



Minneapolis Park and Recreation Board
Financial Status Report
as of Third Quarter, 2010

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Budget Overview

The Minneapolis Park and Recreation Board continues its commitment to providing quality programs and services with careful consideration of the population served. What follows is a description of the Park Board General, Enterprise and Internal Service Funds.

General Fund

This report details the Minneapolis Park and Recreation Board General Fund budget status as of September 30, 2010. To the end of 2010, General Fund revenues are projected to be \$56.7 million and expenditures are projected to be \$56.0 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. The amended budget was approved by the Board on April 21.

Enterprise Fund

The Enterprise Fund is established to account for all business-type operations of the Park Board including golf courses, concessions, ice arenas, permits and recreational activities. The fund is focused on income generation and supports Park Board programs and improvements. Enterprise Fund operating income is projected to end the year at \$2.5 million.

Internal Service Funds

Internal Service Funds provide equipment fleet, information technology and self-insurance services to the Park Board departments. To the end of 2010 internal service fund revenues and expenses are projected to be \$7.6 million.

Budget Strategies and Initiatives

The 2010 Annual Budget included Board adopted strategies and the initiatives related to these strategies. This report details the progress on those initiatives through the third quarter of 2010.

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 Third Quarter report includes projected severance costs of \$400,000 related to the 13 eliminated positions. For purposes of this report department information is presented in the format in place prior to the organizational restructuring.



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 has a current operating budget of \$57.1 million. Through September of this year, 70.4 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, 2010, totaled \$29.5 million, up 3.0 percent from the \$28.7 million collected in the first three quarters of 2009. Total revenues for 2010 are projected to be \$56.7 million, a decrease of 1.8 percent from 2009 actual revenues.

As of September 30, 2010, actual expenditures totaled \$40.2 million, down 1.0 percent from the \$40.5 million spent in the first three quarters of 2009. To the end of 2010 expenditures are projected to be \$56.0 million, the same as 2009 actual expenditures.

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. It is expected that the 2010 year-end general fund balance will exceed the requirement as well.

The financial information and projections contained in this report do not take into account any activities subsequent to September 30, 2010.

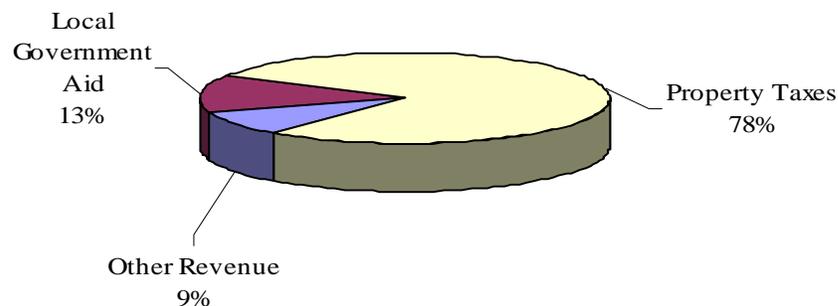
This report contains estimates. Unforeseen changes in revenue and expenditures will cause actual results to fluctuate from the projected results.

General Fund Revenues

As of September 30, 2010, actual revenues totaled \$29.5 million, 51.7 percent of budgeted 2010 revenues. At the same point in 2009 49.6 percent of year-end revenues had been collected.

Revenues by Major Category

	2009			2010				
	Actual		Percent Recognized	Original Budget	Current Budget	Actual As of 9/30	Percent Recognized	Projected Year End
	Year-End	As of 9/30						
Property and Other Taxes	\$43,497,476	\$20,636,838	47.4%	\$44,578,850	\$43,680,950	\$22,372,809	51.2%	\$44,298,162
Local Government Aid	9,469,497	4,734,748	50.0%	8,104,593	7,423,928	3,711,964	50.0%	7,423,928
Fees, Fines and Other Revenues	4,794,099	3,287,156	68.6%	5,039,109	5,968,704	3,422,505	57.3%	5,022,505
Total Revenues	\$57,761,072	\$28,658,742	49.6%	\$57,722,552	\$57,073,582	\$29,507,278	51.7%	\$56,744,595





Property Taxes

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. Property taxes provide 78 percent of projected revenue, the largest funding source of the General Fund. The Park Board received the first half property tax payment from Hennepin County, 51.2 percent of budgeted property taxes. Delinquent property tax payments continue to drive property tax collections over budgeted levels, with \$560,358 received in the first property tax payment. Property tax revenue is projected to exceed budget by \$617,212 at year-end.

Local Government Aid

The City of Minneapolis receives Local Government Aid (LGA) from the State of Minnesota through a formula appropriation set by state law. The City of Minneapolis transfers 11.79 percent of that appropriation to the Park Board. LGA provides 13 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 \$3.7 million has been received.

The Park Board 2010 LGA was originally budgeted at \$8.1 million. The State Legislature reduced Park Board 2010 LGA to \$7.4 million. If the State budget forecast due in November shows a deficit, 2010 LGA could be further reduced.

Fees, Fines and Other Revenue

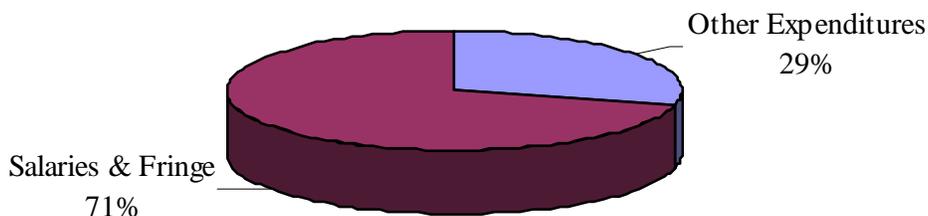
Fees, fines and other revenue provide nine percent of projected revenue. The Park Board has recognized \$3.4 million or 57.3 percent of the budgeted fees, fines and other revenue for 2010. Revenue for 2010 is 4 percent higher than this period in 2009 due to new revenue initiatives including expansion in off-leash dog licensing, the implementation of off-leash administrative tickets and Wirth Winter Recreation Area revenues.

General Fund Expenditures

As of September 30, 2010, actual expenditures totaled \$40.2 million, down 1.0 percent from the \$40.5 million spent in the first three quarters of 2009.

Expenditures by Major Category

	2009			2010		
	Actual		Percent Expended	Current Budget	Actual As of 9/30	Percent Expended
	Year-End	As of 9/30				
Salaries & Fringe	\$ 40,568,243	\$ 30,739,484	75.8%	\$ 40,490,658	\$ 30,295,791	74.8%
Other Expenditures	15,442,117	\$ 9,808,214	63.5%	16,582,924	\$ 9,857,962	59.4%
Total Expenditures	\$56,010,360	\$40,547,698	72.4%	\$57,073,582	\$40,153,753	70.4%





Salaries and Fringe Benefits

Salaries and fringe benefits are 74.8 percent expended with 75 percent of the year elapsed, one percent lower than 2009. Severance costs associated with the Park Board's re-organization are projected to be \$400,000.

Other Expenditures

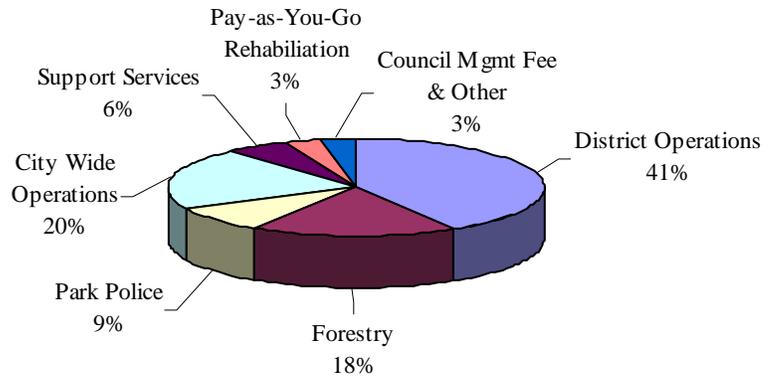
Other expenditures including contractual services, materials and supplies are 59.4 percent expended with 75 percent of the year elapsed, compared to 63.5 percent expended at the same point in 2009. Pay-as-You-Go Rehabilitation was increased from \$1.9 million to \$2.6 million in the 2010 amended budget as the Board committed to additional funding for neighborhood park infrastructure.

Expenditures by Service Area

Expenditures	2009			2010				
	Actual		Percent Expended	Original Budget	Current Budget	Actual As of 9/30	Percent Expended	Projected Year-End
	Year-End	As of 9/30						
District Operations	\$23,701,652	\$17,370,652	73.3%	\$24,527,230	\$23,290,942	\$17,207,922	73.9%	23,230,695
Forestry	9,831,861	7,217,881	73.4%	10,011,550	9,903,561	7,307,213	73.8%	9,892,113
Park Police	5,148,115	3,780,600	73.4%	5,302,754	5,021,407	3,666,323	73.0%	4,999,502
Community Recreation Services	3,270,103	2,432,409	74.4%	3,275,811	3,070,678	2,121,563	69.1%	2,910,298
Trades & Field Services	3,564,112	2,733,691	76.7%	3,891,265	3,674,458	2,590,636	70.5%	3,575,078
Finance and Personnel	1,485,919	1,098,321	73.9%	1,546,212	1,511,731	1,163,576	77.0%	1,510,589
City Mgmt Fee, Workers Comp	1,413,362	1,023,352	72.4%	1,300,382	1,221,258	946,772	77.5%	1,334,156
Capital Levy	1,492,817	0	0.0%	1,863,200	2,613,200	110,259	4.2%	1,613,200
Environmental	1,306,500	963,140	73.7%	1,373,775	1,361,945	987,147	72.5%	1,339,066
Aquatics and Neiman Complex	1,058,146	992,391	93.8%	1,144,912	1,014,034	849,771	83.8%	959,186
Planning and Project Management	1,243,661	926,564	74.5%	1,343,490	1,421,402	974,068	68.5%	1,346,691
Summer Yth Emp-Teen Teamworks	1,000,635	946,961	94.6%	185,000	992,530	877,055	88.4%	942,055
Administration	388,336	249,502	64.2%	395,784	476,015	315,150	66.2%	475,464
Public Info and Customer Service	581,994	421,973	72.5%	667,077	640,473	438,675	68.5%	624,404
Wirth Winter	0	0	0.0%	346,264	331,919	198,823	59.9%	331,000
Data Practices	25,350	15,010	59.2%	27,553	27,430	23,283	84.9%	32,533
Board of Commissioners	497,797	375,251	75.4%	520,293	500,599	375,517	75.0%	499,052
Severance Cost	0	0	0.0%	0	0	0	0.0%	400,000
Total Expenditures	\$56,010,360	\$40,547,698	72.4%	\$57,722,552	\$57,073,582	\$40,153,753	70.4%	\$56,015,081



Expenditures by Service Area



2010 expenditures are projected to be under the current budget by \$1,058,501, primarily due to conservative spending of the Pay-as-You-Go Rehabilitation program. Three service areas make up approximately 79 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.

General Fund Budget Appropriation Changes

Park Board financial policies provide the Assistant Superintendent for Administration with the authority to make and report to the Board technical changes to fund appropriations when those changes are required to establish spending authority consistent with the intent of the Board. Below are descriptions of modifications to revenue estimates and expenditure appropriations that occurred during the third quarter.

Teen Teamworks received grant funding in the amount of \$188,974 from the City of Minneapolis and Minneapolis Public Schools to support summer youth employment. The General Fund revenue and expenditure appropriations were increased for this grant funding.

Budget Appropriation Changes

2010 Current Budget, June 30, 2010	\$56,884,608
Teen Teamworks Contributions	<u>188,974</u>
2010 Current Budget, September 30, 2010	<u>\$57,073,582</u>

Three budget neutral changes within General Fund departments also occurred. First, \$160,000 that had been reserved in the 2010 amended budget to support tree planting and stump grinding was transferred to the Forestry department. Second, \$90,000 was transferred from savings in contractual services to the Administration budget to support the engagement of a search firm and the transition and relocation costs associated with the hiring of a new superintendent. Third, Trades and Field Services transferred \$75,000 to the Environmental budget to support plant harvesting at Lake of the Isles, zebra mussel expenses, and programming at the Eloise Butler Wildflower Garden.



General Fund Balance

As of September 30, 2010 the year-end fund balance is projected to be \$4.6 million, 18.6 percent higher than 2009.

General Fund Balance

	2009			2010			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year-End	As of 6/30					
Total Revenue	\$57,761,072	\$28,658,742	49.6%	\$57,073,582	\$29,507,278	51.7%	\$56,744,595
Total Expenditures	56,010,360	40,547,698	72.4%	57,073,582	40,153,753	70.4%	56,015,081
Revenue Over/(Under) Expenditures	<u>\$1,750,712</u>	<u>(\$11,888,956)</u>		<u>\$0</u>	<u>(\$10,646,475)</u>		<u>\$729,514</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. The 2009 year-end balance was \$3.9 million, which exceeded this requirement.

Based on current revenue and expenditure estimates, the projected year-end 2010 balance is estimated at \$4.6 million, resulting in a \$729,514 increase in fund balance. This projected fund balance exceeds financial policy requirements, and will leave \$1,756,450 available for future budget balancing strategies.

2010 Projected General Fund Year-End Fund Balance

Fund Balance, January 1, 2010	\$3,913,064
Projected Revenues in Excess of Expenditures	<u>729,514</u>
Projected Fund Balance, December 31, 2010	4,642,578
Fund Balance Requirement (5%)	<u>2,886,128</u>
Fund Balance in Excess of Requirement	<u>\$1,756,450</u>

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



Enterprise Fund

Fund Description

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

Enterprise Fund Income

	2009			2010			
	Actual		Percent Recognized	Current Budget	Actual As of 9/30	Percent Recognized	Projected Year End
	Year End	As of 9/30					
Operating Revenues							
Golf	6,538,922	6,136,816	93.9%	7,030,796	5,513,085	78.4%	6,064,000
Ice Arenas	828,375	605,705	73.1%	849,500	583,709	68.7%	824,650
Parking	872,142	803,417	92.1%	1,123,000	880,210	78.4%	907,661
Permits	1,117,780	612,907	54.8%	901,000	708,222	78.6%	1,200,000
Parade Complex	27,913	21,789	78.1%	45,800	33,029	72.1%	35,000
Concessions	841,417	675,257	80.3%	795,400	687,917	86.5%	854,000
Excursion Boats	35,000	12,886	36.8%	37,000	35,000	94.6%	35,000
Canoe Docks & Sailboat Buoys	219,939	210,715	95.8%	205,000	227,933	111.2%	230,640
Recreation	3,364,283	2,583,563	76.8%	3,116,689	2,802,912	89.9%	3,649,916
Wirth Winter Recreation Area	164,258	102,267	62.3%	66,880	66,880	100.0%	66,880
Total Operating Revenues	\$14,010,029	\$11,765,322	84.0%	\$14,171,065	\$11,538,897	81.4%	\$13,867,747
Operating Expenses							
Golf	6,024,692	4,738,352	78.6%	6,069,177	4,693,999	77.3%	5,778,696
Ice Arenas	767,177	496,762	64.8%	843,439	541,042	64.1%	794,750
Parking	118,948	87,853	73.9%	248,000	120,195	48.5%	151,003
Permits	622,842	410,571	65.9%	586,641	697,523	118.9%	805,000
Parade Complex	474,055	386,935	81.6%	405,465	295,553	72.9%	389,813
Concessions	156,790	111,985	71.4%	125,551	119,655	95.3%	157,000
Excursion Boats	5,764	2,806	48.7%	5,125	6	0.1%	852
Canoe Docks & Sailboat Buoys	36,539	18,077	49.5%	37,496	23,675	63.1%	38,000
Recreation	2,877,659	2,179,649	75.7%	3,117,383	2,436,195	78.1%	3,216,361
Wirth Winter Recreation Area	227,221	187,463	82.5%	66,880	66,880	100.0%	66,880
Total Operating Expenses	\$11,311,687	\$8,620,453	76.2%	\$11,505,157	\$8,994,723	78.2%	\$11,398,355
Operating Income	2,698,342	3,144,869		2,665,908	2,544,174		2,469,392
Improvements and Transfers							
Improvements	283,749	223,714	78.8%	1,374,471	588,008	42.8%	840,500
Debt Service	1,017,835	593,835	58.3%	746,437	142,125	19.0%	746,437
Match for Hennepin Youth Sports Grants & Athletic Field Improvements				250,000	185,408	0.0%	395,000
Transfers	295,000	0	0.0%	295,000		0.0%	295,000
Total Improvements and Transfers	\$1,596,584	\$817,549	51.2%	\$2,665,908	\$915,541	34.3%	\$2,276,937
Income After Improvements and Transfers	\$1,101,758	\$2,327,320		\$0	\$1,628,633		\$192,455



Golf Operations

Golf rounds are projected to be down by almost 16,000 rounds from 2009. Net Income to year-end is projected at \$285,304, down \$228,926 compared to 2009. Staff identified variable costs that were immediately reduced to offset the decrease in revenues. 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 projected 2010 expenses 4.1 percent below 2009 expenses.

Ice Arenas

Ice arena operations consist of the Parade and Northeast Ice arenas. Net income at the end of 2010 is projected to be \$29,900, exceeding the budgeted net income of \$6,061.

Parking

Parking operations include revenue collection and maintenance of on street single space parking meters, multi space pay and display machines, patron parking permit sales and event parking. Revenues to the end of 2010 are projected to be \$35,519 higher than 2009 and expenses are projected to be \$32,055 higher than 2009. Revenues through the third quarter were lower than expected partially due to the temporary removal of street parking meters. The parking meters located on East River Road adjacent to the University of Minnesota hospital were removed for light rail transit road reconfiguration.

Permits

An increase in permitted events will result in increased revenues above 2009 levels by year-end. Expenses are projected to increase over 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 are expected to be \$7,087 higher than 2009. Expenses are projected at \$389,813, a reduction of \$84,242 from 2009 expenses.

Concessions

Concessions revenues are projected to increase by 1.5 percent over 2009, while expenses are projected to remain the same.

Excursion Boats

Revenue to the end of 2010 is projected to be \$35,000. Passenger levels are near the same level as 2009.

Canoe Docks & Sailboat Buoys

In the first three quarters of 2010, \$227,933 of revenue has been collected for sailboat buoy and private canoe dock rental an increase of 3.6 percent over 2009 revenues. Sailboat buoys sold-out in 2010, prompting the addition of 25 buoys to Lake Nokomis. The purchase and installation of these buoys is projected to increase expenses over 2009 by 4 percent. These buoys are being rented on a pro-rated basis for 2010, and will be available for the full year in 2011.

Recreation

In the first three quarters of 2010 Recreation revenues are up 8.5 percent over the same time period as 2009 primarily due to a five percent increase to adult sports fees and the award of the federal gang prevention grant. Recreation expenses are up 11.8 percent over the same period in 2009 due to costs associated with grant activities and providing the after-school child care program as a self-supporting function.



Wirth Winter Recreation Area

In 2010, the Wirth Winter Recreation Area (WWRA) is budgeted both in the enterprise fund and general fund. Revenues and expenses for the operation of the tubing hill are budgeted in the enterprise fund and revenues and expenses for the operation of the cross country ski and snowboarding programs are budgeted in the general fund. WWRA will meet revenue and expense goals in the enterprise fund during 2010. Revenue in the last quarter of 2010 will support WWRA expenses in the general fund.

Enterprise Operating Income

The difference between operating revenues and operating expenses is Operating Income. Operating income is projected to be \$2.5 million, which is 8.5 percent lower than 2009 and 7.4 percent below budget. This decrease is due to reduced net income in golf operations.

Operating income is used for four purposes; facility improvements, transfers to support the general fund, matching funds for the Hennepin County youth sports grants, and debt service. Improvements completed in 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.

The Board approved a \$150,000 increase to youth sports facilities capital funding to support the completion of Frank Quilici Field at Shingle Creek Park, irrigation at Jackson Square Park and grant supported athletic fields in 2010. A fall project to renovate the exterior of the clubhouse at Gross Golf Course is also included in the 2010 enterprise capital funding.



Internal Service Fund

Fund Description

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

Revenues

	2009			2010			
	Actual		Percent Recognized	Current Budget	Actual As of 9/30	Percent Recognized	Projected Year-End
	Year End	As of 9/30					
Equipment	\$4,153,574	\$3,017,802	72.7%	\$4,148,461	\$3,006,392	72.5%	\$4,007,521
ITS	949,955	711,450	74.9%	920,847	706,436	76.7%	912,162
Self Insurance	2,775,440	25,210	0.9%	2,659,283	1,994,462	75.0%	2,659,283
Total Revenues	\$7,878,969	\$3,754,462	47.7%	\$7,728,591	\$5,707,290	73.8%	\$7,578,966

Expenses

	2009			2010			
	Actual		Percent Expended	Current Budget	Actual As of 9/30	Percent Expended	Projected Year-End
	Year-End	As of 9/30					
Equipment	3,874,009	3,072,348	79.3%	4,420,159	2,624,629	59.4%	4,350,000
ITS	927,192	654,355	70.6%	915,943	807,820	88.2%	963,470
Self Insurance	1,935,977	1,341,498	69.3%	2,659,283	1,641,176	61.7%	2,300,000
Total Expenses	\$6,737,178	\$5,068,201	75.2%	\$7,995,385	\$5,073,625	63.5%	\$7,613,470

Equipment

Equipment rental is charged to Park Board departments for use of equipment owned by the Park Board. Equipment revenue is flat compared to the same period in 2009 due to rental rates not increasing in 2010. Expenses are down 14.6 percent compared to 2009. Equipment purchases that include seven aerial towers for the forestry department are planned for the fourth quarter and will necessitate the use of approximately \$342,000 of equipment reserves. This was planned for in the 2010 budget and will leave an equipment reserve balance of approximately \$716,000.

Information Technology Services

Park Board departments are charged an annual fee for the use and service of computer workstations and system network. Internal Service Fund (ITS) revenue will end the year below budget because of workstation reductions associated with position eliminations, while operating expenses are expected to end the year at budget. ITS will expend \$51,000 of its equipment reserves to fund the deployment of a new internet protocol (IP) phone system at parks throughout the system. This upgrade is 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 projected year-end equipment reserve is approximately \$291,000.

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 are expected to meet budget in 2010. Expenses are projected to be under budget; however they are dependent on the number and amount of claims settled during the fourth quarter.



Internal Service Fund Equipment Reserve

Board approved spending in the Equipment and Information Technology Services areas for the seven aerial trucks and upgraded phone system reduces Internal Service Fund equipment reserves by \$393,787 for a projected year-end balance of \$1.0 million.

2010 Projected Internal Service Fund Equipment Reserve Balance

Equipment Reserve January 1, 2010	\$1,400,689
Revenues below expenditures	<u>(393,787)</u>
Projected Equipment Reserve December 31, 2010	\$1,006,902



2010 Budget Strategy Initiatives Third Quarter Report

The Minneapolis Park and Recreation Board 2010 Annual Budget includes six budget strategies. The 2010 Annual Budget included initiatives related to these strategies. This report details the progress on the initiatives through the third quarter of 2010. The strategies and initiatives are written as they appear in the 2010 Annual Budget book on pages 12 to 15. The third quarter reports are given after each initiative. For a copy of the Minneapolis Park and Recreation Board 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).

Third Quarter Report: The event staff positions that were funded by the General Fund are now reporting to the events/permits group in the Enterprise Fund. The resources to support the Juneteenth Celebration, recognition programs, and Safety Camp have been provided by revenues generated in the Enterprise Fund and have been disbursed to the parties responsible for hosting the events in 2010.

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.

Third Quarter 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.

Third Quarter Report: Parking system improvements are near completion. During the third quarter three new pay and display parking meters were received and installed, with a fourth on order. Additional revenue of \$153,076 has been generated in 2010 through changes to parking meters, expanded event parking, and enhanced parking permit marketing efforts.



Off Leash Dog Permits

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

Third Quarter Report: In the first three quarters of 2010 the Customer Service Department issued 5,417 off-leash permits, generating revenue of \$206,750. Minneapolis Animal Care and Control (MACC) sold 418 off-leash permits generating estimated revenue of \$12,540. MACC provides this walk-up service on the Park Board's behalf to provide positive customer service.

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.

Third Quarter Report: The MPRB began enforcement of the off-leash recreation areas on April 12, 2010. In the first three quarters of 2010 Park Police issued 485 tickets. To encourage compliance, the first time an individual receives a ticket, he or she may convert the cost to obtain an off-leash permit. Of the 485 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.

Third Quarter Report: The Park Board has been awarded funds for projects at Lake Harriet Regional Park Playground, 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.

Third Quarter Report: The City and Park Board have approved the joint park dedication ordinance. The City and Park Board are jointly 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.

Third Quarter 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.

Third Quarter Report: New income initiatives such as off leash permits and enforcement, parking improvements and sponsorships are helping replace LGA funding.

Activity Plans

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

Third Quarter Report: Staff continues work on field sports activity plans with a goal to complete this work by year-end. Staff resources for trails, court sports and winter recreation activity plans have been reassigned to other planning activities. Work on these plans will be reprioritized in 2011.

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.

Third Quarter Report: In accordance with the key initiatives in energy efficiency adopted by the Board, improvements have been made at Logan and Lake Nokomis Community Centers and Matthews, McRae and Pershing Recreation Centers. These improvements include window sealing, foam insulation, door weather stripping, and low flow faucets and toilets. In addition, a high efficiency boiler was installed at Logan Community Center.

A solar panel trailer to power Park Board events is being purchased with the \$100,000 Toyota sponsorship funds. Industry experts have been consulted to determine what will best fit with the Park Board's needs, and the bid will go out this winter.



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.

Third Quarter Report

Park Board Human Resources continues to benefit from increased efficiencies in the functional areas of recruitment, hiring, and position classifications. Human Resources is able to respond more quickly to requests. Additionally, through increased communication efforts, a clear distinction has been made between the Park Board and the City of Minneapolis as separate hiring entities. The cooperative relationship between the Park Board and City of Minneapolis Human Resources departments remains strong with the goal of a complete transition by January 2011.

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.

Third Quarter Report: Board approved organizational restructuring positions the Park Board to address ongoing budget challenges. The restructuring also provides 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.

Third Quarter Report: In the first three quarters of 2010 the Park Board received seven grants totaling \$996,000. The Park Board is providing \$225,000 of matching funds to support a total of \$1,251,000 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.



Third Quarter Report: In the first year of the Intensive Gang Prevention Youth Mentoring Project, the two Senior Youth Program Specialists assigned to coordinate the project have recruited and trained thirty adult mentors from north Minneapolis neighborhoods to provide mentorship to 53 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 three times each month 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.

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.

Third Quarter 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 fourth quarter of 2010. The Toyota Sponsorship agreement is up for renewal and the Board has 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.

Third Quarter Report: During the first three quarters of 2010, the Volunteer department coordinated one-time park system service projects for 85 corporate, school and community groups. Adult and youth volunteers weeded and mulched landscape beds and trees, picked up litter and removed invasive plants. The Volunteer department also assisted in the recruitment and placement of coaches for youth sports teams, after-school homework tutors, recreation center front desk volunteers and garden helpers. The Volunteer department also recruited and supported more than 130 volunteers for the 3rd annual Minneapolis Bike Tour on September 19th, 2010. In a survey conducted after the event, more than 87% of volunteer respondents indicated that they would volunteer for the Minneapolis Bike Tour in future years.



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.

Third Quarter 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.

Third Quarter Report: Park Board Human Resources manages the annual safety training program for all staff. The program makes the safety training process more efficient, easier to schedule and complete. The program has been widely accepted by staff and has a strong completion rate.