



Minneapolis Park and Recreation Board
Financial Status Report
as of Third Quarter, 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 September 30, 2011. The first section of the report details the operations of the General, Enterprise and Internal Service Funds. The second section details the third quarter 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 are projected to be \$60.0 million and expenditures are projected to be \$59.8 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 fund balance is projected to be \$5.1 million, which exceeds financial policy requirements. This balance is an increase of \$261,000 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 is projected to end the year at \$1.6 million.

Internal Service Funds

Internal Service Funds account for equipment fleet, information technology and self-insurance services to Park Board departments. To the end of 2011 Internal Service Fund revenues are projected to be \$7.9 million and expenses are projected to be \$7.3 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 through the third quarter of 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 has a current operating budget of \$60.0 million. Through September of this year, 68.5 percent of the Fund's appropriations have been spent with 75 percent of the year elapsed.

Revenue generated by the Park Board as of September 30, 2011 totaled \$30.1 million, up 2.2 percent from the \$29.5 million collected in the first three quarters of 2010. Total revenues for 2011 are projected to be \$60.0 million, an increase of \$2.0 million from 2010 actual revenues.

As of September 30, 2011 actual expenditures totaled \$41.1 million, up 2.3 percent from the \$40.2 million spent in 2010. To the end of 2011 expenditures are projected to be \$59.8 million, 5.1 percent higher than 2010.

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. It is expected that the 2011 year-end General Fund balance will exceed the requirement as well.

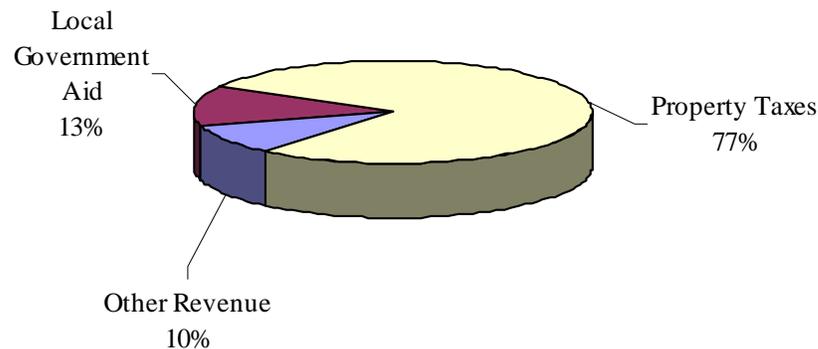
This report contains estimates. Unforeseen changes in revenue and expenditures will cause actual results to fluctuate from the projected results.

General Fund Revenues

As of September 30, 2011 actual revenues totaled \$30.1 million, up 2.2 percent from the \$29.5 million received in the first half of 2010.

Revenues by Major Category

	2010			2011			
	Actual		Percent Recognized	Current Budget	Actual As of 9/30	Percent Recognized	Projected Year End
	Year-End	As of 9/30					
Property and Other Taxes	\$44,403,101	\$22,372,809	50.4%	\$46,272,466	\$23,908,260	51.7%	\$46,621,107
Local Government Aid	7,423,928	3,711,964	50.0%	7,570,039	3,785,818	50.0%	7,570,039
Fees, Fines and Other Revenues	6,210,611	3,422,505	55.1%	6,158,301	2,454,925	39.9%	5,830,826
Total Revenues	\$58,037,640	\$29,507,278	50.8%	\$60,000,806	\$30,149,003	50.2%	\$60,021,972





Property Taxes

Property taxes provide 77 percent of projected revenue, the largest funding source of the General Fund. The Park Board received the first half property tax payment from Hennepin County, 51.7 percent of budgeted property taxes. Delinquent property tax payments continue to push property tax collections over budgeted levels, with \$493,192 received in the first half of 2011. Property tax revenue is projected to exceed budget by \$348,641 at year-end.

Local Government Aid

Local Government Aid (LGA) is projected to provide 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. The first half payment of \$3.8 million has been received.

Fees, Fines and Other Revenue

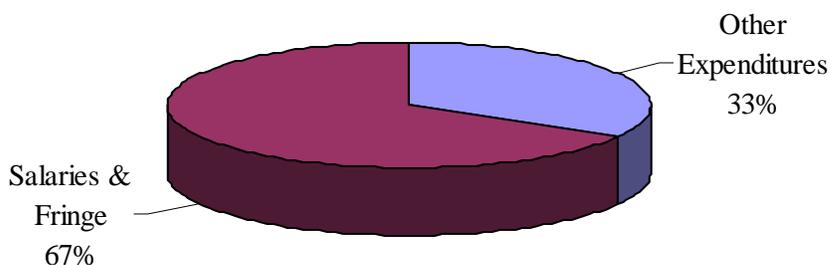
Fees, fines and other revenue provide ten percent of projected revenue. The Park Board has recognized 39.9 percent of the budgeted fees, fines and other revenue for 2011. Revenues are projected to end the year below budget largely due to a reduction in Park Board regional park operations and maintenance of \$200,000 in 2011. Revenues as of September 30, 2011 are lower than 2010 because regional park operations and maintenance funding had not yet been received.

General Fund Expenditures

As of September 30, 2011 actual expenditures totaled \$41.1 million, up 2.3 percent from the \$40.2 million spent in the first three quarters of 2010.

Expenditures by Major Category

	2010			2011		
	Actual		Percent	Current	Actual	Percent
	Year-End	As of 9/30	Expended	Budget	As of 9/30	Expended
Salaries & Fringe	\$ 40,410,345	\$ 30,295,791	75.0%	\$ 40,062,717	\$ 29,696,832	74.1%
Other Expenditures	16,429,603	9,857,962	60.0%	19,938,089	\$ 11,389,009	57.1%
Total Expenditures	\$56,839,948	\$40,153,753	70.6%	\$60,000,806	\$41,085,841	68.5%



Salaries and Fringe Benefits

Salaries and fringe benefits are 74.1 percent expended with 75 percent of the year elapsed, 0.9 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 are 57.1 percent expended with 75 percent of the year elapsed, lower than 2010. Other expenditure reductions of \$388,000 were used to help offset Park Board state aid reductions, while \$1.1 million was allocated to pay-as-you-go neighborhood capital rehabilitation.

Expenditures by Service Area

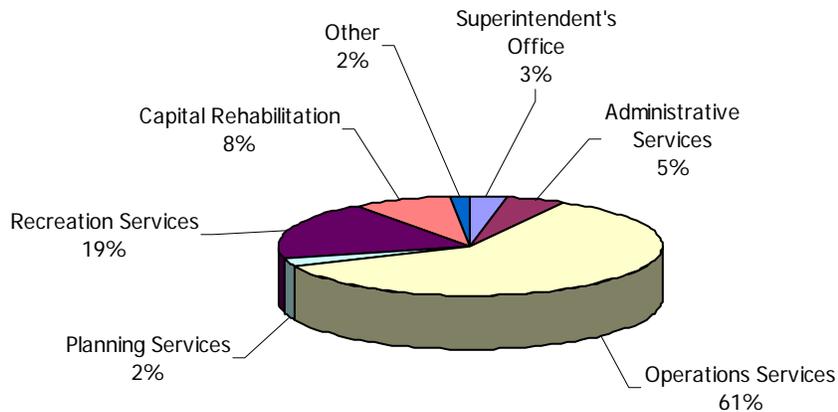
	2010			2011			
	Actual		Percent Expended	Current Budget	Actual As of 9/30	Percent Expended	Projected Year-End
	Year-End	As of 9/30					
Operating Departments							
Superintendent's Office							
Superintendent's Office	\$507,843	\$338,433	66.6%	\$585,967	\$451,850	77.1%	\$583,895
Board of Commissioners	499,379	375,517	75.2%	515,296	392,974	76.3%	510,275
Communications & Marketing	307,010	220,848	71.9%	396,796	192,391	48.5%	265,303
Personnel	425,969	354,460	83.2%	512,501	335,638	65.5%	465,176
Administrative Services							
Customer Service	294,263	217,827	74.0%	361,024	301,846	83.6%	395,488
Finance	1,054,624	809,116	76.7%	884,639	674,435	76.2%	879,963
City Mgmt Fee, Contributions & Other	1,408,557	946,772	67.2%	1,646,328	1,237,783	75.2%	1,640,325
Operations Services							
Environmental	1,255,098	987,147	78.7%	1,429,012	971,344	68.0%	1,243,111
Volunteer Services	130,237	96,883	74.4%	147,923	99,906	67.5%	133,874
Forestry	9,959,736	7,307,213	73.4%	9,779,217	7,253,695	74.2%	9,725,855
Maintenance	15,814,981	11,697,362	74.0%	15,492,826	11,674,953	75.4%	15,541,460
Summer Youth Employment-Teen Teamworks	969,066	877,055	90.5%	1,087,627	858,374	78.9%	999,030
Park Police	4,931,914	3,666,323	74.3%	4,909,756	3,792,965	77.3%	4,955,540
Trades & Field Services	3,603,644	2,590,636	71.9%	3,611,092	2,682,684	74.3%	3,576,508
Planning Services							
Planning	1,373,133	974,068	70.9%	1,390,804	1,224,058	88.0%	1,389,800
Recreation Services							
Aquatics	771,691	678,456	87.9%	430,651	360,749	83.8%	418,469
Recreation	10,252,153	7,535,240	73.5%	11,073,440	7,500,168	67.7%	10,691,973
Wirth Winter Recreation Area	350,274	198,823	56.8%	366,005	282,507	77.2%	406,541
Neiman Complex	238,101	171,315	72.0%				
Other							
Storm Damage*				477,014	637,827		1,035,259
Stormwater Charges	1,542,650	0	0.0%				
Severance Cost	462,231	0	0.0%				
Total Operating Expenditures	\$56,152,554	\$40,043,494	71.3%	\$55,097,918	\$40,926,147	74.3%	\$54,857,845
Capital							
Pay-as-You-Go-Rehabilitation	687,394	110,259	16.0%	4,902,888	159,694	3.3%	4,902,888
Total Capital Expenditures	\$687,394	\$110,259	16.0%	\$4,902,888	\$159,694	3.3%	\$4,902,888
Total General Fund	\$56,839,948	\$40,153,753	70.6%	\$60,000,806	\$41,085,841	68.5%	\$59,760,733



***Storm Damage**

On May 22, 2011 a tornado and severe storms damaged a large portion of North Minneapolis including park property. The Park Board non-budgeted expenses from the emergency response, debris clean-up and resident assistance are estimated at \$1.0 million. A Presidential Disaster for Public Assistance was declared and the Park Board will receive disaster relief funds from the federal government of approximately \$890,000, which is included in the projected revenue for the General Fund.

Expenditures by Division



Service Areas

Three service areas make up approximately 60 percent of the projected General Fund expenditures: Maintenance, Recreation and Forestry. Small percentage variances in any of these areas can significantly impact total expenditures.

General Fund Budget Appropriation Changes

One budget appropriation change occurred during the third quarter of 2011. Teen Teamworks received additional grant funding from the City of Minneapolis, State of Minnesota, and private donors.

Budget Appropriation Changes

2011 Original Budget	\$59,063,179
Teen Teamworks Grants & Donations 2nd Quarter	692,278
Teen Teamworks Grants & Donations 3rd Quarter	<u>245,349</u>
2011 Current Budget	<u>\$60,000,806</u>

General Fund Balance

The 2011 year-end fund balance is estimated to be \$5.1 million, 5.4 percent higher than 2010.

General Fund Balance

	2010			2011			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year-End	As of 6/30					
Total Revenue	\$58,037,640	\$29,507,278	50.8%	\$60,000,806	\$30,149,003	50.2%	\$60,021,972
Total Expenditures	56,839,948	40,153,753	70.6%	60,000,806	41,085,841	68.5%	59,760,733
Revenue Over/(Under) Expenditures	<u>\$1,197,692</u>	<u>(\$10,646,475)</u>		<u>\$0</u>	<u>(\$10,936,838)</u>		<u>\$261,239</u>



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 \$5.1 million, a \$261,239 increase in fund balance. This fund balance exceeds financial policy requirements by \$2.1 million.

2011 Projected General Fund Year-End Fund Balance

Fund Balance, January 1, 2011	\$4,833,807
Projected Revenues in Excess of Expenditures	<u>261,239</u>
Projected Fund Balance, December 31, 2011	5,095,046
Fund Balance Requirement (5%)	<u>2,953,159</u>
Fund Balance in Excess of Requirement	<u><u>\$2,141,887</u></u>

The projections in this report are based on estimates and unforeseen changes in revenue or expenditures could cause actual results to vary considerably from the projected year-end results.



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		Percent Recognized	Current Budget	Actual As of 9/30	Percent Recognized	Projected Year-End
	Year End	As of 9/30					
Golf							
Revenues	\$6,093,993	\$5,513,085	90.5%	\$6,595,195	\$4,818,408	73.1%	\$5,399,316
Expenses	5,873,058	4,693,999	79.9%	6,013,830	4,722,889	78.5%	5,769,320
Net Income	\$220,935	\$819,086		\$581,365	\$95,519		(\$370,004)
Use & Events Permitting							
Revenues	\$1,232,682	\$708,222	57.5%	\$1,022,062	\$855,336	83.7%	\$1,140,000
Expenses	895,676	697,523	77.9%	646,633	543,156	84.0%	738,511
Net Income	\$337,006	\$10,699		\$375,429	\$312,180		\$401,489
Concessions							
Revenues	\$931,913	\$722,917	77.6%	\$933,400	\$773,634	82.9%	\$973,738
Expenses	181,843	119,661	65.8%	165,335	123,432	74.7%	167,366
Net Income	\$750,070	\$603,256		\$768,065	\$650,202		\$806,372
Parking							
Revenues	\$900,037	\$880,210	97.8%	\$923,000	\$861,494	93.3%	\$983,843
Expenses	174,176	120,195	69.0%	216,053	171,156	79.2%	228,322
Net Income	\$725,861	\$760,015		\$706,947	\$690,338		\$755,521
Ice Arenas							
Revenues	\$848,823	\$583,709	68.8%	\$840,000	\$427,711	50.9%	\$761,100
Expenses	823,346	541,042	65.7%	721,589	542,477	75.2%	736,455
Net Income	\$25,477	\$42,667		\$118,411	(\$114,766)		\$24,645
Athletic Facilities							
Revenues	\$0	\$0		\$254,000	\$89,575	35.3%	\$240,000
Expenses	142,804	110,559	77.4%	361,123	349,905	96.9%	414,263
Net Income	(\$142,804)	(\$110,559)		(\$107,123)	(\$260,330)		(\$174,263)
Lupient Water Park							
Revenues	In the General Fund in 2010			\$183,503	\$241,636	131.7%	\$239,495
Expenses				306,503	305,452	99.7%	325,812
Net Income				(\$123,000)	(\$63,816)		(\$86,317)
Wirth Winter							
Revenues	\$73,548	\$66,880	90.9%	\$60,850	\$42,766	70.3%	\$69,056
Expenses	76,036	66,880	88.0%	60,395	64,229	106.3%	73,586
Net Income	(\$2,488)	\$0		\$455	(\$21,463)		(\$4,530)



Enterprise Fund by Service Area (Continued)

	2010			2011			
	Actual		Percent Recognized	Current Budget	Actual As of 9/30	Percent Recognized	Projected Year-End
	Year End	As of 9/30					
Sculpture Garden & Cowles Conservatory							
Revenues	\$41,949	\$33,029	78.7%	\$32,900	\$20,417	62.1%	\$28,654
Expenses	275,220	184,994	67.2%	245,843	186,409	75.8%	272,646
Net Income	(\$233,271)	(\$151,965)		(\$212,943)	(\$165,992)		(\$243,992)
Canoe Docks & Sailboat Buoys							
Revenues	\$239,901	\$227,933	95.0%	In the General Fund in 2011			
Expenses	34,737	23,675	68.2%				
Net Income	\$205,164	\$204,258					
Recreation							
Revenues	\$3,640,025	\$2,802,912	77.0%	\$3,360,804	\$2,925,434	87.0%	\$3,884,617
Expenses	3,244,433	2,436,195	75.1%	3,360,804	2,338,075	69.6%	3,350,216
Net Income	\$395,592	\$366,717		\$0	\$587,359		\$534,401
Total Operating Income							
Revenues	\$14,002,871	\$11,538,897	82.4%	\$14,205,714	\$11,056,411	77.8%	\$13,719,819
Expenses	11,721,329	8,994,723	76.7%	12,098,108	9,347,180	77.3%	12,076,497
Net Income	\$2,281,542	\$2,544,174		\$2,107,606	\$1,709,231		\$1,643,322
Non-Operating Expenses							
Improvements	\$808,221	\$588,008	72.8%	\$816,169	\$252,325	30.9%	\$280,000
Debt Service	858,736	142,125	16.6%	746,437	91,263	12.2%	746,437
Athletic Field Improvements	114,232	185,408	162.3%	250,000	94,500	37.8%	250,000
Payment of prior year expense	295,384	0	0.0%	0	0		0
Transfers	442,399	0	0.0%	295,000	0	0.0%	295,000
Total Non-Operating Exp	\$2,518,972	\$915,541		\$2,107,606	\$438,088		\$1,571,437
Income after Non-Operating Expenses							
	(\$237,430)	\$1,628,633		\$0	\$1,271,143		\$71,885

Golf Operations

Golf revenue was impacted by the late start to the golf season and poor weather conditions throughout the 2011 golf season. Through September 30, 2011 there have been 47 fewer playable golf days than in 2010 and golf revenue is down 13 percent. Expenses are projected to end the year down 2 percent from 2010, and staff continues to identify areas to achieve cost savings. To the end of 2011 golf operations is projected to have a loss of (\$370,004).

Use & Events Permitting

Use & Events Permitting net income is projected to end 2011 at \$401,489, an increase of \$64,483 over 2010. Expenses are expected to decrease due to staffing changes in the events group.



Concessions

Concessions net income is projected to increase by \$56,302 to \$806,372 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. Revenues are projected to end the year up \$84,000 from 2010. Expenses are up projected to end the year over budget due to credit card fees associated with increased revenues and newer parking machines that accept credit cards. To the end of 2011 parking operations net income is projected to be \$755,521.

Ice Arenas

Ice arena operations consist of the Parade and Northeast Ice Arenas. Revenues are expected to come in under budget in 2011 due to the timing of payments. Expenses are expected to end the year \$87,000 lower than 2010 but may exceed the 2011 budget due to unexpected cooling system repairs. To the end of 2011 ice arena operations net income is projected to be \$24,645.

Athletic Facilities

Athletic Facilities consist of Neiman Complex, Parade Athletic Fields, Van Cleve Field and Quilici Field. To the end of 2011 this operation is projected to have a loss of (\$174,263).

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. To the end of 2011 this operation is projected to have a loss of (\$86,317).

Wirth Winter Recreation Area

The Enterprise Fund reports revenues and expenses for the operation of the tubing hill. The Wirth Winter Recreation Area is projected to meet revenue and expense goals during 2011.

Sculpture Garden & Cowles Conservatory

The Parade Complex includes the Cowles Conservatory and the Sculpture Garden. Revenue is generated from rentals of Cowles Conservatory and the Sculpture Garden. Both revenues and expenses are expected to be slightly below 2010 levels. To the end of 2011 this operation is projected to have a loss of (\$243,992).

Recreation

Recreation includes fee-based community programs, school-age child care, and adult sports. To the end of 2011 recreation net income is projected to be \$534,401, an increase of \$138,809 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 is projected to be \$1.6 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. Several improvements planned for 2011 have been 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		Percent Recognized	Current Budget	Actual As of 9/30	Percent Recognized	Projected Year-End
	Year End	As of 9/30					
Equipment							
Revenues	\$4,055,468	\$3,006,392	74.1%	\$4,417,649	\$3,317,373	75.1%	\$4,384,990
Expenses	4,145,909	2,624,629	63.3%	4,417,649	3,717,455	84.2%	4,488,820
Net Income	(\$90,441)	\$381,763		\$0	(\$400,082)		(\$103,830)
Information Technology Services							
Revenues	\$918,454	\$706,436	76.9%	\$898,586	\$716,050	79.7%	\$959,880
Expenses	908,649	807,820	88.9%	898,586	618,255	68.8%	882,174
Net Income	\$9,805	(\$101,384)		\$0	\$97,795		\$77,706
Self-Insurance							
Revenues	\$2,652,613	\$1,994,462	75.2%	\$2,659,283	\$1,876,145	70.6%	\$2,564,271
Expenses	1,844,800	1,641,176	89.0%	2,659,283	1,326,670	49.9%	1,941,642
Net Income	\$807,813	\$353,286		\$0	\$549,475		\$622,629

Equipment

Equipment rental is charged to Park Board departments for use of equipment owned by the Park Board. Equipment revenue is up 10.3 percent compared to 2010 due to increases in equipment rental rates. Expenses are up 41.6 percent compared to 2010 due to scheduled equipment purchases that included two wheel loaders, chippers, mowers and police vehicles. In addition, the Equipment fund has 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. Equipment is projected to end the year \$71,000 over its 2011 budget due to equipment purchases. This will necessitate use of the equipment reserve balance. The projected year-end equipment reserve balance is \$1.0 million.

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 are expected to end the year over budget due to departments adding workstations and a comprehensive inventory of workstation usage. Expenses are expected to end the year below budget. The projected year-end Information Technology Services equipment reserve is \$430,000.

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 are expected to be 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 are projected to exceed revenues by \$26,000, 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	(103,830)
ITS revenue in excess of expenditures	<u>77,706</u>
Working Capital December 31, 2011	\$ 1,409,101

Self Insurance Fund Net Asset Balance

The Self Insurance Fund net assets balance at year-end 2010 was \$7.2 million. During 2010 revenues are projected to exceed expenses by \$623,000, increasing the net assets balance to \$7.9 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>622,629</u>
Working Capital December 31, 2011	\$ 7,871,230



2011 Budget Strategy Initiatives Third Quarter 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 through the third quarter of 2011. The strategies and initiatives are written as they appear in the 2011 Annual Budget book on pages 12 to 15. The third quarter 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.

Third Quarter 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.
- The new playground at Levin Park has been approved by the Board and bid documents have been prepared and reviewed by staff. Bidding will occur in November.
- A successful design charrette for Webber Park was completed. Final design concepts will be presented to the neighborhood in November.
- 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 capital improvement program for the new field lights at Currie and Northeast fields was approved and construction will begin in November. Final redesign for the East Phillips field improvements is underway. Construction will begin in 2012.
- A public meeting was held to present design options for the Parade Road redesign.
- 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.

Third Quarter Report: An analysis of current conditions of parkway road surfaces and lighting was completed in August and presented to the Board in September. Staff took the analysis and maintenance scenarios and incorporated them into the five-year capital improvement program that will be going to the Board in November for approval. Staff continues to work with the City of Minneapolis to develop options for parkway paving and lighting improvements.

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.

Third Quarter 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. The consumption data will be used to 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.

Third Quarter Report: Due to tornado cleanup the initial spring planting of 4,000 trees was not completed until mid-June. Starting in mid-October approximately 1,500 additional trees will be planted. The majority of these trees will be planted in the McKinley and Cleveland



neighborhoods of north Minneapolis as well as in nine of twelve neighborhoods that comprise the downtown planting area. Nearly 280 trees were planted in Folwell Park as the kick off to "Northside Treecovery". Additional trees were planted along Industrial Boulevard in northeast Minneapolis. Fall tree planting will conclude by mid-November.

Eleven sites have been identified for additional ornamental shrub and hardy perennial planting. Eight of the sites have been designed and planted. Design work continues with the assistance of Kit Healy and Audubon Society volunteers at Lake Calhoun. Designs will be completed on the remaining three sites this fall in preparation for spring plantings.

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.

Third Quarter Report: The Events Go Green team (comprised of staff across Park Board departments) is currently developing an action plan that will assist the organization in developing and implementing sustainable guidelines for all events that occur in Minneapolis parks. Some environmental sustainable initiatives that were implemented this past summer included composting at Minneapolis Safety Camp, Minneapolis Monarch Festival and Minneapolis Bike Tour.

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.

Third Quarter Report: The Solid Waste Management Initiative study report was presented at the May 4, 2011 board meeting. Since that report was presented a Waste Management Action Plan has been approved by the Sustainability Steering Committee. The Waste Management Committee along with the Events Go Green Committee are working in conjunction with Hennepin County Environmental Services (HCES) to coordinate efforts and share resources to increase our recycling efforts. On October 17, 2011 Renee Van Siclen started as the GreenCorps Member assigned to the Park Board. She will be working on the Waste Management program for the next eleven months.



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.

Third Quarter Report: The audited fund balance of the General Fund is \$4.8 million as of December 31, 2010. Of that amount up to \$470,000 could be allocated to projects within the Sustainability Fund. Staff will bring forward recommended guidelines regarding selection of projects and return on investment for the Sustainability Fund in a review with the Board during the fourth quarter of 2011.

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.

Third Quarter 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.

Third Quarter Report: Throughout the calendar year, the Park Board has actively monitored Minneapolis stormwater, lakes and best management practices as per the 2011 Scope of Services Agreement. During the third quarter, lakes were sampled twice monthly and storm events were captured whenever there was adequate rainfall. In addition, water quality education activities outlined in the agreement such as the Scoop the Poop campaign, on the water learning quests, and outreach at local events were conducted throughout the city.



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.

Third Quarter 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. An Executive Summary of the report and a copy of the complete final report have been presented to each Commissioner.

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.

Third Quarter Report: The Park Board, Community Education and Minneapolis Public Schools Athletic Director staff met on October 8 to continue coordinating resources, streamlining processes and maximizing 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 Director in their CSA area to define the details for recruiting coaches and youth.

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.



Third Quarter Report: The Board has approved the new community engagement policy and amendment to the Code of Ordinances. An announcement to the public and training for staff is in process.

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.

Third Quarter Report: A web marketing specialist was hired in September and efforts are underway to improve navigation, translation services, graphics and functionality of the existing site, and to develop a cost estimate and process for a complete web overhaul. Additional third quarter Communications and Marketing Department efforts included: expanded community outreach efforts for the Minneapolis Riverfront Development Initiative; promotion with WCCO Radio to sell Dome squares for northside youth sports teams; special event support for Quilici Field, Homegrown Expo and Minneapolis Bike Tour; and positive media coverage of tipped tree stump removal, healthy choice initiatives and several planning projects (Scherer site clean up, MLK Park celebration, Wirth Park planning).

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.

Third Quarter 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.

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.



Third Quarter Report: A work team started meeting in February and is developing system wide grant tracking and reporting as well as establishing grant policies.

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.

Third Quarter Report: The Board reviewed a draft Sponsorship Policy in February. A study item was presented in July.

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.

Third Quarter Report: This initiative is complete.

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.

Third Quarter 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.

Third Quarter 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.



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.

Third Quarter 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.

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.

Third Quarter Report: Phillips Community Center is anticipated to open by January 2012, but in the event that it can open earlier, programming and staffing plans are being made in preparation 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.

Third Quarter Report: The beaches were enjoyed by 134,395 people this summer at the following beaches:

- Cedar Hidden: 20,480 patrons
- Calhoun Thomas: 43,285 patrons
- Calhoun 32nd: 15,600 patrons
- Harriet Main: 24,350 patrons
- Nokomis Main: 29,580 patrons
- Hiawatha: 1,100 patrons

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.

Third Quarter Report: The Park Board's 2011 harvesting program focused on removing aquatic plants from Lakes Harriet, Calhoun, Isles, Cedar and Wirth. Typically, each lake is harvested two times during the growing season. In 2011, the MPRB contracted a one-time harvesting of Lake of the Isles and Lake Harriet to a local contractor. Aquatic plant harvesting was also conducted once on these lakes by MPRB staff.



Eurasian water milfoil growth was very low on Minneapolis lakes as well as many other metro lakes in 2011. The natural lifecycle of the plant, thick ice cover, and unusual spring growing conditions may have contributed to low milfoil growth levels. In addition, aquatic plant control activities were suspended for 3 weeks during the State of Minnesota shut down in July. As a result of plant conditions and the shutdown, MPRB Mobile Equipment Operators harvested Minneapolis lakes significantly fewer days in 2011 than in previous years.

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.

Third Quarter Report: The Sixth Park District Dog Park Citizen Advisory Committee has been formed and has accomplished the following:

- Narrowed to one option the possible dog park sites.
- This one option will be presented to the Board in November.

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.

Third Quarter Report: The Freedom Form #2 Sculpture was relocated to its new location and rededicated on an August 28 celebration.

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.

Third Quarter 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. In the report, the authors summarize the RiverFIRST vision for Upper Riverfront parks development, along with research, engagement and other steps taken to gather relevant information; detail recommendations for priority sites and projects, timing,



and funding; and suggest steps and structure for maintaining project momentum. The draft report has been vetted through a formal review and comment period (from Sept 21 through Nov 6) involving numerous communication and outreach efforts to seek public input and participation.

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.

Third Quarter Report: Staff have 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.