boom. At neighborhood events, such as corn feeds and ice cream socials, waste stations containing compost, recycling and trash bins will reduce the amount of waste generated while educating participants about how their individual efforts can improve the health of the park system. Event and Recreation staff will also research and implement a portable bike corral which will encourage event participants to commute by bike rather than drive. Lastly, through funds generated by Earth Day events, the Park Board will continue its internal grant program which supports green initiatives and projects developed by staff.

Year-end Report: Several MPRB events implemented sustainable event practices in 2011. Fourteen neighborhood and city-wide events utilized biodegradable supplies and compost stations to increase diversion rates of event waste. By implementing composting and recycling at the Linden Hills Festival, the MPRB and Linden Hills Neighborhood Council produced only one bag of waste at the event which served an estimated 2,500 attendees. The Bike Tour provided Minneapolis tap water to participants through tap water refilling stations allowing the MPRB to reduce disposable plastic water bottles at the event. Through funds generated from the Minneapolis Recycle Run, four Earth Day mini-grants were awarded to staff that designed sustainable projects or programs. The events go green team, as a part of the organization-wide integration of sustainability, has developed an action plan to create sustainable guidelines that will reduce the impact of events by using cost effective and equity-based practices. Guidelines will be piloted at several internal and external events in 2012.

Park Board Re-Organization of Waste Management

The Park Board's recently adopted Sustainability Report includes a strategic outline for implementing and enhancing sustainable practices throughout the organization. One of these recommendations is to re-organize waste management strategies. A team of key staff was formed in the fall of 2010 to implement several waste management strategies focusing on waste reduction, increased capturing of



public space recycling, and customer satisfaction. Primary activities of this team will be visible in the parks in 2011 and will include re-energizing the Park Board's indoor and outdoor recycling programs, piloting organic waste recycling at selected park locations and experimenting with self-contained waste and recycling containers at the Park Board headquarters building.

Year-end Report: A successful organics composting project was completed at the Lake Harriet concession stand in conjunction with the vendor. This program will be continued in 2012. A Hennepin County grant was obtained and used to increase the number of mixed recycle materials containers in the system. The program was successful and as a result more mixed recycle material containers will be added to the system in 2012. In late fall 2011 the MPRB was awarded a Green Corp staff person to work exclusively for the next 11 months to re-organize waste management strategies for implementing and enhancing sustainable solid waste practices throughout the organization.

Sustainability Fund

The Park Board's financial policy requires the General Fund Balance to be maintained at a level of 5 percent of the current year adopted expenditure appropriation. The 2010 current year-end projected fund balance is estimated to exceed this requirement. The Park Board will direct 25 percent of the excess fund balance to a sustainability fund. This fund will be used to finance capital investments and activities that promote sustainability efforts. The Board will approve the guidelines related to this fund regarding selection of projects and return on investment.

The Board approved an allocation of \$75,000 from the sustainability fund for a grant to the Foundation for Minneapolis Parks. The grant is required to have matching funds and will only be disbursed to the foundation as funds are received. The Foundation must provide a minimum of \$75,000 in income to the Park Board from outside sources for capital projects or programming.

Year-end Report: The audited fund balance of the General Fund is \$4.8 million as of December 31, 2010. Of that amount up to \$395,000 could be allocated to projects within the Sustainability Fund. Staff is developing guidelines regarding selection of projects and return on investment for the Sustainability Fund for the Board to review and adopt during the first quarter of 2012.

STRATEGY THREE: Focus on our partnerships, especially the City and the Public schools to focus on the service delivery and responsibilities across jurisdictions to assess what is working and what can be changed or improved in difficult financial times.

2011 Initiatives

Park dedication ordinance

The Park Board and the City of Minneapolis have approved a joint park dedication ordinance that allows for assessment of a fee on new residential and commercial industrial development to support park rehabilitation, renovation and expansion within a nexus of the new development. The Park Board and City are developing the process by which the fee will be assessed which will require an amendment to the authorizing statute. The implementation of the fee is set for June 30, 2011.



Year-end Report: The legislation necessary to move forward with the park dedication ordinance was not passed during the 2011 Minnesota Legislative session. The proposed legislation can be brought back to the Legislature during the 2012 session for approval.

Stormwater agreement

The City of Minneapolis operates a stormwater management system and charges a stormwater utility fee to operate, construct, maintain, repair and replace this system. In 2010, the Park Board and City of Minneapolis reached an agreement regarding the Park Board's inclusion in the stormwater program. As part of the agreement, the Park Board will be reimbursed for its stormwater management activities such as stormwater monitoring, lake monitoring and stormwater permit-related educational activities. In future years, the Park Board will participate in the City of Minneapolis budget process for operating and capital needs related to stormwater activities.

Year-end Report: In June 2011 the Board of Commissioners approved a 2011 Scope of Services Agreement between the Minneapolis Park and Recreation Board and City of Minneapolis Public Works Department for Surface Water Quality Monitoring, Improvement and Education.

Parkway responsibilities

The Park Board will continue discussions with the City of Minneapolis to reach an equitable agreement regarding the management of the capital program for parkways and parkway lighting. The Park Board is well positioned to leverage funds from regional and federal sources to enhance the resources available for the capital program and will work closely with the City to maximize the use of those funds.

Year-end Report: With the approval of City of Minneapolis Public Works, the Park Board contracted with SRF Consulting to use current information to produce an infrastructure needs report for the Park Board parkway system focusing on pavement and lighting. That report was presented to the Board of Commissioners at the September 21, 2011 Board meeting. The report was used to develop the 2012-2017 Capital Improvement Program. The Board approved \$2,000,000 for parkway and parkway lighting improvements in 2012. Park Board staff will begin meeting with Public Works in January 2012 to coordinate improvements. Staff will continue to work with the City staff to work on development of an improved coordinated work plan for parkway paving and lighting maintenance and capital investments.

Park Board and school partnerships

Park Board and school partnerships will be reviewed in terms of facility and programming resources in collaboration with the Community Education organization. Focus will be directed towards building strong relationships and equitable partnerships. Indoor and outdoor facilities, staffing and programming will be reviewed to maximize resources and eliminate inefficiencies.

Year-End Report: The Park Board, Community Education, and Minneapolis Public Schools Athletic Director staff met on May 6 and October 8 to begin a collaborative process to coordinate resources, streamline processes and maximize resources to increase the number of youth connected to sports and other park activities. Specifically, strategies were discussed to have park staff conduct direct outreach to youth who didn't make the high school varsity teams to recruit them for park teams. Also, CSA Leads have ongoing meetings with the Athletic Directors in their CSA area to define the details for recruiting coaches and youth. The



Youth Coordinating Board and Hennepin County Library have been invited to our next meeting which will be held on January 12, 2012.

The Superintendent has been working with Commissioner Fine, School Board member Mammen, and School Board CEO Mills to evaluate MPRB and MPS sports field use and sports programming. The plan will be presented in early 2012 to the Park Board and School Board for approval and implementation.

STRATEGY FOUR: Focus on: new strategies of community engagement, including greater transparency and information that is posted online, outreach strategies, and clarity about our processes and procedures. Enhance our communications and relationships with communities, media, agencies, and partners.

2011 Initiatives

Community engagement policy and implementation

The Park Board is developing a new community engagement policy which will include revised standards and provide consistent practices for working and communicating with the public. This policy effort aligns with goals and strategies outlined in the [2007-2020 MPRB Comprehensive Plan](#).

In 2010, various community outreach methods were used to gather opinions from residents and park users in development of the policy. Community members were invited to make comments through an online survey, public meetings, focus group discussions, and print questionnaires made available throughout the parks. The information gathered is being used in the development of a draft policy.

In 2011, the draft policy will be made available for public review and comment. The Park Board will have the opportunity to review and approve the new policy. Once approved, staff will be trained to implement the new policy and related operating procedures.

Year-end Report: The Board has approved the new community engagement policy and amendment to the Code of Ordinances. Staff training is scheduled for January and February 2012.

Communication enhancement

Efforts to increase communications with communities, organizations, partners and the media include analyzing the staffing and development of communication plans. During the organizational restructuring in 2010, one public relations specialist position was eliminated. Upon completion of the needs analysis, one position will be filled. The specific role of the position will be determined based on the results of the analysis.

Year End Report: This year's Communications and Marketing Department efforts included: crisis and public information related to May 22 tornado; expanded community outreach efforts for the Minneapolis Riverfront Development Initiative; launching of GovDelivery email subscription services; timely production and distribution of the Summer and Winter Guides, promotion with WCCO Radio to sell Dome squares for northside youth sports teams; special event support for East Phillips Park Community and Cultural Center, Victory Memorial Rededication, Quilici Field, Homegrown Expo and Minneapolis Bike Tour; and positive media



coverage of swim docks, log rolling, tipped tree stump removal, healthy choice initiatives and several planning projects (Scherer site cleanup, MLK Park celebration, Wirth Park planning). A web marketing specialist was hired in September and this has resulted in website enhancements, installation of Google translation and Google analytics, creation of new Wirth Winter Recreation section, and development of a process for a complete web overhaul, for presentation to the Board in February.

STRATEGY FIVE: Focus on a financial plan that increases revenue growth with grants, new program offerings, sponsorships and foundation giving, but also plan for potential budget reductions that are the result of projected state deficits or increased costs.

2011 Initiatives

Organizational restructuring

Restructuring of the organization was undertaken in 2010 to improve efficiency and delivery of services and position the organization to address ongoing budget challenges. The restructuring resulted in the reduction of 21 positions, 13 positions were eliminated and 8 employees were reassigned. The elimination of the positions results in \$1.3 million in savings for the 2011 budget.

The restructuring also resulted in the placement of activities that are designed to generate income in the enterprise fund and core services supported by tax operating functions in the general fund.

Year-end Report: The organizational restructuring completed in the fall of 2010 did not include any significant changes to the planning department. The Superintendent assessed the structure, services and positions while considering community needs and the organizational vision and determined that changes were needed in the structural framework of planning department operations. Effective April 1, 2011 the structure of the planning department changed to allow the Park Board to effectively provide innovative park planning services to the community and within the organization. Staffing changes were implemented and the Assistant Superintendent for Planning Services was hired in June. In October of 2011 with the resignation of the Assistant Superintendent for Development and a recognition that the MPRB needed to enhance its outreach efforts to the community, the Superintendent eliminated the Assistant Superintendent for Development Services position and the Enterprise Services Division, created the Community Outreach Department and furthered the restructuring efforts to the functional model that was started in the fall of 2010. The search for a new Assistant Superintendent for Recreation was initiated in November 2011.

Enhanced grant writing and federal lobbying

Included in the 2011 budget is new funding for grant writing, federal lobbying and local republican lobbying. These initiatives are targeted to increase external funding to the Park Board – especially in the areas of state and federal grants.

Year-End Report: A grant work team was established in 2011 comprised of staff across Park Board departments. The team developed and established a system wide grant tracking and reporting process that will be implemented on January 1, 2012. Grant policies and procedures were revised and further define the application, tracking and reporting process.



Sponsorship policy adoption

The Board has had several discussions about sponsorships and the type of parameters that should be placed on this kind of revenue. Decisions have been made on a case by case basis but the Board will work to adopt a policy during 2011 that provides guidance for negotiating the terms of sponsorships.

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Administrative services review

Centralized administrative services functions (information technology, human resources, and finance) underwent a review by a consultant to identify opportunities for improvements as well as reductions with the least amount of service impact. Each employee had input into the review and the ultimate recommendations. As a result, plans for improving efficiency were developed and are currently being implemented. Two positions were eliminated, saving \$178,098 in the 2011 budget.

Year-End Report: Improved efficiencies were completed in 2011 as a direct result of the Administrative Services Review process including consolidated utilities billing, web-based access to property assessment information.

Enterprise operations review

In 2011 enterprise fund activities will be reviewed to identify opportunities for improvements and increased efficiencies. The areas to be reviewed include golf courses, ice arenas, special events and parking systems. Specific information regarding these initiatives can be found in the Enterprise Fund section of the budget book beginning on page 65.

Year-end Report: A consultant completed a review of golf operations during the first half of 2011. Changes based on the recommendations from the report were implemented in 2011, and will continue in 2012, including changes to maintenance staffing. At the recommendation of the parking vendor, parking operations implemented daily parking rates at Bohemian Flats and East River Flats, both located near the University of Minnesota. Electronic pay stations have been installed on Main Street as a pilot program. If the electronic pay stations are successful they will be expanded to other on street parking areas. Reviews of other enterprise areas are ongoing.

STRATEGY SIX: Assure that basic services and programs remain accessible, community based, and equitable. Reaffirm the importance of outdoor activities for children.

2011 Initiatives

Community based recreation

The organizational restructuring that occurred in 2010 provided for the reassignment of Recreation staff to the field to enhance and implement community based programming in the Community Service



Areas. The changes will enhance accountability, improve standards, and focus efforts on meeting community needs.

Year-end Report: The Recreation Department assessed input and information in regard to the Community Service Area (CSA) structure and began to develop refined practices to improve and increase community outreach, engagement and program delivery. The CSAs continued to offer successful programs, activities and events to effectively use resources and eliminate duplication of services. In November, staffing levels within each CSA were evaluated and changes were made to better match skill sets with locations and improve the balance of staffing levels within the CSA's.

Evening/Night Teen Recreation Program

An evening/night teen recreation program will be implemented within community service areas in 2011. The goal of the program is to engage youth in positive recreational activities in a safe park environment with adult mentors. This program is allocated \$250,000, \$155,000 of which is shifted from existing budgeted resources and an additional \$95,000 is allocated for security measures, equipment and supplies.

Year-end Report: Night Owls, recreation programming from 8:00 p.m. to 11:00 p.m. on Friday and Saturday evenings, continues to be offered at eight parks as a year-round program. Program is continuing with some adjustments made to the schedule for the Holidays.

East Phillips and Phillips community centers

In 2011, the Park Board will open the East Phillips Cultural and Community Center, a new facility made possible through the dedication and commitment of community partners. Also in 2011, the Park Board will re-open the renovated Phillips community center. The Recreation division and Phillips community service area team are excited to begin working with the community to build successful programs, services and partnerships.

Year-end Report: Phillips Community Center is anticipated to fully open by January 2012 although some tenants have been occupying the building since September 2011. Programming and staffing plans are in place for winter break activities. East Phillips Cultural Center opened on February 28th, 2011. Community partner agencies and Recreation staff provide programs and services that reflect the needs and interests of the neighborhood and Community Service Area.

Beach operations review

In 2011, the Recreation division will perform a review of current beach operations and rules for guarded and unguarded beaches with the goal of enhancing enjoyment while maintaining a welcoming and safe beach environment. The Board approved an aquatics-beach budget of \$151,863, \$50,000 of which is shifted from existing resources to fund additional lifeguards at beaches.

Year-end Report: The beach season began June 11th and ended August 14th. Docks were added to Calhoun Thomas, Harriet North and Nokomis Main beaches. Attendance at all guarded beaches was 134,395 for the season with 43,285 at Calhoun Thomas, 24,350 at Harriet North and 29,580 at Nokomis Main beach. Beaches with docks were staffed with lifeguards on July 4th. Guarded beach hours were increased by one hour remaining open until 7:00pm. Revised beach rules were developed and posted. The Optum Open Swim program



ran on Thursday evenings at Lake Calhoun and was a success. A new log rolling program was started at Lake Calhoun and had 28 youth and adults, 38 participants in the tournament and numerous drop-in kids learned to log roll from experts.

Aquatic plant harvesting

During the summer months, the Park Board performs aquatic plant harvesting on Minneapolis lakes with focus on Eurasian water milfoil. This activity is regulated by the Minnesota Department of Natural Resources and allows aquatic plant harvesting to occur in Minnesota water bodies to remove significant plant obstructions to enhance recreational opportunities. Aquatic plant harvesting is performed twice annually at Lakes Harriet, Calhoun, Cedar and Wirth. The 2011 budget supports the reinstatement of harvesting at Lake of the Isles.

Year-end Report: Aquatic Plant harvesting was completed on Lake Harriet, Lake Calhoun, Cedar Lake, and Lake of the Isles. The Wirth Lake beach area was closed for the summer due to the damage from the May 22nd tornado. Work was completed using a combination of MPRB staff and equipment and a vendor. At the direction of the Minnesota Department of Natural Resources harvesting was suspended during the mid-summer State of Minnesota shutdown. In addition, high water levels in the Chain of Lakes reduced the amount of aquatic vegetation harvested to a record low amount.

Sixth Park District Off-Leash Recreation Area

Six off-leash sites have been developed within the Minneapolis Park System at Lake of the Isles, Franklin Terrace, Minnehaha Park, St. Anthony Parkway, Loring Park and Victory Prairie. All commissioner districts except the sixth park district have at least one off-leash area. In 2011, a citizen advisory committee will be formed to assess community support for an off-leash recreation area in the sixth park district in or near the Kingfield Neighborhood. Funding of \$32,500 has been reserved for the development of a sixth park district off-leash recreation area.

Year-end Report: The Sixth Park District Dog Park Citizen Advisory Committee provided recommendations to the Board for approval. The Board has approved the following:

- Site 32 in the Southside Operations Center parking lot at Lyndale Farmstead Park for the dog park.
- An additional \$100,000 for the construction of the dog park.
- The development of a system-wide dog park master plan in 2013 or 2014.

Rev. Dr. Martin Luther King, Jr. Legacy

The Park Board will host a series of public meetings to focus on how best to honor Rev. Dr. Martin Luther King, Jr. at a southwest Minneapolis park named after the civil rights leader. The interactive meetings will result in a plan to honor the legacy of Rev. Dr. Martin Luther King, Jr. Topics will include the Freedom Form #2 sculpture that was installed to honor Dr. King, the park as a whole, and park programming. Funding of \$32,500 has been reserved for honoring the legacy of Rev. Dr. Martin Luther King, Jr. at the park.

Year-end Report: The Board approved the community's Phase I and accepted its Phase II program and infrastructure recommendations to honor Rev. Dr. Martin Luther King Jr. The Freedom Form #2 Sculpture was relocated to its new location and rededicated on August 28. The Rev. Dr. Martin Luther King Jr. Legacy Committee was formed and continues to meet monthly to fundraise and help implement the recommendations.



STRATEGY SEVEN: Shape city character through nationally recognized park development and redevelopment strategies.

2011 Initiatives

Upper Riverfront International Design Competition

The Park Board and Minneapolis Parks Foundation, along with creative partners University of Minnesota College of Design and Walker Art Center, are sponsoring a design competition addressing the Minneapolis upper riverfront, the area extending from the Stone Arch Bridge to the northern city limits of Minneapolis, along both sides of the Mississippi River. This project builds on the Park Board award-winning 2000 master plan. The goal of riverfront park development to date has been to secure the property and develop park facilities that would attract private investment into the central riverfront corridor. This initiative will produce the next generation of the riverfront improvements by attracting the best design teams in the world and challenging them to create a nationally recognized iconic park development on the Mississippi River.

Year-end Report: The design team of TLS/KVA and finance consultants HR&A team returned to Minneapolis in September to present the Minneapolis Riverfront Development Initiative's (MR|DI) draft report to the Minneapolis Park and Recreation Board, MR|DI committees and the public. A formal comment period on the draft ended November 6. Staff and the design team are preparing next-step recommendations for consideration by the Board in January/February.

Sculpture Garden – the next 20 years

The Park Board agreement with the Walker Art Center for the Minneapolis Sculpture Garden expires in 2013. This relationship has provided a well-received outdoor art exhibit and the backdrop for innovative events since 1988. To build on this success and address long-term capital and maintenance needs for the garden, staff will begin working with the Walker Art Center in 2011 to develop the parameters for an agreement that would be approved by the Board in 2012. This agreement could provide the basis for a park conservancy model to be used in the park system.

Year-end Report: Staff has begun meeting with the Walker Art Center staff to develop a framework for a new operating agreement that will be presented to the Board in 2012.