



Minneapolis Park and Recreation Board  
Financial Status Report  
as of Second Quarter, 2009

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## **Budget Overview**

The Minneapolis Park and Recreation Board responded early to the economic challenges facing the park system. The Park Board was proactive and fiscally responsible when developing the 2009 budget, and continues to aggressively monitor and manage the budget. By developing effective budget strategies, planning for potential reductions to Local Government Aid (LGA) funds, and implementing a hiring pause, the Park Board has effectively controlled the budget while delivering quality services and programs to our constituents and park visitors.

### **General Fund**

This report details the Minneapolis Park and Recreation Board General Fund budget status as of June 30, 2009. To the end of 2009, General Fund revenues are projected to be \$56.4 million and expenditures are projected to be \$55.2 million.

In December 2008 the Governor balanced the state budget using LGA unallotments to cities and counties. The Park Board was unallotted almost \$1.6 million in LGA funds. A state budget was not agreed upon during the 2009 Legislative Session. The Governor unallotted \$1 million in 2009 and plans to unallot another \$1.3 million of Park Board LGA funds in 2010.

The Park Board has taken steps to reduce the impact of the reductions and prepare for 2010. The 2009 Park Board budget provided for placing \$774,085 of LGA in a reserve, Park Board departments have been directed to reduce spending, and the hiring pause begun in 2008 continues.

### **Enterprise Fund**

The Enterprise Fund is a self-supporting fund established to account for all business-type operations of the Park Board including golf courses, refectories, ice arenas, permits and recreational activities. Enterprise Fund operating income is projected to end the year at \$2.6 million, up 4.6 percent over 2008, mainly due to increases to parking revenue and lower operating expenses.

### **Internal Service Funds**

Internal Service Funds provides equipment fleet, information technology and self-insurance services to the Park Board departments. To the end of 2009 internal service fund revenues are projected to be \$7.8 million and expenses are projected to be \$7.6 million, resulting in an increase of \$0.2 million to Internal Service Funds reserves.

### **Budget Strategies and Initiatives**

2008-2009 budget strategies were developed from public input received during the Comprehensive Plan process and budget work sessions held with Commissioners. The strategies were approved in the 2008 budget and incorporated into the Park Board's Financial Policies. The 2009 Annual Budget included initiatives related to these ten strategies. This report details the progress on those initiatives through the second quarter of 2009.



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## General Fund

### 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 2009 with a fund balance of \$1.9 million and has a current operating budget of \$55.4 million. Through June of this year, 44.8 percent of the Fund's appropriations have been spent with half of the year elapsed.

Revenue generated by the Park Board as of June 30, 2009, totaled \$21.7 million. Total revenues for 2009 are projected to be \$56.4 million, an increase of 4.8 percent over 2008 actual revenues.

As of June 30, 2009, actual expenditures totaled \$24.8 million, up 7.3 percent from the \$23.1 million spent in the first half of 2008. This increase is attributable to faster payment processing in 2009 and health insurance, wage and other general inflation increases. To the end of 2009 expenditures are projected to be \$55.2 million, an increase of 1.4 percent over 2008 actual expenditures.

The fund balance for the General Fund at fiscal year-end 2008 was \$1.9 million. Based on current revenue and expenditure estimates, the projected 2009 year-end balance is estimated at \$3.0 million, resulting in a \$1.1 million increase in the fund balance over 2008. The fund balance increase became necessary in 2008 when LGA was unallotted and fund balance fell below the financial policy required levels. The hiring pause begun in 2008 was continued in 2009 and provides for the required increase in fund balance and prepares the Park Board for reductions to LGA in 2010.

The financial information and projections contained in this report do not take into account any activities subsequent to June 30, 2009.

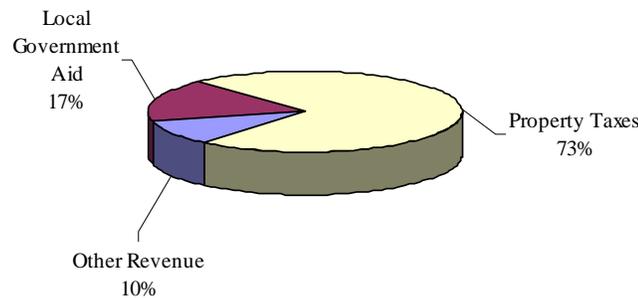
This report contains estimates. Unforeseen changes in revenue and expenditures will cause actual results to fluctuate from the projected results.



General Fund Revenues

**Revenues by Major Category**

	2008			2009				
	Actual		Percent Recognized	Original Budget	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year End
	Year-End	As of 6/30						
Property and Other Taxes	\$40,663,240	\$20,228,143	49.7%	\$41,365,391	\$41,365,391	\$20,635,974	49.9%	\$41,251,312
Local Government Aid	8,146,017		0.0%	10,478,975	9,471,504		0.0%	9,471,504
Fees, Fines and Other Revenues	5,003,086	1,088,685	21.8%	4,794,109	5,738,307	1,047,912	18.3%	5,681,707
<b>Total Revenues</b>	<b>\$53,812,343</b>	<b>\$21,316,828</b>	<b>39.6%</b>	<b>\$56,638,475</b>	<b>\$56,575,202</b>	<b>\$21,683,886</b>	<b>38.3%</b>	<b>\$56,404,523</b>



Property Taxes

Property taxes provide 73 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, 49.9 percent of budgeted property taxes. Although Hennepin County has indicated that property tax collection rates have decreased in 2009, delinquent property tax payments continue to make up for the reduction in current collection rates.

Local Government Aid

The City of Minneapolis receives LGA from the State of Minnesota through an appropriation set by formula in state law. The City of Minneapolis transfers 11.79 percent of that appropriation to the Park Board. Local Government Aid (LGA) provides 17 percent of projected revenue, the second largest funding source of the General Fund. The LGA funds are received in two installments during July and December. Consequently, no LGA has been received as of June 30.

The Park Board 2009 LGA was originally certified and budgeted at \$10.5 million. Of this amount, the Park Board set aside \$774,085 as a reserve due to the uncertainty surrounding LGA funding. No agreement was reached on the State Budget during the legislative session and Governor Pawlenty announced the unallotment of \$1 million of Park Board 2009 LGA.

Fees, Fines and Other Revenue

Fees, fines and other revenue provide ten percent of projected revenue. The Park Board has recognized 18.3 percent of the budgeted fees, fines and other revenue for 2009, compared to 21.8 percent recognized at the same point in 2008. 2009 revenue is lower due to the timing of a large lease payment, and fees, fines and other revenues are projected to be within one percent of budget in 2009.

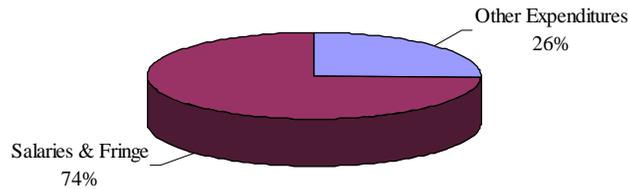


General Fund Expenditures

As of June 30, 2009, actual expenditures totaled \$24.8 million, up 7.3 percent from the \$23.1 million spent in the first half of 2009.

**Expenditures by Major Category**

	2008			2009		
	Actual		Percent Expended	Current Budget	Actual As of 6/30	Percent Expended
	Year-End	As of 6/30				
Salaries & Fringe	\$ 39,675,049	\$ 18,208,996	45.9%	\$ 41,227,964	\$ 18,761,347	45.5%
Other Expenditures	14,846,406	4,915,916	33.1%	14,142,136	\$ 6,050,090	42.8%
<b>Total Expenditures</b>	<b>\$54,521,455</b>	<b>\$23,124,912</b>	<b>42.4%</b>	<b>\$55,370,100</b>	<b>\$24,811,437</b>	<b>44.8%</b>



Salaries and fringe benefits

Salaries and fringe benefits are 45.5 percent expended with 50 percent of the year elapsed, down from the 45.9 percent expended at the same point in 2008. Vacant positions have been held open to support a 2009 balanced budget, restore the required level of fund balance, and prepare for 2010.

Other expenditures

Other expenditures are 42.8 percent expended with 50 percent of the year elapsed, compared to 33.1 percent expended at the same point in 2008. The increase in other expenditures from 2008 to 2009 is mainly due to faster payment processing in 2009. Park Board departments have been directed to use discretion in overall spending to support a 2009 balanced budget and prepare for 2010.

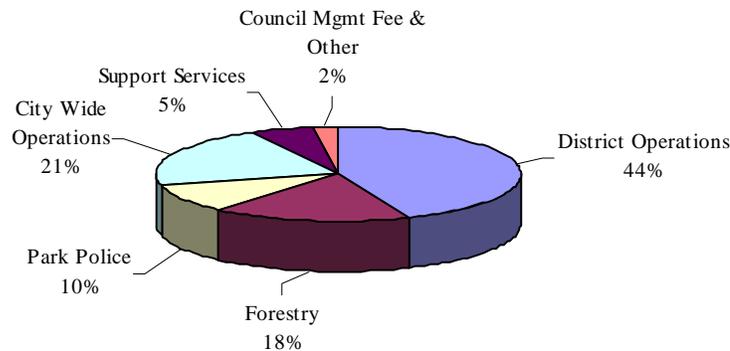


## 2009 Second Quarter Financial Status Report

### Expenditures by Service Area

	2008			2009				
	Actual		Percent Expended	Original Budget	Current Budget	Actual As of 6/30	Percent Expended	Projected Year-End
	Year-End	As of 6/30						
District Operations	\$23,507,514	\$10,308,384	43.9%	\$24,581,109	\$24,117,327	\$11,108,103	46.1%	\$24,115,978
Forestry	9,366,016	4,187,190	44.7%	10,057,113	9,763,532	4,476,295	45.8%	9,894,752
Park Police	5,904,187	2,400,454	40.7%	5,383,687	5,276,013	2,441,014	46.3%	5,323,497
Community Recreation Services	2,942,224	1,441,751	49.0%	3,385,219	3,271,061	1,551,155	47.4%	3,265,123
Trades	2,716,323	1,243,767	45.8%	3,102,115	3,029,397	1,173,673	38.7%	3,013,118
Finance and Personnel	1,425,982	680,084	47.7%	1,587,886	1,493,724	738,308	49.4%	1,482,968
City Mgmt Fee and Workers Comp	1,568,999	218,596	13.9%	1,281,305	1,281,305	534,458	41.7%	1,281,305
LGA Reserve				774,085	0	0		0
Environmental	1,275,177	539,935	42.3%	1,449,527	1,393,150	564,617	40.5%	1,271,157
Aquatics and Neiman Complex	1,232,796	250,358	20.3%	1,115,206	1,113,565	330,311	29.7%	1,112,987
Planning and Project Management	1,182,478	500,172	42.3%	1,377,079	1,314,207	597,958	45.5%	1,283,427
Summer Yth Emp-Teen Teamworks	965,435	264,826	27.4%	185,000	1,129,198	288,253	25.5%	1,129,042
Administration	593,169	320,791	54.1%	480,170	391,320	172,337	44.0%	379,141
Field Services	532,985	300,094	56.3%	596,408	584,480	277,887	47.5%	581,784
Public Info and Customer Service	625,262	288,693	46.2%	587,352	670,911	282,233	42.1%	612,334
Data Practices		0		103,908	54,177	25,814	47.6%	51,628
Board of Commissioners	682,908	179,816	26.3%	591,306	486,735	249,021	51.2%	484,042
<b>Total Expenditures</b>	<b>\$54,521,455</b>	<b>\$23,124,911</b>	<b>42.4%</b>	<b>\$56,638,475</b>	<b>\$55,370,102</b>	<b>\$24,811,437</b>	<b>44.8%</b>	<b>\$55,282,284</b>

Due to reductions in 2008 and 2009 LGA, vacancy and operating budget savings have been reduced from departments' original 2009 budgets. This budget reduction will be brought to the board for approval by November, 2009.



2009 expenditures are projected to be under the original budget by \$2.3 million because of vacancy and operating budget savings. These savings will restore the required level of General Fund balance and prepare for 2010 reductions to LGA. Three service areas make up approximately 83 percent of the projected General Fund expenditures: District Operations, Forestry, and City Wide Operations. Small percentage variances in any of these service areas can significantly impact total expenditures.



## Department Highlights

**District operations** account for 44 percent of projected expenditures. District spending is projected to meet its \$24.1 million budget in 2009. The three districts have vacancies in both recreation and maintenance areas. The increased workloads caused by maintenance vacancies are impacting wading pool and bathroom opening times. The dry conditions this spring have reduced the amount of required mowing, which allowed mowing cycles to be maintained and mowing staff to work crew positions in parks. Recreation vacancies are limiting outdoor supervision at parks, reducing hours of operation and programming at some locations, and causing recreation centers to close on holidays. Recreation and maintenance have begun sharing the responsibility of outdoor bathroom lockups. Workloads are being reprioritized to meet the recreation needs and concerns of the community.

**City Wide operations** account for 21 percent of projected expenditures. City Wide Operations spending is projected to be \$178,419 under its \$11.8 million budget in 2009. The departments listed below are included in City Wide operations.

**Community Recreation Services** include Youth Development, Adults Sports, Youth Sports, Special Events and Volunteers. Currently, expenditures are projected to meet the \$3.3 million budget in 2009. With three vacant positions in Youth Development and increasing resident demand for services, Community Recreation Services continues to sustain quality results through innovation and collaboration. Community Recreation Services has focused on community service areas as platforms to address programming and participant growth. A strong emphasis has been placed on volunteer services and an inclusion/special needs consultant to enhance the capacities of recreation centers and programs citywide.

**Summer Youth Employment - Teen Teamworks** secured \$1.1 million in funding from the City of Minneapolis, the State of Minnesota, and private donors to employ 350 youth. Special projects this summer include buckthorn removal, soil and water testing, and surveying for future rain gardens.

**Trades** is managing and prioritizing Park department work order requests to ensure spending stays within budget. Current projections have Trades ending 2009 under its \$3.0 million budget by \$16,279. The Trades department has one unfilled electrician position. Work order response has been delayed three to four weeks, and special projects are delayed up to one year because of this vacancy.

**Environmental Services, Field Services and Planning and Project Management** are projected to end the year \$155,468 under the \$3.3 million budget. The Planning and Project Management day to day functions of permitting, document recording and records research have been limited due to a real estate investigator vacancy. These functions are being handled on an as needed basis by an engineering technician. Environmental Services has two vacancies, a horticulture coordinator and natural resources assistant. These vacancies result in the removal of less buckthorn than in past years, fewer controlled burns, and fewer volunteer events. System wide continuity in gardens has



become very challenging, as the horticulture coordinator duties have been assigned to gardeners and golf course foremen throughout the park system.

**Forestry operations** account for 18 percent of projected expenditures, and is projected to end the year \$131,220 over its \$9.8 million budget. The impact of Emerald Ash Borer is projected to negatively impact the 2009 Forestry budget. Currently, all work on Ash trees has stopped to slow the spread of the beetle. This fall and winter Ash trees will be removed, increasing equipment usage, stump removal and tree planting. Forestry operations has eight arborist vacancies. These vacancies delayed tree plantings up to two weeks longer than usual, delaying the start of tree inspections. Special request pruning that does not involve a safety issue may not be completed during 2009.

**Park Police operations** account for 10 percent of projected expenditures. Park Police spending is projected to end the year within one percent of its \$5.3 million budget. Police union contract negotiations are ongoing, and settlements to salary rates will affect these estimates. Careful monitoring of overtime and park agent hours has kept spending close to budget in 2009.

**Support Services** account for five percent of projected expenditures, and is projected to end the year \$86,754 under its \$3.1 million budget. Support Services has two vacancies, a Grant Coordinator and a Payroll Supervisor. Grant coordination has been reduced with the responsibility for grant application and oversight being transferred back to the departments. Supervision in the payroll area has been taken on by the Human Resources manager. The functions listed below are included in Support Services area.

Administration	Board of Commissioners	Customer Service
Data Practices	Finance	Human Resources
Public Information	Records Management	Risk Management



## 2009 Second Quarter Financial Status Report

### General Fund Balance

	2008			2009			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year-End	As of 6/30					
Total Revenue	\$53,812,343	\$21,316,828	39.6%	\$56,575,202	\$21,683,886	38.3%	\$56,404,523
Total Expenditures	54,521,455	23,124,911	42.4%	55,370,102	24,811,437	44.8%	55,282,284
Revenue Over/(Under) Expenditures	(\$709,112)	(\$1,808,083)		\$1,205,100	(\$3,127,551)		\$1,122,239

The fund balance for the General Fund at fiscal year-end 2008 was \$1.9 million. Based on the current revenue and expenditure estimates, the projected year-end 2009 balance is estimated at \$3.0 million, resulting in a \$1.1 million increase in fund balance. The fund balance increase became necessary in 2008 when LGA was unallotted and fund balance fell below the financial policy required levels. The hiring pause begun in 2008 was continued in 2009 and provides for the required increase in fund balance and prepares the Park Board for projected reductions to LGA in 2010.

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. For year-end 2009 a fund balance of at least \$2.9 million is required. The estimated year-end 2009 fund balance of \$3.0 million exceeds this requirement by 3.9 percent. This estimate is based on a 2009 LGA reduction of \$1.0 million.

<b>2009 Un-audited Projected General Fund Year-End Fund Balance</b>
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Fund Balance, January 1, 2009	\$1,890,963
Projected Revenues in Excess of Expenditures	1,122,239
<b>Projected Fund Balance, December 31, 2009</b>	<b>\$3,013,202</b>

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

The Enterprise Fund is a self-supporting fund established to account for all business-type operations of the Park Board including golf courses, refectories, 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.

	2008			2009			
	Actual		Percent	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year End
	Year End	As of 6/30	Recognized				
<b>Operating Revenues</b>							
Golf	6,729,377	2,950,651	43.8%	7,043,071	2,978,523	42.3%	6,761,247
Ice Arenas	833,674	478,615	57.4%	855,000	513,121	60.0%	893,778
Parking	686,549	333,686	48.6%	1,048,000	469,661	44.8%	966,314
Permits & Small Business Operations	2,513,476	528,800	21.0%	1,937,400	910,739	47.0%	1,940,000
Recreation	3,320,392	1,551,526	46.7%	3,333,770	1,561,580	46.8%	3,341,908
<b>Total Operating Revenues</b>	<b>\$14,083,468</b>	<b>\$5,843,278</b>	<b>41.5%</b>	<b>\$14,217,241</b>	<b>\$6,433,624</b>	<b>45.3%</b>	<b>\$13,903,247</b>
<b>Operating Expenses</b>							
Golf	6,126,582	2,325,454	38.0%	6,167,050	2,525,795	41.0%	6,238,714
Ice Arenas	788,076	349,069	44.3%	846,000	336,710	39.8%	841,775
Parking	158,481	64,648	40.8%	248,000	40,343	16.3%	157,338
Permits & Small Business Operations	1,465,737	553,272	37.7%	1,004,433	652,684	65.0%	1,044,294
Recreation	3,091,205	1,192,881	38.6%	3,333,770	1,179,232	35.4%	3,054,211
<b>Total Operating Expenses</b>	<b>\$11,630,081</b>	<b>\$4,485,324</b>	<b>38.6%</b>	<b>\$11,599,253</b>	<b>\$4,734,764</b>	<b>40.8%</b>	<b>\$11,336,332</b>
<b>Operating Income</b>	<b>2,453,387</b>	<b>1,357,954</b>		<b>2,617,988</b>	<b>1,698,860</b>		<b>2,566,916</b>
<b>Improvements and Transfers</b>							
Improvements	730,353	168,200	23.0%	1,269,988	104,208	8.2%	1,200,000
Debt Service	1,054,355	264,730	25.1%	1,053,000	421,394	40.0%	1,053,000
Transfers	295,000	0	0.0%	295,000	0	0.0%	295,000
<b>Total Improvements and Transfers</b>	<b>\$2,079,708</b>	<b>\$432,930</b>	<b>20.8%</b>	<b>\$2,617,988</b>	<b>\$525,602</b>	<b>20.1%</b>	<b>\$2,548,000</b>
<b>Income After Improvements and Transfers</b>	<b>\$373,679</b>	<b>\$925,024</b>		<b>\$0</b>	<b>\$1,173,258</b>		<b>\$18,916</b>

Golf Operations

For the first half of 2009 golf revenue is up one percent over the same time period in 2008 and expenses are up 8.6 percent. Golf revenue to the end of 2009 is projected at \$6.8 million, which is similar to 2008. The economy in general is holding golf revenues to 2008 levels. In addition, the summer of 2008 had no days lost to rain. There have already been rain days in 2009, and there may be more. The 8.6 percent increase in Golf expenses is due to the timing of payments. Seasonal staff hours are being managed to keep expenses down, and 2009 expenses are projected to be \$6.2 million, which is similar to 2008.

Ice Arenas

Ice arenas consist of the Parade and Northeast Ice arenas. In the first half of 2009 revenue is 7.2 percent above 2008 primarily due to faster payments by customers. Expenses are down 3.5 percent from 2008 due to the timing of the mortgage payment for Northeast Ice Arena. Ice arena revenue and expense are projected to meet budget in 2009.



### Parking

For the first half of 2009 parking revenue is up 40.7 percent from the same period in 2008, while expenses are down 37.6 percent. The reopening of the East River Flats parking lot and the phase-in of price increases has increased revenues. Expenses are down in 2009 due to the timing of contractual payments to the parking pay station vendor. Although parking revenue is up from 2008, both revenue and expenses are expected to be under budget in 2009, as price increases have been phased in slower than anticipated.

### Permits & Small Business

Permits & Small Business revenues are up 72.2 percent over 2008 in the first half of 2009 while expenses are up 18.0 percent. Payment timing is the primary reason for revenue and expense increases. Revenues are projected to meet budget in 2009, while expenses are projected to exceed budget due to the hiring of interns to assist with music in the parks and special events.

### Recreation

For the first half of 2009 Recreation revenues are up less than one percent over the same time period as 2008, while expenses are down 1.1 percent. Recreation revenue is projected to meet budget while expenses are expected to be under budget by 8.4 percent.

### Operating Income

The difference between operating revenues and operating expenses is Operating Income.

Operating income is projected to be \$2.6 million, which is a 4.6 percent increase over 2008. Operating income is used for three purposes; facility improvements, transfers to support the general fund, and debt service. The majority of these expenses are made in the fourth quarter, when a more precise picture of the net operating income is available.



Internal Service Fund

Fund Description

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

Revenues

	2008			2009			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year End	As of 6/30					
<b>Revenues</b>							
Equipment	\$3,821,453	\$1,800,304	47.1%	\$4,171,170	\$1,984,632	47.6%	\$4,212,721
ITS	950,315	474,162	49.9%	970,393	471,653	48.6%	943,306
Self Insurance	2,776,527	8,367	0.3%	2,659,283	0	0.0%	2,659,283
<b>Total Revenues</b>	<b>\$7,548,295</b>	<b>\$2,282,833</b>	<b>30.2%</b>	<b>\$7,800,846</b>	<b>\$2,456,285</b>	<b>31.5%</b>	<b>\$7,815,310</b>

Expenses

	2008			2009			
	Actual		Percent Expended	Current Budget	Actual As of 6/30	Percent Expended	Projected Year-End
	Year-End	As of 6/30					
<b>Expenses</b>							
Equipment	3,580,660	1,094,341	30.6%	4,075,244	1,802,023	44.2%	4,157,080
ITS	937,840	497,993	53.1%	950,985	387,981	40.8%	947,861
Self Insurance	1,988,448	1,001,865	50.4%	2,659,283	623,079	23.4%	2,492,316
<b>Total Expenses</b>	<b>\$6,506,948</b>	<b>\$2,594,199</b>	<b>39.9%</b>	<b>\$7,685,512</b>	<b>\$2,813,083</b>	<b>36.6%</b>	<b>\$7,597,257</b>

Equipment

Equipment revenue is up 10.2 percent over the same period as 2008 due to increases in rental rates. Expenses are up 64.7 percent due to purchases of new equipment, which were deferred in 2008. Equipment revenue comes from Park Board departments' rental of Park Board owned equipment. Equipment revenue and expenses are projected to be slightly over budget in 2009.

Information Technology Services (ITS)

Park Board departments are charged an annual fee for the use and service of computer workstations and system network. ITS revenue is expected to end the year slightly under budget as Park Board department vacancies have resulted in eliminated workstations. Expenses are expected to end the year at budget.

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. Departments are not charged these premiums until the fourth quarter. Self Insurance revenues are expected to meet budget in 2009. Expenses are projected to be under budget; however they are dependent on the number and amount of claims settled during the second half of the year.



## **2008-2009 Budget Strategy Initiatives 2009 First Quarter Report**

The Minneapolis Park and Recreation Board 2009 Annual Budget contains ten 2008-2009 budget strategies. The strategies were developed from public input during the Comprehensive Plan process and interactive work sessions held with Commissioners. The strategies were approved in the 2008 budget and incorporated into the Park Board's Financial Policies. The 2009 Annual Budget included initiatives related to these ten strategies. This document details the progress on those initiatives through the second quarter of 2009. The strategies and initiatives are written as they appear in the 2009 Annual Budget book on pages 10 to 14. The second quarter reports are given after each initiative. For a copy of the Minneapolis Park and Recreation Board 2009 Annual Budget see the website at [www.minneapolisparcs.org](http://www.minneapolisparcs.org).



## **Strategy One:**

### **Diversify and grow revenue to assure a sustainable park system.**

#### **Initiatives**

##### **Constitutional Amendment for Outdoors, Parks & Arts**

*The Park Board will benefit from the November 4<sup>th</sup>, 2008 approval of the state constitutional amendment which increases the general sales tax by 3/8 of 1 percent to fund clean water, outdoor parks and arts projects for 25 years.*

##### **Second Quarter Report**

The legislature passed a funding package that allocates 43 percent (\$27.8 million in 2010-11) of the Parks and Trails funding to Metro Regional Parks, which includes the Park Board. This legislation also included a distribution formula, which grants the Park Board 23.7 percent of this funding. To date, the Park Board has been awarded \$2.6 million for BF Nelson and Theodore Wirth Park projects

##### **Park Dedication Ordinance**

*The Minnesota State Legislature approved legislation that allows the City of Minneapolis and the Park Board to adopt a joint park dedication ordinance that would provide for a fee on new residential and commercial industrial development to support park rehabilitation, renovation and expansion within a nexus of the new development.*

##### **Second Quarter Report**

The City adopted its version of the park dedication ordinance without giving the Park Board the opportunity to comment. The City version includes a dedication fee of only \$2,000 per net new housing unit (less than the Park Board recommendation of \$3,000), no fee for affordable units, a definition of nexus (the area within which the fees can be used) that differs from the Park Board's, a 5% (of dedication fees) administration fee (capped at \$1,000) per project to be paid to the City by the Park Board, and a park dedication fee for new commercial and industrial units. The Park Board drafted a revised ordinance that will be submitted to the City after it passes through the required reading process.

##### **Twins Stadium Sales Tax**

*The Hennepin County sales tax of .15 percent became effective on January 1, 2007. Included in the provision for the sales tax is funding for "youth activities and amateur sports within Hennepin County" up to \$2,000,000 per year and escalating at 1.5 percent annually.*

##### **Second Quarter Report**

Hennepin County will be utilizing the Minnesota Amateur Sports Commission as the granting agency for the \$2,000,000 per year in funding opportunities. The County and Sports Commission have not yet released the granting guidelines or priorities.



### **The Foundation for Minneapolis Parks**

*A President was hired by the Foundation to lead and define the role and future for the organization. The Foundation will go through a strategic planning process in 2008 and early 2009 with the goal of adopting a strategic plan that will guide the next five years of development and growth for the Foundation.*

### **Second Quarter Report**

The Foundation for Minneapolis Parks has changed its name to Minneapolis Parks Foundation. This independent nonprofit focuses on Minneapolis parks and open green spaces continues to work on a number of projects, one of which was the successful launch of a public art sculpture this summer in Lake Harriet. The piece, by artist Cameron Gainer has been referred to as the Lake Creature and is delighting people of all ages. The Foundation has announced it is committed to future public art projects in the parks, among other things. More can be found on [www.lakecreature.com](http://www.lakecreature.com). The Foundation is also preparing for the third annual Minneapolis Bike Tour in September, which it co-sponsors with the Park Board.

### **Strategy Two:**

**Size assets, workforce and programs at a sustainable level and focus on quality over quantity.**

#### **Initiative**

*The Comprehensive Plan provided the vision of sizing Park Board assets to a sustainable level and focusing on quality, not quantity.*

### **Second Quarter Report**

Currently the Park Board is working on Activity Plans for court sports, winter recreation, field sports and trail activities. Activity Plan development provides an opportunity to review the resources the Park Board provides to support an activity. The Park Board will determine whether the resources meet current demand. The review includes considering the level of programs and services the Park Board can provide for each activity and the infrastructure needed to support that activity. The process includes community engagement and will help shape the Park Board's Capital Improvement Program. Community meetings have been held for all four plans during the first half of 2009. Information gathered at these meetings, along with on-line surveys and surveys at recreation centers, is being used to develop draft plans for public review and board approval. In August, the Park Board will begin discussing its capital plan as part of the 2010 budget process.



**Strategy Three:  
Develop equitable and results-oriented partnerships.**

**Initiatives**

**Corporate partners**

*A policy on corporate sponsorship and promotions will be reviewed by the Board and will assist in continuing to attract new partners and sponsors.*

**Second Quarter Report**

A draft of general guidelines on corporate sponsorship was reviewed with the Board on October 23, 2008. The guidelines will be refined in conjunction with the naming rights policy being developed with the Minneapolis Parks Foundation

**Nonprofit and Governmental partners**

*An outcome of the comprehensive plan was the goal of reviewing all of the existing partnerships and determining if the park system is receiving the maximum benefit possible.*

**Second Quarter Report**

Partnerships with Minneapolis Public Schools and Pillsbury United Communities have been reviewed, and negotiations are underway. Negotiations have been completed with Park National Baseball, the Minneapolis Rowing Club, River Rats, the Metropolitan Foundation, the Boys and Girls Clubs of the Twin Cities, and Phyllis Wheatley Community Center.

**Strategy Four:  
Review and address underperforming assets on an ongoing basis.**

**Initiatives**

**201 Building Sale**

*The 201 Building and adjacent property was acquired during the development of the Neiman Youth Sports Complex (2000-2001) with the intent of utilizing the facility as a field house. The cost of renovation of the building was prohibitive and the private sector was brought in to develop the property into a skate park. The private venture was not successful and the site and building have been vacant for five years. A broker was retained to dispose of the property and the Park Board approved a sale to the Boy Scouts organization for \$4.2 million dollars. The Boy Scouts will renovate the historic facility and will operate youth programs out of the restored building.*

**Second Quarter Report**

The sale of the first parcel was completed and the proceeds were applied to debt service on the bonds issued for the Neiman Youth Sports Complex. The second and final parcel closed June 24, 2009. The General Manager of Administration will present a report to the Board on September 16, 2009 regarding the final disposition of the 201 Building and debt service reduction.



### **Strategy Five:**

**Promote the use of volunteers to enhance programming and maintenance capabilities within the system.**

#### **Initiative**

*The Park Board has an extensive history of utilizing volunteers in its 49 recreation centers. The addition of a Volunteer Coordinator several years ago resulted in increased use of corporate volunteers in the park system. The Volunteer Coordinator develops relationships with corporate volunteer programs and matches needs in the park system to the efforts of these volunteers.*

#### **Second Quarter Report**

The Department of Volunteers and Community Partnerships has worked in conjunction with recreation and maintenance staff to place over 120 volunteers into positions throughout the system. These include youth sports coaches, garden volunteers, computer lab assistants, childcare helpers and more. Over 20 corporations and community groups have completed volunteer projects this year resulting in more than 1,500 hours of volunteer service in the first half of 2009 with more scheduled for the coming months.

### **Strategy Six:**

**Develop equitable fees based on ability to pay, and assure that basic services remain accessible.**

#### **Initiative**

##### **No Program Fee Increases for Youth and Families**

*The Park Board has a philosophy and approach that puts participation and access as the first priority for youth and family programming in the recreation centers. The 2009 budget does not include any fee increases on the programs that are provided for youth and family. In the current economic climate, park program users may be faced with other economic challenges. The Park Board wants to provide support, not increased barriers to access.*

#### **Second Quarter Report**

Fees for youth and family programs have not been increased.



## **Strategy Seven:**

**Promote sponsorship, innovation and entrepreneurial approaches as a means to sustain and expand programs and facilities.**

### **Initiatives**

#### **Corporate Sponsorship**

*As outlined in strategy three, the Board will be reviewing and approving a policy over the next few months on corporate sponsorship and promotions. This policy will allow advancement in several new areas relating to sponsorship and promotions during events in the park system. One area of focus for 2009 is developing sponsorships for the music and movies provided in the park system. The 2009 budget includes \$50,000 as estimated sponsorship revenue.*

#### **Second Quarter Report**

The event staff has been working to secure sponsorship for music and movies provided in the park system. An agreement has been reached with the City of Minneapolis Clean City program to sponsor movies in the parks. A bequeath of approximately \$35,000 was received to cover costs associated with the Lake Harriet concert series, a particular interest of the donor.

#### **Concession Expansion**

*Concessions in the park system provide for new and unique services and experiences for park users as well as income for maintaining the park system. In 2009, efforts will continue to expand in this area to generate an additional \$40,000 in new income.*

#### **Second Quarter Report**

The Lake Harriet concession expansion was referred to a Citizen's Advisory Committee in 2009. Mobile concessions have been added at Lake Calhoun and Lake Nokomis, and an additional mobile concession is available on an as needed basis.

#### **Responsive and Responsible**

*The small business ventures that operate in the park system provide a valuable service to park users and the public. The Park Board needs to be open and responsive to reviewing the needs of its small business ventures just as it is to any agency or user group in the park system. From time to time, staff will propose adjustments in leases, operating agreements and concession agreements in order to assure that business ventures continue to provide the best service levels and experiences for park users.*

#### **Second Quarter Report**

The Board negotiated with Mintahoe and a new lease was completed for space in the Park Board headquarters building. The lease was approved at the February 4, 2009, Park Board meeting.



## **Strategy Eight:**

**Generate income from external groups by appropriately valuing park usage while considering impact to park users.**

### **Initiatives**

#### **Continue Working with Special Events Groups on Fees**

*The 2008 budget allowed staff to work with representatives of special events that are held in the parks to develop fees that are appropriate to the exclusive use of parks and parkways. In 2009, this work will continue with the permits manager and the special event promoters.*

#### **Second Quarter Report**

Staff has met with each group and reached agreements covering the next few years. For those groups experiencing large fee increases a five year phase-in plan has been implemented.

#### **Regional Park Users – Fair Share of Costs**

*The regional park system in Minneapolis (Minnehaha Falls, Chain of Lakes, Lake Nokomis, Wirth Park, and the Grand Rounds) provide amenities that are the envy of urban areas nationwide. The regional parks have more than 13 million visitors a year, many of whom live outside the City of Minneapolis. The State of Minnesota committed to funding 40 percent of the cost to maintain and operate the regional parks based on visitor counts that average 60 percent resident and 40 percent non residents. The Park Board currently receives 12 percent of the funding from the State of Minnesota to fund the regional park system. Minneapolis taxpayers subsidize the remaining 88 percent of the maintenance and operation costs of the regional park system with property tax support. The Park Board initiated a pay parking system in 1994 to capture fees from non Minneapolis residents to help support the maintenance and operations of the parks. The 2009 budget includes an increase in the hourly parking fees and annual parking pass for the regional park system.*

#### **Second Quarter Report**

Hourly parking fees and annual parking pass fees were increased in January, 2009. Staff is researching and developing possible changes in the parking operation and program and will be reporting to the Board in August. In the first quarter of 2009, \$130,545 of parking revenue has been collected from regional parks, an increase of approximately 25 percent over 2008.



### **Strategy Nine:**

**Produce Park Board events as a means to provide maximum financial benefit, and require appropriate financial return for events not produced by the Park Board.**

#### **Initiative**

##### **Adding and Expanding Events**

*The events staff will focus on expanding events in 2009 and developing two new events. The new events will be brought to the Board in December for approval. The 2009 enterprise budget does not assume any net income to be received for new events in 2009. The other major initiative for the event staff in 2009 is installing a new online system for permitting events and activities.*

##### **Second Quarter Report**

Staff is currently reviewing vendors selected through a request for proposal process for a new online system for permitting events. A fishing contest has been added as a new event, to begin in 2010. A second new event is still being developed.

### **Strategy Ten:**

**Provide staff training and professional development to maintain an effective workforce.**

#### **Initiative**

*Staff training and professional development will continue through 2009. Professional development will be focused on in 2009 as each supervisor discusses staff development goals with each of their employees. In house training will be available in efficient use of technology tools as well as supervisory skills.*

##### **Second Quarter Report**

Supervisors were provided training in March in the area of Workers Compensation. The training focused on claims handling and the importance of appropriate return to work management, and managing employee work restrictions and modified duty situations.

A supervisory guide to using the Human Resource Information System was developed for Supervisors. Supervisors are now able to access the information they need directly and immediately to improve efficiency.

The Human Resource staff attended training on the new Family and Medical Leave Act and developed and disseminated a new policy for staff.

Information Technology staff utilized the mobile computer lab to provide training to employees on e mail file management.

Human Resources staff participated in training on unemployment insurance claims administration and administering the American with Disabilities Act.