



Minneapolis Park and Recreation Board
Financial Status Report
For Year Ending 12/31/10

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Year-End Budget Overview

The Minneapolis Park and Recreation Board activities are accounted by funds. This report consists of two sections and reports the individual fund results through December 31, 2010. The first section of the report details the results of the operations of the General, Enterprise and Internal Service Funds. The second section details the results of the budget initiatives adopted in the 2010 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.

Park Board Organizational Restructuring

In September 2010 the Board approved an organizational restructuring 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 Year-End report includes severance costs of \$462,000 related to the 13 eliminated positions. For purposes of this report department information is presented in the new organizational structure that began in September 2010.

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 2010, General Fund revenues were \$58.0 million and expenditures were \$56.8 million.

On April 1, 2010 the Governor signed a supplemental budget bill that reduced Park Board 2010 State aids by \$1.6 million. The Park Board developed a plan to address the reduction and to increase the neighborhood capital program by \$1.0 million and approved an amended budget on April 21, 2010.

The 2010 year-end un-audited fund balance is estimated at \$5.1 million, which exceeds financial policy requirements. This balance is an increase of \$1.2 million over the year-end 2009 balance.

Enterprise Fund

The Enterprise Fund accounts for all business-type operations of the Park Board including golf courses, concessions, ice arenas, permits and recreational activities. The fund is focused on income generation and supports Park Board programs and improvements. Enterprise Fund operating income ended 2010 at \$2.3 million.

Internal Service Funds

Internal Service Funds accounts for equipment fleet, information technology and self-insurance services to Park Board departments. Internal Service Fund revenues ended 2010 at \$7.6 million and expenses ended the year at \$6.9 million.

Budget Strategies and Initiatives

The 2010 Annual Budget included Board adopted strategies and initiatives related to the strategies. This report details the results of those initiatives during 2010.



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 2010 with a fund balance of \$3.9 million and ended the year with a fund balance of \$5.1 million.

In 2010 the City of Minneapolis and Park Board reached an agreement regarding the Park Board's participation in the stormwater program. As a part of this agreement the Park Board paid the City stormwater fees and the City reimbursed the Park Board for stormwater related work from the past five years.

In 2010 revenue generated by the Park Board totaled \$58.0 million, up 0.5 percent from the \$57.8 million collected in 2009. Total revenues exceeded budget for 2010 due to increased collection of delinquent property taxes and stormwater reimbursements received from the City of Minneapolis.

In 2010 actual expenditures totaled \$56.8 million, up 1.5 percent from the \$56.0 million spent in 2009. This increase is due to the stormwater fees paid to the City of Minneapolis.

The fund balance for the General Fund at fiscal year-end 2009 exceeded the financial policy requirement of 5 percent of the General Fund operating budget. The 2010 year-end General Fund balance exceeds the requirement as well.

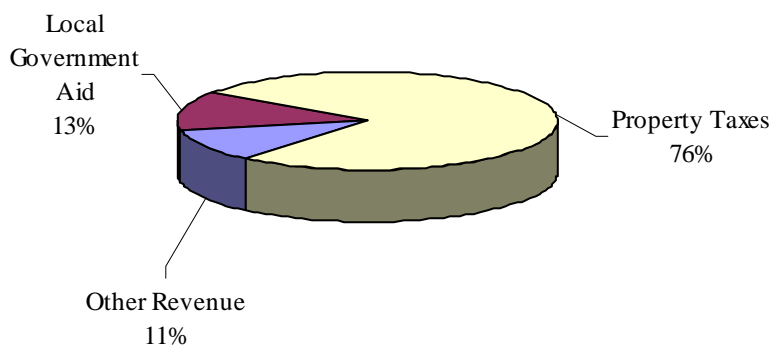
The financial information contained in this report has not been audited. The audited 2010 financial information may fluctuate from the information contained in this report.

General Fund Revenues

Actual revenues to the end of 2010 totaled \$58.0 million, 1.7 percent higher than budget and 0.5 percent higher than 2009.

Revenues by Major Category

	2009	2010			Percent Recognized
	Actual Year-End	Original Budget	Current Budget	Actual 12/31/2010	
Revenues					
Property and Other Taxes	\$43,497,476	\$44,578,850	\$43,680,950	\$44,403,101	101.7%
Local Government Aid	9,469,497	8,104,593	7,423,928	7,423,928	100.0%
Fees, Fines and Other Revenues	4,794,099	5,039,109	5,968,704	6,210,611	104.1%
Total Revenues	\$57,761,072	\$57,722,552	\$57,073,582	\$58,037,640	101.7%





Property Taxes

Property taxes provided 76 percent of revenue, the largest funding source of the General Fund. On April 1, 2010 legislation to balance the State Budget was enacted. The actions eliminated the Park Board's 2010 market value homestead credit (a component of property tax revenue), a loss of \$897,900. Delinquent property tax payments continue to drive property tax collections over budgeted levels, \$854,269 of delinquent property tax payments were received in 2010. Property tax revenue exceeded budget by \$722,151 in 2010.

Local Government Aid

Local Government Aid (LGA) provided 13 percent of 2010 revenue, the second largest funding source of the General Fund. The City of Minneapolis receives LGA from the State of Minnesota through a formula appropriation set by state law. The City of Minneapolis revenue distribution policy provides for a transfer of LGA to the Park Board.

The Park Board 2010 LGA was originally budgeted at \$8.1 million. The State Legislature reduction of LGA resulted in a reduction of Park Board LGA to \$7.4 million.

Fees, Fines and Other Revenue

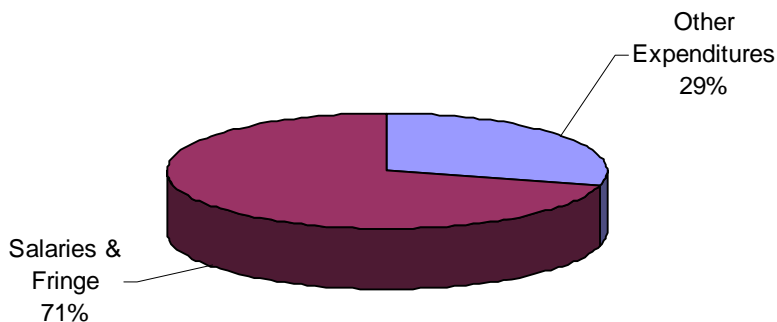
Fees, fines and other revenue provided 11 percent of 2010 revenue. Revenue is \$1.4 million higher than 2009 primarily due to stormwater reimbursements received from the City of Minneapolis. In 2010 \$319,000 in additional revenue was generated through the expansion in the number of off-leash recreation areas, implementation of off-leash recreation areas enforcement and enhancement of the Wirth Winter Recreation Area operations due to favorable weather conditions.

General Fund Expenditures

Actual expenditures to the end of 2010 totaled \$56.8 million, 0.4 percent below budget, and 1.5 percent higher than 2009.

Expenditures by Major Category

	2009	2010		Percent Expended
	Actual Year-End	Current Budget	Actual 12/31/2010	
Salaries & Fringe	\$40,568,243	\$40,490,658	\$40,410,345	99.8%
Other Expenditures	15,442,117	16,582,924	16,429,603	99.1%
Total Expenditures	\$56,010,360	\$57,073,582	\$56,839,948	99.6%





Salaries and Fringe Benefits

Salaries and fringe benefits ended the year 99.8 percent expended. Severance costs associated with organizational restructuring totaled \$462,000.

Other Expenditures

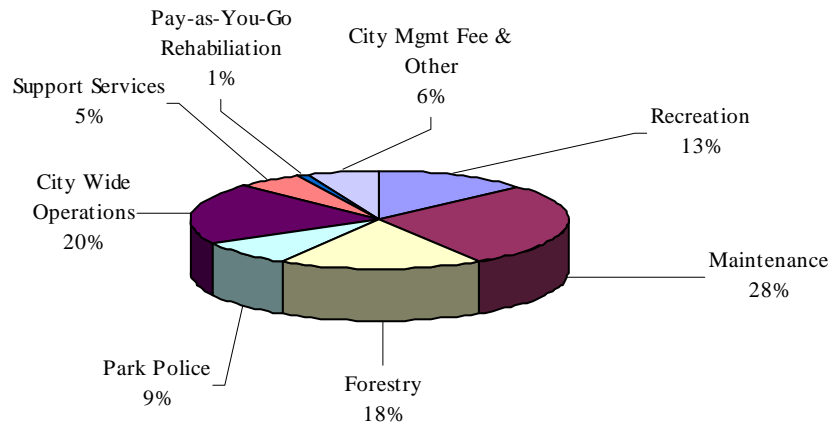
Other expenditures ended the year 99.1 percent expended. Pay-as-You-Go Rehabilitation spending was delayed and stormwater fees were paid to the City of Minneapolis.

Expenditures by Service Area

	2009	2010			
	Actual Year-End	Original Budget	Current Budget	Actual 12/31/2010	Percent Expended
Expenditures					
Recreation	\$7,523,166	\$8,325,820	\$7,504,892	\$7,490,376	99.8%
Maintenance	16,178,486	16,201,410	15,786,050	15,814,981	100.2%
Forestry	9,831,861	10,011,550	9,903,561	9,959,736	100.6%
Park Police	5,148,115	5,302,754	5,021,407	4,931,914	98.2%
Community Recreation Services	3,270,103	3,275,811	3,070,678	2,892,014	94.2%
Trades & Field Services	3,564,112	3,891,265	3,674,458	3,603,644	98.1%
Finance and Personnel	1,485,919	1,546,212	1,511,731	1,480,593	97.9%
City Mgmt Fee, Workers Comp	1,413,362	1,300,382	1,221,258	1,408,557	115.3%
Pay-as-You-Go-Rehabilitation	1,492,817	1,863,200	2,613,200	687,394	26.3%
Environmental	1,306,500	1,373,775	1,361,945	1,255,098	92.2%
Aquatics and Neiman Complex	1,058,146	1,144,912	1,014,034	1,009,792	99.6%
Planning and Project Management	1,243,661	1,343,490	1,421,402	1,373,133	96.6%
Summer Yth Emp-Teen Teamworks	1,000,635	185,000	992,530	969,066	97.6%
Administration	388,336	395,784	476,015	474,891	99.8%
Public Info & Customer Service	607,344	694,630	667,903	634,225	95.0%
Wirth Winter Recreation Area	0	346,264	331,919	350,274	105.5%
Board of Commissioners	497,797	520,293	500,599	499,379	99.8%
Stormwater Charges	0	0	0	1,542,650	
Severance Cost	0	0	0	462,231	
Total Expenditures	\$56,010,360	\$57,722,552	\$57,073,582	\$56,839,948	99.6%



Expenditures by Service Area



2010 expenditures ended the year under budget by \$233,634. Conservative spending of the Pay-as-You-Go Rehabilitation budget and limited department spending provided the necessary funds to support the organizational restructuring severance costs and the back payment for stormwater charges.

Four service areas exceeded the 2010 budget. Maintenance operations exceeded budget by \$28,931 due to expenditures associated with the organizational restructuring. Forestry operations exceeded budget by \$56,175 due to the removal of ash trees and the planting of replacement trees. It is anticipated that these costs will be reimbursed through grant funding in 2011. City Management Fee & Other exceeded budget by \$187,229 primarily due to the debt service payment for the recreation building energy improvement bonds and an increase to the city benefit administration rate. Wirth Winter Recreation Area experienced an exceptional season with high snow totals and expanded operations, causing expenditures to exceed budget by \$18,355. Revenue collections of \$224,000 exceeded the 2010 budget by \$109,000, supporting the \$18,355 of additional expenditures.



General Fund Balance

The 2010 year-end fund balance is estimated to be \$5.1 million, 31 percent higher than 2009.

	General Fund Balance			
	2009	2010		
	Actual Year-End	Current Budget	Actual 12/31/2010	Percent Recognized
Total Revenue	\$57,761,072	\$57,073,582	\$58,037,640	101.7%
Total Expenditures	56,010,360	57,073,582	56,839,948	99.6%
Revenue Over/(Under) Expenditures	<u>\$1,750,712</u>	<u>\$0</u>	<u>\$1,197,692</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 2010 balance is estimated at \$5.1 million, a \$1.2 million increase in fund balance. This fund balance exceeds financial policy requirements by \$2.2 million.

2010 Un-audited Projected General Fund Year-End Fund Balance

Fund Balance, January 1, 2010	\$3,913,064
Projected Revenues in Excess of Expenditures	<u>1,197,692</u>
Projected Fund Balance, December 31, 2010	5,110,756
Fund Balance Requirement (5%)	<u>2,886,128</u>
Fund Balance in Excess of Requirement	<u><u>\$2,224,628</u></u>

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



Enterprise Fund

Summary

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.

In 2010 operating revenue totaled \$14.0 million, the same level collected as 2009. Total revenues were below budget for 2010 primarily due to a 14,000 round decrease in the number of golf rounds played at Park Board golf courses.

In 2010 actual operating expenses totaled \$11.7 million, up 3.6 percent from the \$11.3 million spent in 2009. This increase is primarily due to increased recreation programming funded by grants, donations and program fees.

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

Enterprise Fund Income

	2009		2010	
	Actual	Current	Actual	Percent
	Year End	Budget	12/31/2010	Recognized
Operating Revenues				
Golf	6,538,922	7,030,796	6,093,993	86.7%
Ice Arenas	828,375	849,500	848,823	99.9%
Parking	872,142	1,123,000	900,037	80.1%
Permits	1,117,780	901,000	1,232,682	136.8%
Parade Complex	27,913	45,800	41,949	91.6%
Concessions	841,417	795,400	896,913	112.8%
Excursion Boats	35,000	37,000	35,000	94.6%
Canoe Docks & Sailboat Buoys	219,939	205,000	239,901	117.0%
Recreation	3,364,283	3,631,689	3,640,025	100.2%
Wirth Winter Recreation Area	164,258	66,880	73,548	110.0%
Total Operating Revenues	\$14,010,029	\$14,686,065	\$14,002,871	95.3%
Operating Expenses				
Golf	6,024,692	6,069,177	5,873,058	96.8%
Ice Arenas	767,177	843,439	823,346	97.6%
Parking	118,948	248,000	174,176	70.2%
Permits	622,842	586,641	895,676	152.7%
Parade Complex	474,055	405,465	418,023	103.1%
Concessions	156,790	125,551	181,535	144.6%
Excursion Boats	5,764	5,125	308	6.0%
Canoe Docks & Sailboat Buoys	36,539	37,496	34,737	92.6%
Recreation	2,877,659	3,632,383	3,244,433	89.3%
Wirth Winter Recreation Area	227,221	66,880	76,036	113.7%
Total Operating Expenses	\$11,311,687	\$12,020,157	\$11,721,328	97.5%
Operating Income	2,698,342	2,665,908	2,281,543	

**Enterprise Fund Income (continued)**

Non-Operating Revenue				
Athletic Field Grants			619,223	
Non-Operating Expenses				
Improvements	283,749	1,074,471	808,221	75.2%
Debt Service	1,017,835	746,437	858,736	115.0%
Athletic Field Improvements & Local Match		250,000	733,455	
Payment of prior year expense		300,000	295,384	98.5%
Transfers	295,000	295,000	442,399	150.0%
Total Non-Operating Expenses	\$1,596,584	\$2,665,908	\$3,138,195	117.7%
Income After Non-Operating Revenue and Expenses				
	\$1,101,758	\$0	(\$237,429)	

Golf Operations

Golf rounds were down 14,000 rounds from 2009. Net Income in 2010 was \$220,935, down \$293,295 compared to 2009. Staff identified variable costs that were immediately reduced to offset the decreased revenue. Seasonal and part-time staff were reduced in clubhouse, range and grill operations, volunteers were utilized, and small equipment purchases were delayed. These changes helped reduce 2010 expenses 2.5 percent below 2009 expenses.

Ice Arenas

Ice arena operations consist of the Parade and Northeast Ice Arenas. Net income in 2010 was \$25,477, exceeding the budgeted net income of \$6,061. Net income exceeded budget due to the addition of a dry land training facility and greater use of non-prime ice time.

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. Revenue in 2010 was \$27,895 higher than 2009 and expenses were \$55,228 higher than 2009. Increased event parking and operational improvements helped increase revenues above 2009 levels.

Permits

An increase in permitted events increased revenues \$114,902 above 2009 revenues. Expenses were \$272,834 higher than 2009 due to the consolidation of the community events and permits areas.

Parade Complex

The Parade Complex includes the Cowles Conservatory, Parade Athletic Fields and the Sculpture Garden. Revenue is generated from rentals of Cowles Conservatory and the Sculpture Garden. Revenues were \$14,036 higher than 2009. Expenses ended the year at \$418,023, a reduction of \$56,032 from 2009 expenses.

Concessions

Concessions revenue increased by \$55,496 over 2009, while expenses increased by \$24,745. Revenues from the *Sea Salt Eatery* in Minnehaha Park increased by 38 percent over 2009.

Excursion Boats

Revenue in 2010 was \$35,000. Passenger levels were at the same level as 2009.



Canoe Docks & Sailboat Buoys

In 2010, net income from sailboat buoy and private canoe dock rental was \$205,164, an increase of \$21,764 over 2009 net income. Sailboat buoys sold-out in 2010, prompting the addition of 25 buoys to Lake Nokomis. These buoys were rented on a pro-rated basis for 2010, and will be available for the full year in 2011.

Recreation

In 2010 recreation revenues were up 8.2 percent over 2009 revenues primarily due to a five percent increase to adult sports fees and the award of the federal gang prevention grant, which had a 2010 budget of \$139,000. Recreation expenses were up 12.7 percent over 2009 primarily due to costs associated with grant activities and providing a self-supporting after-school child care program with the inclusion of the administrative functions that had previously been paid by the General Fund.

Wirth Winter Recreation Area

The Enterprise Fund reports revenues and expenses for the operation of the tubing hill. The Wirth Winter Recreation Area met revenue and expense goals during 2010.

Enterprise Operating Income

Operating income is the difference between operating revenues and operating expenses. Operating income in 2010 was \$2.3 million. Operating income is lower than 2009 due to reduced net income in golf operations, the consolidation of the community events and permits areas, and providing the after-school child care program as a self-supporting function.

Operating income was 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 2010 include construction of a new irrigation system at Columbia Golf Course, a compressor and board replacement at Parade Ice Arena, new pay and display parking machines and disc golf course construction. Hennepin County grants and Park Board matching funds supported the completion of Frank Quilici and Van Cleve fields, irrigation at Armatage and Bottineau Parks, and artificial surface fields at Currie and Stewart Parks. Transfers exceeded budget in 2010 due to a one-time transfer of \$147,399 for the acquisition of the Scherer Brothers property. Debt service exceeded budget in 2010 due to one-time refinancing fees.



Internal Service Fund

Summary

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

In 2010 actual revenue totaled \$7.6 million, down 3.2 percent from the \$7.9 million collected in 2009. This decrease is due to reductions to the equipment fleet and number of computer workstations.

In 2010 actual expenses totaled \$6.9 million, up 2.4 percent from the \$6.7 million spent in 2009. This increase is due to scheduled equipment replacement that occurred in 2010.

Revenues

	2009	2010		
	Actual	Current	Actual	Percent
	Year End	Budget	12/31/2010	Recognized
Equipment	\$4,153,574	\$4,148,461	\$4,055,468	97.8%
ITS	949,955	920,847	918,454	99.7%
Self Insurance	2,775,440	2,659,283	2,652,613	99.7%
Total Revenues	\$7,878,969	\$7,728,591	\$7,626,535	98.7%

Expenses

	2009	2010		
	Actual	Current	Actual	Percent
	Year-End	Budget	12/31/2010	Expended
Equipment	3,874,009	4,420,159	4,145,909	93.8%
ITS	927,192	915,943	908,649	99.2%
Self Insurance	1,935,977	2,659,283	1,844,800	69.4%
Total Expenses	\$6,737,178	\$7,995,385	\$6,899,358	86.3%

Equipment

Equipment rental is charged to Park Board departments for use of equipment owned by the Park Board. Equipment revenue is down 2.4 percent compared to 2009 due to Park Board departments reducing equipment use because of budget reductions. Expenses are up 7 percent compared to 2009 due to scheduled equipment purchases that included seven aerial towers for the forestry department. These planned purchases required the spending of \$90,000 of reserve balance. The year-end equipment reserve balance is \$968,000.

Information Technology Services

Park Board departments are charged an annual fee for the use and service of computer workstations and access to the Park Board network. Information Technology Services revenue ended the year slightly below budget because of workstation reductions associated with position eliminations, while expenses ended the year 0.8 percent below budget. A new internet protocol phone system at parks was deployed throughout the organization in 2010. This upgrade was in conjunction with the network service upgrade and three year contract with US Internet that was approved by the Board on August 19, 2009. This capital investment will yield approximately \$25,000 of annual operating savings through the replacement and reduction of existing phone lines. The year-end Information Technology Services equipment reserve is \$352,000.

**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 met budget in 2010. Expenses were under budget by 31 percent 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 2009 was \$1.4 million. During 2010 expenses exceeded revenue and the equipment reserve was decreased by \$80,636. Based on un-audited figures the Internal Service Fund equipment reserve balance ended 2010 at \$1.3 million.

During 2010 Equipment Services purchased new equipment resulting in expenditures exceeding revenues by \$90,441. Information Technology Services had \$9,805 of revenues in excess of expenditures due to expenditures being below budget.

2010 Un-audited Internal Service Fund Year-End Equipment Reserve Balance

Equipment Reserve January 1, 2010	\$1,400,689
Equipment Services expenses over revenue	(90,441)
Information Technology Services revenue in excess of expenses	<u>9,805</u>
Equipment Reserve December 31, 2010	\$1,320,053

Self Insurance Fund Net Asset Balance

The Self Insurance Fund net assets balance at year-end 2009 was \$6.4 million. During 2010 revenue exceeded expenses and the net assets balance was increased by \$807,813. Based on un-audited figures the Self Insurance Fund working capital balance ended 2010 at \$7.2 million. This increase of 13 percent is due to the decrease in the number and cost of claims and settlements during 2010.

2010 Un-audited Self Insurance Fund Year-End Net Asset Balance

Net Assets January 1, 2010	\$6,379,018
Self Insurance Fund revenue in excess of expenditures	<u>807,813</u>
Net Assets December 31, 2010	\$7,186,831



2010 Budget Strategy Initiatives Year-End Report

The Minneapolis Park and Recreation Board 2010 Annual Budget included six budget strategies and initiatives related to these strategies. This report details the results of those initiatives during 2010. The strategies and initiatives are written as they appear in the 2010 Annual Budget book on pages 12 to 15. The 2010 year-end reports are given after each initiative. For a copy of the Minneapolis Park and Recreation Board 2010 Annual Budget see the website at www.minneapolisparks.org.

STRATEGY ONE: Diversify and grow revenue through innovation, sponsorship and entrepreneurial approaches to assure a sustainable park system.

2010 Initiatives

Event Staffing and Event Funding

The event staff positions that were included in the General Fund in 2009 have been transferred to the Enterprise Fund in 2010. In addition, the Enterprise Fund will transfer resources to support the Juneteenth Event (\$25,000), the Teen and Adult Volunteer Recognition Programs (\$10,000) and Safety Camp (\$2,500).

Year-End Report: The event staff positions that were funded by the General Fund reported to the events/permits group in the Enterprise Fund. The resources allocated to the Juneteenth Celebration, recognition programs, and Safety Camp were provided by revenues generated in the Enterprise Fund.

Bike Tour

An agreement was approved by the Board in 2009 that provides for the Park Board to retain revenue generated from the first 5,000 Bike Tour registrations beginning in 2010, an amount conservatively estimated to be \$50,000 in net proceeds.

Year-End Report: A total of 3,300 riders participated in 2010 the Bike Tour, with net proceeds of \$28,700.

Parking System Improvements

The Board reviewed several technological and operational improvements to the parking system in 2009. The technological and operational changes will continue in 2010 and an estimated increase of \$75,000 in new revenue is anticipated.

Year-End Report: The parking system improvements were completed in 2010. Four new Pay and Display Parking Machines were installed during 2010, existing Pay and Display Parking Machines were relocated based upon customer demand and on-street parking meters were added. New parking lot signage was installed in all pay parking lots. Event parking revenue was increased with three additional events during 2010 including Rock the Garden, Twin Cities Pride and the Basilica Block Party. Additional revenues of \$118,954 were generated in 2010 as a result of the improvements.



Off Leash Recreation Area Permits

The off leash recreation area permit program was transferred from the City's Animal Control Department to the Park Board Customer Service department in 2010.

Year-End Report: In 2010 the Customer Service Department issued 6,300 off-leash permits, generating revenue of \$223,975. Minneapolis Animal Care and Control sold 430 off-leash permits on behalf of the Park Board generating additional revenue of \$15,566. In total, the transition of permit sales to the Park Board resulted in increased revenues of \$94,551 in 2010.

Off Leash Enforcement

A new Park Board ordinance that provides for the enforcement of the off leash permit and the issuance of administrative tickets for violations will be developed in January and Board approval would occur in February.

Year-End Report: The Park Board began permit enforcement in the off-leash recreation areas on April 12, 2010. In 2010 Park Police issued 505 tickets. To encourage compliance, the first time an individual receives a ticket, he or she may convert the ticket fee to obtain an off-leash permit. Of the 505 administrative tickets issued, 310 were converted to off-leash permits.

Ongoing Initiatives

Constitutional Amendment for Outdoors, Parks & Arts

The Park Board will benefit from the State constitutional amendment passed on November 4, 2008 which increases the general sales tax by 3/8 of 1 percent to fund clean water, outdoor parks and arts projects for 25 years.

Year-End Report: The Park Board was awarded funds for projects at Lake Harriet Regional Playgrounds, Boom Island, Wirth Beach and Picnic Area, and for Brownie Lake bike and pedestrian access trails. The total funding for these projects is \$3.2 million. Project consultants are being hired and community input has begun with construction planned for 2011.

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 assess a fee on new residential and commercial industrial development to support park rehabilitation, renovation and expansion within a nexus of the new development.

Year-End Report: The City and Park Board have approved the joint park dedication ordinance. The City and Park Board are jointly developing an implementation process and preparing proposed legislation to amend state law to allow the City to assess the dedication fee.



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

2010 Initiatives

Adjusting to Reduced Resources

Sizing our programs and workforce to meet current resource levels has been the highest priority for the 2010 budget. The 2010 budget is a decrease of \$285,923 or (0.5) percent from 2009. The property tax increase of \$1.8 million in 2010 is offset by the Local Government Aid (LGA) reduction of \$2.4 million.

Year-End Report: Park Board State aids were reduced \$1.6 million by legislation enacted on April 1, 2010. The Board approved a modified budget on April 21 that included reductions to staffing levels and operating expenses. The Board also approved an organizational restructuring in September 2010 that eliminated 13 positions to help address ongoing budget challenges.

Local Government Aid Reliance

The Park Board continues to incrementally reduce its reliance on this fluctuating funding source by focusing on strategies to replace Local Government Aid (LGA) with new income initiatives.

Year-End Report: New income initiatives such as off lease permits and enforcement, parking improvements and sponsorships have generated approximately \$500,000 in new revenue in 2010.

Activity Plans

Activity plans will guide the development of five year capital and operation plans for major recreation activities.

Year-End Report: Work continues on field sports and trails activity plans, however several projects have required additional focus and the process has been delayed. Work on all of the activity plans will be prioritized as part of the overall 2011 project list for the planning department.

Sustainability Initiatives

The Board approved a Sustainability Plan in 2009 and the 2010 budget will support the implementation of several of its key initiatives. The first is a continued commitment to reduce energy costs in partnership with the McKinstry Group.

Event staff will utilize and promote sustainable practices through incentives in 2010. The \$100,000 in Toyota sponsorship funds will be used as seed money to implement changes.

Year-End Report: In accordance with the key initiatives in energy efficiency adopted by the Board, improvements were made at Logan and Lake Nokomis Community Centers and Matthews, McRae and Pershing Recreation Centers. These improvements included window sealing, insulation, door weather stripping, low flow faucets and toilets, efficient lighting, and balanced heating and ventilation systems. In addition, a high efficiency boiler was installed at Logan Community Center.



Park Board's Independent Management of Human Resources

The Park Board requested and received authority from the Minneapolis Civil Service Commission to administer its own Human Resource functions in the areas of recruitment, hiring and position classification.

Year-End Report: On January 25, 2011 the Civil Service Commission issued its decision that delegation of recruitment, hiring, and position classification to the Park Boards Human Resources Department was a success. By working in cooperation with the City of Minneapolis Human Resources Department, the transition period went smoothly and resulted in improved customer service due to greater flexibility throughout processes of recruitment, hiring, and classifications. The public has been served by the clarification of the Park Board as an entity whose positions are unique.

Looking Ahead

There are more challenges on the horizon. The staffing and maintenance costs for East Phillips Community Center will be included in the 2011 budget.

The 2012-2013 State budget deficit is projected to be \$5.4 billion dollars. To prepare for the potential impacts of the State budget deficit on Park Board funding levels, plans and contingencies are being developed for 2010.

Year-End Report: The Board approved organizational restructuring to address ongoing budget challenges. The restructuring also provided for the reassignment of Recreation staff to the field to enhance and implement community based programming including programming at the East Phillips Cultural Community Center.

STRATEGY THREE: Develop equitable and results-oriented partnerships, review and address underperforming assets on an annual basis.

2010 Initiatives

Hennepin Youth Sports Grants

A major initiative for 2010 and beyond is the partnership with Hennepin County to improve youth athletic facilities. The Twins Stadium legislation included \$2 million dollars annually to be distributed to Hennepin County communities for youth athletic facility development and renovation.

Year-End Report: In 2010 the Park Board received seven grants totaling \$996,000. The Park Board provided \$250,000 of matching funds to support a total of \$1,246,000 in improvements to neighborhood park youth athletic facilities. The projects that have been completed are Van Cleve baseball field, irrigation at Armatage and Bottineau parks, and artificial surface fields at Currie and Stewart parks.



Gang Prevention Federal Grant

The Youthline Outreach Mentorship Program received a three year Federal Grant Award of \$453,910 for the period October 1, 2009 through September 30, 2012 for an intensive gang prevention project.

Year-End Report: In the first year of the Intensive Gang Prevention Youth Mentoring Project, the two Senior Youth Program Specialists assigned to coordinate the project recruited and trained 30 adult mentors from north Minneapolis neighborhoods to provide mentorship to at-risk youth. Community partners including the Peace Foundation, Minneapolis Public Schools and Hennepin County assisted with identifying the youth to be assigned to the program. Each mentor and project coordinator is mentoring one or two youth for the three year period. The mentors meet with the youth weekly to help identify short and long term goals, participate in activities and make connections with park and community resources. The Mentoring Partnership of Minnesota provided initial and ongoing group training and individual support for the project coordinators and mentors. At the end of 2010, 38 youth were actively engaging with mentors every week.

Ongoing Initiatives

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. The Park Board continues the review of existing partnerships to ensure the park system is receiving the maximum benefit possible.

Year-End Report: A Request for Proposals for the beverage contract was issued in the first quarter of 2010 and a contract will be awarded in the first half of 2011. The Toyota Sponsorship agreement is up for renewal and the Board approved a contract to attempt to obtain an additional three years of sponsorship in the amount of \$100,000 annually and 10 hybrid vehicles for Park Board use. Oak Ridge Financial sponsored the Lake Harriet Concert Series in 2010 with a \$33,000 contribution and has committed to providing the same level of support for 2011.

STRATEGY FOUR: Promote the use of volunteers to enhance programming and maintenance capabilities within the system.

2010 Initiative

The Park Board has an extensive history of utilizing volunteers in its 49 recreation centers, in community and formal gardens and the urban forest. The addition of a Volunteer Coordinator several years ago has resulted in increased involvement from corporate, community and non-profit groups throughout the park system. The Volunteer Coordinator develops relationships with individuals and community organizations and matches needs in the park system to the efforts of these volunteers.

Year-End Report: During 2010, more than 8,300 volunteers contributed over 69,300 hours of volunteer time to the Park Board. According to the Financial Accounting Standards Board, the estimated value of volunteer time in Minnesota is \$21.16/hour, which translates to \$1,466,000 in volunteer time.

Operations

In 2010, 87 corporate, school and community groups participated in one-time gardening, maintenance, forestry and environmental projects throughout the system. These volunteers contributed 7,000 hours



of work toward planting, watering and mulching trees and landscape beds, cutting back overgrown vegetation, removing graffiti and more. Through the Adopt-a-Park program, 28 groups made long-term commitments to care for gardens, natural areas and green spaces throughout the system.

Recreation

More than 1,350 adults volunteered in Recreation Centers by teaching classes, leading programs and assisting at community events. Youth sports and sports fundamentals programs benefited from the help of 1,400 volunteer coaches.

Special Events

More than 3,500 volunteers assisted with one time events including the Minneapolis Earth Day Watershed Cleanup, the Minneapolis Bike Tour, the Minneapolis Recycle Run and other citywide events.

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

2010 Initiative

No Program Fee Increases for Youth and Families

The 2010 budget does not include any fee increases for programs provided to youth and families. The Park Board seeks to provide support, rather than increased barriers to access.

Year-End Report: Fees for youth and family programs have not increased.

STRATEGY SIX: Provide staff training and professional development to maintain an effective workforce.

Ongoing Initiatives

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.

Year-End Report: A program was developed for child sexual abuse prevention in partnership with the Human Resources Department, Volunteer Coordination and a consultant with Project Pathfinder. The result of the program was the *Interaction with Youth Code of Conduct*. Recreation employees received training on the new Code of Conduct in February 2010. Disability Awareness training for all staff was conducted in February 2010 by the Recreation Therapeutic Specialist. The Human Resources Department manages the annual safety training program for all staff. Program improvements resulted in an efficient safety training process that was easier to schedule and complete. The program was widely accepted by staff and had a high completion rate.

To continue the efforts in promoting mutual respect and understanding in the workplace, the Human Resources Department arranged training sessions titled Working Together Respectfully. All regular staff attended the sessions which were well received. The training was conducted by Therese Pautz of NeuVest in December 2010. Disability Awareness training was also held