



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

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## Budget Overview

The Minneapolis Park and Recreation Board was proactive in developing its 2009 budget to address serious economic challenges. The Park Board 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 September 30, 2009. To the end of 2009, General Fund revenues are projected to be \$56.0 million and expenditures are projected to be \$55.0 million.

In December 2008 the Governor balanced the state budget in part by unalloting LGA to cities and counties. This resulted in a loss of almost \$1.6 million in LGA funds for the Park Board. A state budget was not agreed upon during the 2009 Legislative Session. The Governor unallotted \$1 million in 2009 and plans to unallot another \$1.5 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 \$2.5 million, 2.5 percent higher than 2008.

### Internal Service Funds

Internal Service Funds provide 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 \$7.7 million and expenses are projected to be \$6.8 million, resulting in an increase of \$0.9 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 third quarter of 2009.



## 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 September of this year, 73.2 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, 2009, totaled \$28.7 million. Total revenues for 2009 are projected to be \$56.0 million, an increase of 4.1 percent over 2008 actual revenues.

As of September 30, 2009, actual expenditures totaled \$40.5 million, up 5.8 percent from the \$38.3 million spent in the first three quarters 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 \$55.0 million, an increase of 0.9 percent over 2008 actual expenditures.

Due to LGA unallotment, the fund balance for the General Fund at fiscal year-end 2008 was below the financial policy requirement of 5 percent of the general fund operating budget. Due to the continuation in 2009 of holding vacant positions open it is expected that the 2009 year end general fund balance will meet the financial policy requirement for general fund balance.

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

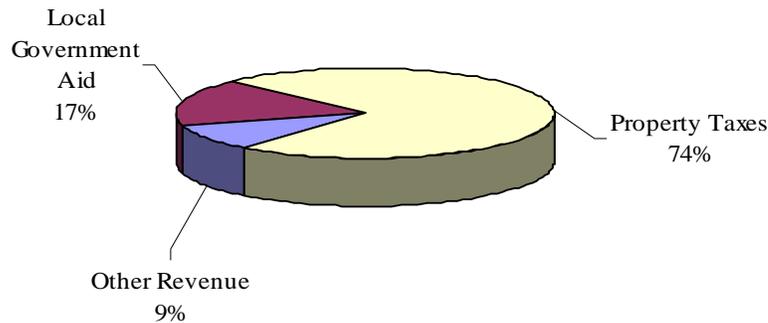
This report contains estimates. Unforeseen changes in revenue and expenditures will cause actual results to fluctuate from the projected results.



General Fund Revenues

**Revenues by Major Category**

Revenues	2008			2009				
	Actual		Percent	Original Budget	Current Budget	Actual As of 9/30	Percent Recognized	Projected Year End
	Year-End	As of 9/30	Recognized					
Property and Other Taxes	\$40,663,240	\$20,228,143	49.7%	\$41,365,391	\$41,365,391	\$20,636,838	49.9%	\$41,273,676
Local Government Aid	8,146,017	4,848,873	59.5%	10,478,975	9,471,504	4,734,748	50.0%	9,471,504
Fees, Fines and Other Revenues	5,003,086	2,837,362	56.7%	4,794,109	5,738,307	3,287,156	57.3%	5,259,450
<b>Total Revenues</b>	<b>\$53,812,343</b>	<b>\$27,914,378</b>	<b>51.9%</b>	<b>\$56,638,475</b>	<b>\$56,575,202</b>	<b>\$28,658,742</b>	<b>50.7%</b>	<b>\$56,004,630</b>



Property Taxes

Property taxes provide 74 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 have increased and total tax collections are projected to meet budget.

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. The first payment of \$4.7 million has been received by the Park Board.

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 nine percent of projected revenue. The Park Board has recognized 57.3 percent of the budgeted fees, fines and other revenue for 2009, compared to 56.7 percent recognized at the same point in 2008. Revenue for 2009 is projected to be 5.1 percent higher than 2008 due to increased grant funding for youth employment and new revenue initiatives including the sale of wood chips and the Midtown Eco Energy lease.

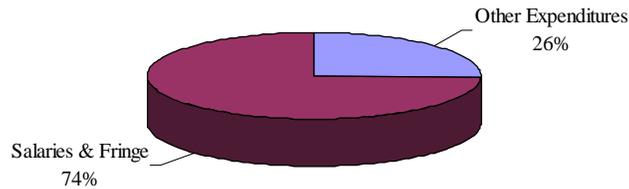


General Fund Expenditures

As of September 30, 2009, actual expenditures totaled \$40.5 million, up 5.8 percent from the \$38.3 million spent in the first three quarters of 2009.

**Expenditures by Major Category**

	2008			2009		
	Actual		Percent	Current	Actual	Percent
	Year-End	As of 9/30	Expended	Budget	As of 9/30	Expended
Salaries & Fringe	\$ 39,675,049	\$ 28,632,640	72.2%	\$ 41,227,964	\$ 30,739,484	74.6%
Other Expenditures	14,846,406	9,680,724	65.2%	14,142,136	\$ 9,808,214	69.4%
<b>Total Expenditures</b>	<b>\$54,521,455</b>	<b>\$38,313,364</b>	<b>70.3%</b>	<b>\$55,370,100</b>	<b>\$40,547,698</b>	<b>73.2%</b>



Salaries and fringe benefits

Salaries and fringe benefits are 74.6 percent expended with 75 percent of the year elapsed, up from the 72.2 percent expended at the same point in 2008. The percentage is higher in 2009 because savings from vacant positions have been removed from the 2009 current budget. These savings have been set aside to help restore the required level of fund balance.

Other expenditures

Other expenditures are 69.4 percent expended with 75 percent of the year elapsed, compared to 65.2 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.

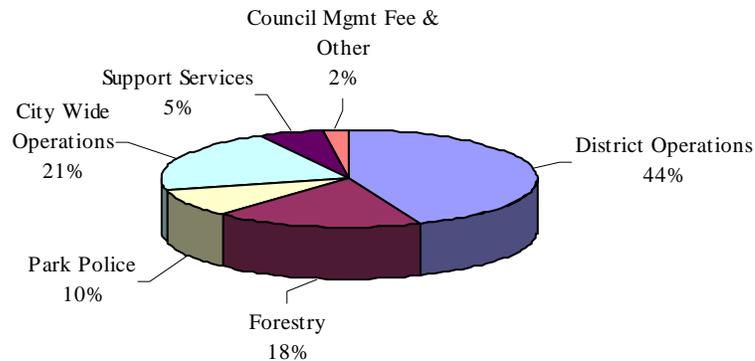


## 2009 Third Quarter Financial Status Report

### Expenditures by Service Area

	2008			2009				
	Actual		Percent Expended	Original Budget	Current Budget	Actual As of 9/30	Percent Expended	Projected Year-End
	Year-End	As of 9/30						
<b>Expenditures</b>								
District Operations	\$23,507,514	\$16,238,584	69.1%	\$24,581,109	\$24,111,491	\$17,370,652	72.0%	\$24,110,465
Forestry	9,366,016	6,421,278	68.6%	10,057,113	9,740,373	7,217,881	74.1%	9,758,575
Park Police	5,904,187	4,109,797	69.6%	5,383,687	5,276,013	3,780,600	71.7%	5,273,937
Community Recreation Services	2,942,224	2,218,041	75.4%	3,385,219	3,300,056	2,432,409	73.7%	3,295,914
Trades	2,716,323	1,892,878	69.7%	3,102,115	3,029,397	2,330,079	76.9%	3,029,103
Finance and Personnel	1,425,982	1,077,360	75.6%	1,587,886	1,493,724	1,098,321	73.5%	1,493,717
City Mgmt Fee and Workers Comp	1,568,999	897,958	57.2%	1,281,305	1,281,305	1,023,352	79.9%	1,281,305
LGA Reserve				774,085	0			0
Environmental	1,275,177	955,291	74.9%	1,449,527	1,393,150	963,140	69.1%	1,290,608
Aquatics and Neiman Complex	1,232,796	993,278	80.6%	1,115,206	1,113,565	992,391	89.1%	1,111,478
Planning and Project Management	1,182,478	852,568	72.1%	1,377,079	1,314,207	926,564	70.5%	1,250,861
Summer Yth Emp-Teen Teamworks	965,435	886,766	91.9%	185,000	1,129,198	946,961	83.9%	1,100,000
Administration	593,169	464,084	78.2%	480,170	391,320	249,502	63.8%	349,303
Field Services	532,985	390,558	73.3%	596,408	584,480	403,612	69.1%	544,876
Public Info and Customer Service	625,262	460,982	73.7%	587,352	670,911	421,973	62.9%	569,664
Data Practices		0		103,908	28,165	15,010	53.3%	22,515
Board of Commissioners	682,908	453,941	66.5%	591,306	512,748	375,251	73.2%	506,589
<b>Total Expenditures</b>	<b>\$54,521,455</b>	<b>\$38,313,364</b>	<b>70.3%</b>	<b>\$56,638,475</b>	<b>\$55,370,103</b>	<b>\$40,547,698</b>	<b>73.2%</b>	<b>\$54,988,909</b>

Due to reductions in 2008 and 2009 LGA, vacancy and operating budget savings have been removed from departments' original 2009 budgets.



2009 expenditures are projected to be under the original budget by \$1.6 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. Seasonal worker hours have been reduced and staff has used discretion in material and contractual expenses to ensure expenses stay within budget. Full time maintenance vacancies in the three districts impacted wading pool and bathroom opening times this summer. The dry conditions this spring and summer reduced the amount of required mowing, which allowed mowing cycles to be maintained and mowing staff to work crew positions in parks. Recreation vacancies limited outdoor supervision at parks, reduced hours of operation and programming at some locations, and caused recreation centers to close on holidays. Workloads were 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 \$241,213 under its \$11.9 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. The Volunteers department brought in over 500 volunteers during the third quarter to help maintain and beautify the park system. An inclusion/special needs consultant worked at parks throughout the City to enhance the capacities of recreation centers and programs. The consultant also provided system wide staff training on disability awareness. Though there are three vacant positions in Youth Development, 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.

**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 included buckthorn removal, soil and water testing, and surveying for future rain gardens.

**Trades** is managing and prioritizing work order requests to ensure spending stays within budget. Current projections have Trades ending 2009 at its \$3.0 million budget. 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. This vacancy will be filled in 2010 to reduce delays in electrical work.

**Environmental Services, Field Services and Planning and Project Management** are projected to end the year \$205,492 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 less buckthorn removal than in past years, fewer controlled burns, and fewer volunteer events. System wide continuity in gardens has become very



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challenging, as the horticulture coordinator duties have been assigned to gardeners and golf course foremen throughout the park system. In the Water Resources area, Environmental Services completed the Diamond Lake Management plan during the third quarter and the Board adopted the plan in October.

**Forestry operations** account for 18 percent of projected expenditures, and is projected to end the year \$18,202 over its \$9.7 million budget. This budget supports tree planting, with 4,400 trees planted so far in 2009. In August a tornado uprooted trees and damaged homes in South Minneapolis. Forestry storm clean up expenses for this storm totaled \$74,000. Forestry operations has nine 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 at its \$5.3 million budget. Police union contract settlements 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 \$155,081 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. During the third quarter Park Board Human Resources worked with the City of Minneapolis to gain authority to handle Park Board Human Resources functions. The Minneapolis Civil Service Commission granted this authority, which is expected to result in increased efficiency, improved customer service for applicants and employees, and a reduction in the time it takes to fill positions. 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



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General Fund Balance

	2008			2009			
	Actual		Percent Recognized	Current Budget	Actual As of 9/30	Percent Recognized	Projected Year-End
	Year-End	As of 9/30					
Total Revenue	\$53,812,343	\$28,300,660	52.6%	\$56,575,202	\$28,658,742	50.7%	\$56,004,630
Total Expenditures	54,521,455	38,517,698	70.6%	55,370,103	40,547,698	73.2%	54,988,909
Revenue Over/(Under) Expenditures	(\$709,112)	(\$10,217,038)		\$1,205,099	(\$11,888,956)		\$1,015,721

The fund balance for the General Fund at fiscal year-end 2008 was \$1.9 million, below the financial policy requirement of 5 percent of the general fund operating budget. 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 the current revenue and expenditure estimates, the projected year-end 2009 balance is estimated at \$2.9 million, resulting in a \$1.0 million increase in fund balance. With the continued holding of vacancies the Park Board is on track to end the year with a general fund balance that meets financial policy requirements.

<b>2009 Un-audited Projected General Fund Year-End Fund Balance</b>
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<b>Fund Balance, January 1, 2009</b>	<b>\$1,890,963</b>
Projected Revenues in Excess of Expenditures	<u>1,015,721</u>
<b>Projected Fund Balance, December 31, 2009</b>	<b>2,906,684</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 Recognized	Current Budget	Actual As of 9/30	Percent Recognized	Projected Year End
	Year End	As of 9/30					
<b>Operating Revenues</b>							
Golf	6,729,377	6,288,207	93.4%	7,043,071	6,136,816	87.1%	6,380,091
Ice Arenas	833,674	680,858	81.7%	855,000	605,705	70.8%	820,706
Parking	686,549	681,999	99.3%	1,048,000	803,417	76.7%	806,493
Permits & Small Business Operations	2,513,476	1,251,209	49.8%	1,937,400	1,635,821	84.4%	2,130,031
Recreation	3,320,392	2,451,339	73.8%	3,333,770	2,583,563	77.5%	3,332,796
<b>Total Operating Revenues</b>	<b>\$14,083,468</b>	<b>\$11,353,612</b>	<b>80.6%</b>	<b>\$14,217,241</b>	<b>\$11,765,322</b>	<b>82.8%</b>	<b>\$13,470,117</b>
<b>Operating Expenses</b>							
Golf	6,126,582	4,755,689	77.6%	6,167,050	4,738,352	76.8%	5,690,393
Ice Arenas	788,076	522,458	66.3%	846,000	496,762	58.7%	750,111
Parking	158,481	95,785	60.4%	248,000	87,853	35.4%	137,781
Permits & Small Business Operations	1,465,737	983,786	67.1%	1,004,433	1,117,837	111.3%	1,430,013
Recreation	3,091,205	2,285,994	74.0%	3,333,770	2,179,649	65.4%	2,947,401
<b>Total Operating Expenses</b>	<b>\$11,630,081</b>	<b>\$8,643,712</b>	<b>74.3%</b>	<b>\$11,599,253</b>	<b>\$8,620,453</b>	<b>74.3%</b>	<b>\$10,955,699</b>
<b>Operating Income</b>	<b>2,453,387</b>	<b>2,709,900</b>		<b>2,617,988</b>	<b>3,144,869</b>		<b>2,514,418</b>
<b>Improvements and Transfers</b>							
Improvements	730,353	208,547	28.6%	1,269,988	223,714	17.6%	622,540
Debt Service	1,054,355	264,730	25.1%	1,053,000	593,835	56.4%	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>\$473,277</b>	<b>22.8%</b>	<b>\$2,617,988</b>	<b>\$817,549</b>	<b>31.2%</b>	<b>\$1,970,540</b>
<b>Income After Improvements and Transfers</b>	<b>\$373,679</b>	<b>\$2,236,623</b>		<b>\$0</b>	<b>\$2,327,320</b>		<b>\$543,878</b>

Golf Operations

For the first three quarters of 2009 golf revenue is down two percent over the same time period in 2008 and expenses are flat. Golf revenue to the end of 2009 is projected at \$6.4 million, which is five percent lower than 2008. This decrease is due to poor weather at the end of the golf season, and the economic downturn. Seasonal staff hours are being managed to keep expenses down, and 2009 expenses are projected to be \$5.7 million, which is seven percent lower than 2008.

Ice Arenas

Ice arenas consist of the Parade and Northeast Ice arenas. In the first three quarters of 2009 revenue is 11.0 percent below 2008 due to timing of payments. Expenses are down 4.9 percent from 2008 due to lower maintenance expenses. Ice arena revenue is projected to be \$820,706,



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four percent below budget in 2009, partially due to the Minnesota Wild no longer using Parade Ice Arena as their practice facility. Expenses are also projected to be below budget due to reduced maintenance costs and management of part time employees.

### Parking

For the first three quarters of 2009 parking revenue is up 17.8 percent from the same period in 2008, while expenses are down 8.3 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 elimination of an administrative position. 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 more slowly than anticipated.

### Permits & Small Business

Permits & Small Business revenues are up 30.7 percent over 2008 in the first three quarters of 2009 while expenses are up 13.6 percent. Payment timing is the primary reason for revenue and expense increases over 2008. To the end of the year both revenue and expenses are both projected to exceed budget. Business operations continue to be reviewed and streamlined to produce greater efficiencies and cost savings.

### Recreation

In the first three quarters of 2009 Recreation revenues are up 5.4 percent over the same time period as 2008, while expenses are down 4.7 percent. Increased participation in adult soccer leagues has helped increase revenue, with 34 more teams in 2009 than 2008. To the end of 2009 Recreation revenue is projected to meet budget while expenses are expected to be under budget by 11.6 percent.

### Operating Income

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

Operating income is projected to be \$2.5 million, which is 2.5 percent higher than 2008 and 4.0 percent below budget. 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. Plans for improvements include a new irrigation system at Columbia Golf Course.



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 9/30/2009	Percent Recognized	Projected Year-End
	Year End	As of 9/30					
<b>Revenues</b>							
Equipment	\$3,821,453	\$2,799,161	73.2%	\$4,171,170	\$3,017,802	72.3%	\$4,119,945
ITS	950,315	714,560	75.2%	970,393	711,450	73.3%	\$946,179
Self Insurance	2,776,527	8,367	0.3%	2,659,283	25,210	0.9%	\$2,659,283
<b>Total Revenues</b>	<b>\$7,548,295</b>	<b>\$3,522,088</b>	<b>46.7%</b>	<b>\$7,800,846</b>	<b>\$3,754,462</b>	<b>48.1%</b>	<b>\$7,725,407</b>

Expenses

	2008			2009			
	Actual		Percent Expended	Current Budget	Actual As of 9/30	Percent Expended	Projected Year-End
	Year-End	As of 9/30					
<b>Expenses</b>							
Equipment	3,580,660	2,539,718	70.9%	4,075,244	3,072,348	75.4%	4,125,000
ITS	937,840	652,796	69.6%	950,985	654,355	68.8%	948,080
Self Insurance	1,988,448	1,566,786	78.8%	2,659,283	1,341,498	50.4%	1,702,529
<b>Total Expenses</b>	<b>\$6,506,948</b>	<b>\$4,759,300</b>	<b>73.1%</b>	<b>\$7,685,512</b>	<b>\$5,068,201</b>	<b>65.9%</b>	<b>\$6,775,609</b>

Equipment

Equipment rental is charged to Park Board departments for use of Park Board owned equipment. Equipment revenue is up 7.8 percent over the same period as 2008 due to increases in rental rates. Expenses are up 21 percent due to purchases of new equipment, which were deferred in 2008. Equipment revenue is projected to be slightly under budget, while 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 final quarter of the year.



## **2008-2009 Budget Strategy Initiatives 2009 Third 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 third quarter of 2009. The strategies and initiatives are written as they appear in the 2009 Annual Budget book on pages 10 to 14. The third 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.*

#### **Third 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.*

#### **Third 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 up to 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 was submitted to the City.

#### **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.*

#### **Third 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 released the granting guidelines in September and the Board approved submitting six projects for the first round of grants.



### **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.*

### **Third Quarter Report**

Minneapolis Parks Foundation is an independent 501(c)(3) nonprofit organization focused on enhancements to Minneapolis parks and open green spaces. The Foundation continues to work on a number of projects, one of which was the successful launch of the Lake Creature public art sculpture this summer in Lake Harriet. The piece, now nicknamed "Minne", by artist Cameron Gainer delighted people of all ages throughout the summer. In September the Foundation successfully co-sponsored the third annual Minneapolis Bike Tour, which attracted 3,780 riders. The Foundation is also partnering with the Park Board on a number of projects, including a new downtown children's play area, and the renovation of the Wirth Park Picnic Pavilion on the south side of Glenwood Avenue. In addition, the Foundation is leading a "Next Generation of Parks" community engagement and education project highlighting creative parks efforts in other cities and focusing attention on parks design in Minneapolis for the generations to come.

### **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.*

### **Third 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 approved its neighborhood and community parks five-year 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.*

**Third 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. This policy will be adopted in 2010.

**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.*

**Third Quarter Report**

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. The partnership with Minneapolis Public Schools has been reviewed, and negotiations are underway.

**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.*

**Third Quarter Report**

The sale of the 201 Building was completed and the proceeds were applied to debt service on the bonds issued for the Neiman Youth Sports Complex. A final report regarding the disposition of the 201 Building and debt service reduction was presented to the Board on September 16, 2009.



**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.*

**Third Quarter Report**

**Service Projects**

Between July and September, over 520 volunteers from local corporations, non-profits, churches and universities participated in service projects throughout our system. More than 1,700 hours of time were spread across 24 projects in which volunteers mulched, weeded, planted, cleaned, organized and much more. Projects included:

- Park Beautification (University of Minnesota freshmen)
- Historical marker polishing (Love Minneapolis)
- River/Nicollet Island projects (Excel Energy)
- Gardening (Target, Medtronic, United Healthcare, Ernst & Young).

**Minneapolis Bike Tour**

The Volunteer Department coordinated more than 120 volunteers to work at the 3rd annual Minneapolis Bike Tour, held Sunday, September 20th. Volunteers took on vital roles in a variety of areas such as participant registration, parking, water stop support, marshaling the course and event set-up/tear-down. Volunteer retention is high, with more than 50 volunteers from the 2008 Tour coming back for 2009, and several volunteers working both Saturday and Sunday. Feedback from volunteers has also been overwhelmingly positive with many volunteers indicating that they plan to make the Tour an annual commitment.

**500 New Coaches**

The Volunteer Department, Youth Athletics and District Recreation Staff are on track to meet the goal of recruiting 500 new coaches in 2009.



### **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.*

#### **Third 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.*

#### **Third 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 \$50,000 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.*

#### **Third Quarter Report**

The Lake Harriet concession expansion was referred to a Citizen's Advisory Committee in 2009. The mobile concessions agreement will be submitted to the Board in November for approval.



### **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.*

### **Third 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.*

### **Third 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.*

### **Third Quarter Report**

Hourly parking fees and annual parking pass fees were increased in January, 2009. In the first three quarters of 2009, \$297,612 of parking revenue has been collected from regional parks, an increase of approximately 16 percent over 2008. At the September 1 meeting, the Board approved staff direction to make necessary modifications to the parking system including



installing additional parking meters and parking pay stations to the system to enhance and maximize future revenue streams.

### **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.*

##### **Third Quarter Report**

Staff is currently reviewing vendors selected through a request for proposal process for a new online system for permitting events. An ice fishing contest has been added as a new event, to begin in 2010 or 2011. 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.*

##### **Third Quarter Report**

Staff training and professional development will continue through 2010. In house training will be available in efficient use of technology tools as well as supervisory skills. The Park Board also provides professional development through the National Recreation and Park Association and the Minnesota Recreation and Park Association. In 2009, two staff members completed training at the National Recreation and Park Association Directors School and three completed the Minnesota Recreation and Park Association Leadership Academy.

The Park Board is currently providing Disability Awareness Training for staff with about 50 percent of the training sessions having already occurred. Youth safety is always of top priority and recreation staff recently received training from Hennepin County Child Protection on the reporting procedures for abuse and neglect. In July and August 2009, supervisors received training from Park Board Human Resources on the Park Board's Discrimination/Harassment



Policy and reporting procedures, and the Drug and Alcohol Testing policy and procedures. In 2010, staff will receive training on a new policy aimed at the prevention of child sexual abuse based on Center for Disease Control and Prevention recommendations for youth serving organizations.