



Minneapolis Park and Recreation Board
Financial Status Report
For Year Ending 12/31/09

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Budget Overview

The Minneapolis Park and Recreation Board developed a proactive 2009 budget that addressed serious economic challenges. The Park Board aggressively monitored and managed the budget throughout the year. By developing effective budget strategies, planning for potential reductions to Local Government Aid (LGA) funds, and implementing a hiring pause, the Park Board effectively controlled the budget while delivering quality services and programs to constituents and park visitors.

General Fund

This report details the Minneapolis Park and Recreation Board General Fund budget status as of December 31, 2009. To the end of 2009, General Fund revenues were \$57.8 million and expenditures were \$56.0 million.

The Governor continues to balance the state budget deficits in part by unallotting LGA to cities and counties. The chart below details the impact of these losses on the Park Board. The Governor’s Supplemental Budget Recommendations released in February 2010 call for an additional 2010 unallotment.

	Certified LGA	Actual LGA	Difference
2008	\$9,704,890	\$8,146,017	-\$1,558,873
2009	\$10,478,975	\$9,469,497	-\$1,009,478
2010	\$10,623,674	\$8,104,593	-\$2,519,081

	Budget LGA	Governor's Proposal	Difference
2010	\$8,104,593	\$4,683,466	-\$3,421,127

The Park Board took steps during 2009 to reduce the impact of the reductions and prepare for 2010. The 2009 Park Board budget placed \$774,085 of LGA in a reserve, Park Board departments were directed to reduce spending, and the hiring pause begun in 2008 continued.

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 ended the year at \$2.7 million, eight 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 were \$7.9 million and expenses were \$6.7 million, resulting in an increase of \$1.1 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 results of those initiatives during 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.

Revenue generated by the Park Board in 2009 totaled \$57.8 million, up 5.8 percent from the \$54.6 million recognized in 2008. The increase in 2009 revenue in comparison to 2008 is largely due to an increase in delinquent property tax collections.

In 2009 actual expenditures totaled \$56.0 million, up by only 1.3 percent from 2008 through expenditure savings from position vacancies and operating budget reductions, despite an \$828,000 increase in employee health insurance premiums.

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. To restore the fund balance to the required level, vacancy and operating budget savings were removed from departments' 2009 budgets for a total of \$1.0 million in planned savings. In response to expected future cuts in LGA, management also made efforts in all areas to reduce spending which resulted in additional savings.

These savings allowed the 2009 year end general fund balance to increase by \$1.8 million. At the end of 2009, the General Fund balance exceeded the financial policy requirement for general fund balance by 1.3 percent. The excess fund balance will be available for future budget balancing.

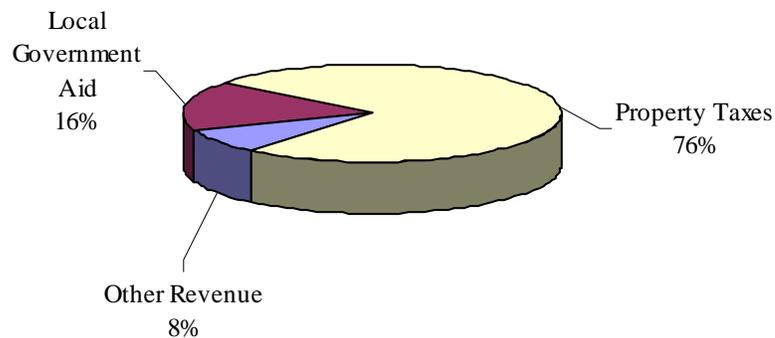
The figures and information in this report have not been audited. The audited 2009 financial information may fluctuate from the information contained in this report.



General Fund Revenues

Revenue by Major Category

	2008	2009		Percent Recognized
	Actual Year-End	Current Budget	Actual 12/31/2009	
Revenues				
Property and Other Taxes	\$41,435,806	\$43,335,391	\$43,497,476	100.4%
Local Government Aid	8,146,017	9,608,313	9,469,497	98.6%
Fees, Fines and Other Revenues	5,003,086	5,064,773	4,794,099	94.7%
Total Revenues	\$54,584,909	\$58,008,477	\$57,761,072	99.6%



Property Taxes

Property taxes provided 76 percent of revenue, the largest funding source of the General Fund. During 2009 Hennepin County indicated that property tax collection rates had decreased, however, property taxes ended the year \$162,085 over budget. In addition to collection rates remaining steady from past years, \$903,552 of delinquent property taxes were received by the Park Board in 2009.

Local Government Aid

Local Government Aid (LGA) provided 16 percent of revenue, the second largest funding source of the General Fund. 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.

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 2009 legislative session and Governor Pawlenty subsequently unallotted \$1 million of Park Board 2009 LGA.

Fees, Fines and Other Revenue

Fees, fines and other revenue provided 8 percent of revenue. Other revenue was 5.3 percent under budget in 2009. Other state aids, including regional park operations and maintenance funding, were down in 2009.

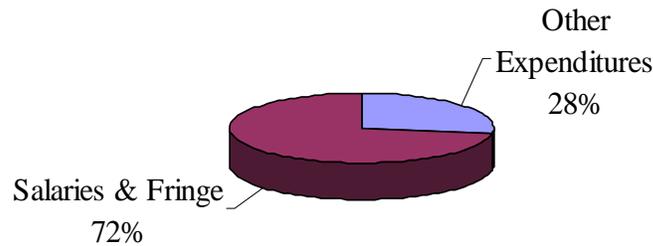


General Fund Expenditures

At the end of 2009, actual expenditures totaled \$56.0 million, up 1.3 percent from the \$55.3 million spent in 2008.

Expenditures by Major Category

	2008		2009	
	Actual Year-End	Current Budget	Actual 12/31/2009	Percent Expended
Salaries & Fringe	\$39,675,049	\$42,255,716	\$40,568,243	96.0%
Other Expenditures	15,618,972	15,752,761	15,442,117	98.0%
Total Expenditures	\$55,294,021	\$58,008,477	\$56,010,360	96.6%



Salaries and fringe benefits

Salaries and fringe benefits ended the year 96 percent expended. The hiring pause that began in 2008 continued in 2009.

Other expenditures

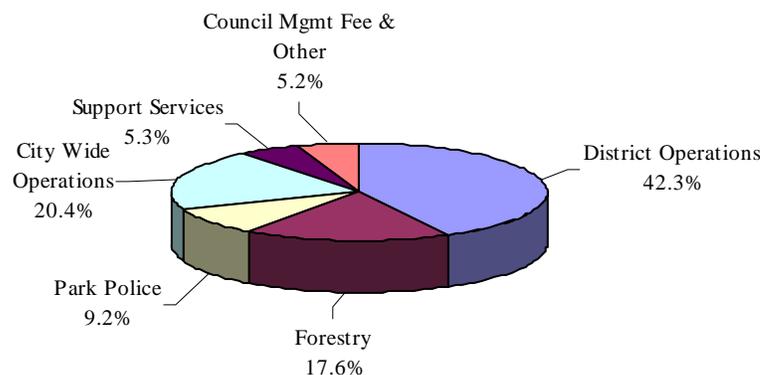
Other expenditures ended the year 98 percent expended. Managers were directed to reduce spending by two percent and to use discretion in all remaining spending to help prepare for 2010.



Expenditures by Service Area

Expenditures	2008	2009		
	Actual Year-End	Current Budget	Actual 12/31/2009	Percent Expended
District Operations	\$23,507,514	\$24,111,491	\$23,701,652	98.3%
Forestry	9,366,016	9,740,373	9,831,861	100.9%
Park Police	5,904,187	5,276,013	5,148,115	97.6%
Community Recreation Services	2,942,224	3,300,056	3,270,103	99.1%
Trades	2,716,323	3,029,397	3,025,469	99.9%
Finance and Personnel	1,425,982	1,493,724	1,485,919	99.5%
City Mgmt Fee, Workers Comp, Capital	2,341,565	2,993,216	2,906,179	97.1%
Environmental	1,275,177	1,393,150	1,306,500	93.8%
Aquatics and Neiman Complex	1,232,796	1,113,565	1,058,146	95.0%
Planning and Project Management	1,182,478	1,314,207	1,243,661	94.6%
Summer Yth Emp-Teen Teamworks	965,435	1,055,662	1,000,635	94.8%
Administration	593,169	391,320	388,336	99.2%
Field Services	532,985	584,480	538,643	92.2%
Public Info and Customer Service	625,262	670,911	581,994	86.7%
Data Practices		28,164	25,350	90.0%
Board of Commissioners	682,908	512,748	497,797	97.1%
Planned Savings		1,000,000	0	0.0%
Total Expenditures	\$55,294,021	\$58,008,477	\$56,010,360	96.6%

Due to reductions in 2008 and 2009 LGA, vacancy and operating budget savings were removed from departments' 2009 budgets and are reflected as Planned Savings. Through management's response to the economic crisis and dedicated efforts to reduce spending the Park Board realized additional savings of \$998,000.



2009 expenditures ended the year under budget by \$2.0 million because of vacancy and operating budget savings. Three service areas make up approximately 80 percent of 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 accounted for 42 percent of 2009 expenditures. District spending was under budget by \$409,839, or 1.7 percent of its \$24.1 million appropriation. Seasonal worker hours were reduced and staff used discretion in material and contractual expenses to ensure expenses stayed within budget. Full time maintenance vacancies in the three districts impacted wading pool and bathroom opening times during the summer. The dry conditions in the 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 accounted for 20 percent of 2009 expenditures. City Wide Operations was under budget by \$347,360, or 2.9 percent of the \$11.8 million appropriation. The departments listed below are included in City Wide operations.

Community Recreation Services include Youth Development, Adults Sports, Youth Sports, Special Events and Volunteers. Community Recreation Services ended 2009 under its \$3.3 million budget by one percent, or \$29,953. Community Recreation Services stayed within its budget despite increased demand for services; participation in adult sports increased 11 percent and youth sports 6 percent. Volunteerism increased 17 percent in 2009. These volunteers helped maintain and beautify the park system and 500 new coaches instructed and mentored the city's youth. During 2009 an inclusion/special needs consultant worked at parks throughout the city to enhance the capacities of recreation centers and programs. The consultant is providing system wide staff training on disability awareness.

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. Teen Teamworks spending was \$55,027, or 5.2 percent under its \$1.1 million budget. Special projects this summer included buckthorn removal, soil and water testing, and surveying for future rain gardens.

Environmental Operations, Field Services and Trades accounted for 9 percent of 2009 expenditures. These areas ended the year \$136,415, or 2.7 percent under their \$5.0 million appropriation. Field Services staff provided support, coordination and supervision of Trades, Equipment and Environmental Operations. In addition, Field Services managed the McKinstry energy efficiency project and the fire alarm compliance and management program during 2009. Trades continued to operate five full service shops in 2009: Plumbing, Electrical, Paint, Carpentry and Cement Finishing. In 2009 Trades personnel focused on their core work of repair and maintenance of all MPRB facilities. The 2009 Environmental Operations budget supported three distinct areas: Education, Water Resources and Natural Resources. During 2009 staff monitored water quality, educated residents, and managed over 400 acres of natural areas. Year-long vacancies of a horticulture coordinator and natural resources assistant impacted services such as buckthorn removal, controlled burns, and volunteer events.



Planning and Project Management accounted for 2 percent of 2009 expenditures. Spending was under budget by \$70,546, or 5.4 percent of the \$1.3 million appropriation. The Planning and Project Management day to day functions of permitting, document recording and records research were limited due to a real estate investigator vacancy. These functions were handled on an as needed basis by an engineering technician.

Forestry operations accounted for 18 percent of 2009 expenditures. Forestry spending was over budget by \$91,488, or one percent of its \$9.7 million appropriation. This overage is due to the clean-up costs of an August tornado that uprooted trees and damaged homes in South Minneapolis. The Forestry budget supported the planting of 4,200 trees in 2009. Defective and declining trees were removed in anticipation of the arrival of the Emerald Ash Borer. Forestry operations had nine arborist vacancies in 2009. These vacancies delayed tree plantings up to two weeks, which delayed the start of tree inspections. Special request pruning that did not involve a safety issue was not completed during 2009.

Park Police operations accounted for 9 percent of 2009 expenditures. Park Police spending was under budget by \$127,898, or 2.4 percent of its \$5.3 million appropriation. Careful monitoring of overtime and discretionary spending kept Park Police under budget in 2009.

Support Services accounted for 5 percent of 2009 expenditures. Support Services spending was under budget by \$117,471, or 3.8 percent of its \$3.1 million appropriation. During 2009 Park Board Human Resources worked with the City of Minneapolis to obtain the 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 the Support Services area.

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



2009 Un-Audited Year-End Financial Status Report

General Fund Balance

	2008	2009		
	Actual Year-End	Current Budget	Actual 12/31/2009	Percent Recognized
Total Revenue	\$54,584,909	\$58,008,477	\$57,761,072	99.6%
Total Expenditures	55,294,021	58,008,477	56,010,360	96.6%
Revenue Over/(Under) Expenditures	<u>(\$709,112)</u>	<u>\$0</u>	<u>\$1,750,712</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. At the end of 2008, \$1.6 million of Park Board LGA was unallotted, causing the fund balance for the General Fund to fall below the financial policy requirement by 1.4 percent. In 2009 managers were directed to reduce spending by \$1.0 million, restoring the fund balance to the required level by the end of the year. Management exceeded expectations, with a net increase in reserves of \$1.8 million.

Based on un-audited figures, the year-end 2009 fund balance is estimated at \$3.6 million, resulting in a \$1.8 million increase in fund balance. This fund balance exceeds financial policy requirements, and leaves \$741,251 available for future budget balancing strategies.

2009 Un-audited Projected General Fund Year-End Fund Balance

Fund Balance, January 1, 2009	\$1,890,963
Revenues in Excess of Expenditures	<u>1,750,712</u>
Fund Balance, December 31, 2009	3,641,675
Fund Balance Requirement (5%)	<u>2,900,424</u>
Fund Balance Available for Future Budget Balancing Strategies	<u>\$741,251</u>

The figures and information in this report have not been audited. The audited 2009 financial information may fluctuate from the information contained in this report.



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 Year End	Current Budget	Actual As of 12/31	Percent Recognized
Operating Revenues				
Golf	6,729,377	7,043,071	6,538,922	92.8%
Ice Arenas	866,336	855,000	828,375	96.9%
Parking	686,549	1,048,000	872,142	83.2%
Permits & Small Business Operations	2,513,476	1,937,400	2,397,076	123.7%
Recreation	3,320,392	3,153,770	3,364,283	106.7%
Total Operating Revenues	\$14,116,130	\$14,037,241	\$14,000,798	99.7%
Operating Expenses				
Golf	6,126,582	6,167,050	6,024,692	97.7%
Ice Arenas	788,076	846,000	767,177	90.7%
Parking	158,481	248,000	118,948	48.0%
Permits & Small Business Operations	1,465,737	1,004,433	1,523,211	151.6%
Recreation	3,091,205	3,153,770	2,877,659	91.2%
Total Operating Expenses	\$11,630,081	\$11,419,253	\$11,311,687	99.1%
Operating Income	2,486,049	2,617,988	2,689,111	102.7%
Improvements and Transfers				
Improvements	730,353	1,269,988	283,749	22.3%
Debt Service	1,054,355	1,053,000	1,017,835	96.7%
Transfers	295,000	295,000	295,000	100.0%
Total Improvements and Transfers	\$2,079,708	\$2,617,988	\$1,596,584	61.0%
Income After Improvements and Transfers	\$406,341	\$0	\$1,092,527	

Golf Operations

Golf revenue for 2009 was \$6.5 million, down 2.8 percent from 2008. This decrease is due to poor weather at the end of the golf season, and the economic downturn. Seasonal staff hours were managed to keep expenses down. Golf expense for 2009 was \$6.0 million, down 1.7 percent from 2008.

Ice Arenas

Ice arenas consist of the Parade and Northeast Ice arenas. Ice arena revenue was \$828,375 in 2009, down 4 percent from 2008. Revenues were affected by the Minnesota Wild ending their use of Parade Ice Arena. Expenses for 2009 were \$767,177, down 2.7 percent from 2008.



Parking

Parking revenue ended 2009 at \$872,142, an increase of 27 percent over 2008. Expenses ended 2009 at \$118,948, a decrease of 25 percent from 2008. The reopening of the East River Flats parking lot and the phase-in of price increases has increased revenues. Expenses were down in 2009 due to the elimination of an administrative position.

Permits & Small Business

Permits & Small Business revenue for 2009 was down 4.6 percent from 2008. Included in 2008 revenues were one time fees related to the Republican National Convention and 35W bridge construction. Expenses ended 2009 at \$1.5 million, 3.9 percent over 2008. Business operations continue to be reviewed and streamlined to produce greater efficiencies and cost savings.

Recreation

Recreation revenues ended 2009 at \$3.4 million, up 1.3 percent over 2008, while expenses ended 2009 at \$2.9 million, down 6.9 percent from 2008. Increased participation in adult sports helped increase revenue, while careful use of recreation staff kept wage and fringe expenses 9 percent below 2008.

Operating Income

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

Operating income is used for three purposes; facility improvements, transfers to support the general fund, and debt service.

Total Operating income in 2009 was \$2.7 million, an increase of 8.2 percent over 2008. The increase was primarily due to parking revenue increases and reduced expenses in the recreation area.



Internal Service Fund

Fund Description

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

Revenues

	<u>2008</u>		<u>2009</u>	
	<u>Actual</u>	<u>Current</u>	<u>Actual</u>	<u>Percent</u>
	<u>Year End</u>		<u>12/31/2009</u>	<u>Recognized</u>
Revenues				
Equipment	\$3,821,453	\$4,171,170	\$4,153,574	99.6%
ITS	950,315	970,393	949,955	97.9%
Self Insurance	2,776,527	2,659,283	2,775,440	104.4%
Total Revenues	\$7,548,295	\$7,800,846	\$7,878,969	101.0%

Expenses

	<u>2008</u>		<u>2009</u>	
	<u>Actual</u>	<u>Current</u>	<u>Actual</u>	<u>Percent</u>
	<u>Year-End</u>		<u>Budget</u>	<u>12/31/2009</u>
Expenses				
Equipment	3,580,660	4,171,170	3,874,009	92.9%
ITS	937,840	970,393	927,192	95.5%
Self Insurance	1,988,448	2,659,283	1,935,977	72.8%
Total Expenses	\$6,506,948	\$7,800,846	\$6,737,178	86.4%

Equipment

Equipment Services charge an annual rental to Park Board departments for use of Park Board owned equipment. Equipment revenue was up 8.7 percent over 2008 due to increases in rental rates. Planned purchases of new equipment did not occur at the level anticipated in 2009, causing expenses to be 7.1 percent below budget.

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 ended 2009 slightly under budget as Park Board department vacancies resulted in eliminated workstations. Expenses ended 2009 under budget by 4.5 percent through careful management of contractual and capital spending.

In November 2009, ITS completed a collaborative review with the City of Minneapolis to evaluate using the City’s managed services contract with Unisys for Park Board information technology services. The review found that to provide the same level of ITS services utilizing the City’s contract with Unisys would increase Park Board costs by 50 percent, or \$457,000.



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 expenditures were 27.2 percent below budget in 2009; workers compensation settlements were lower than 2008. Total expenditures in 2009 were \$1.9 million.

Equipment Services and ITS Working Capital Balance

The Internal Service Fund working capital balance at year-end 2008 was \$1.1 million. During 2009 department financial operations increased the working capital balance by \$302,328. Based on un-audited figures the Internal Service Fund working capital balance ended 2009 at \$1.4 million.

During 2009 Equipment Services deferred purchasing new equipment resulting in revenues exceeding expenditures by \$279,565. ITS had \$22,763 of revenues in excess of expenditures due to expenditures being below budget.

2009 Un-audited Internal Service Fund Year End Working Capital Balance

Working Capital January 1, 2009	\$1,121,508
Equipment Services revenue in excess of expenditures	279,565
ITS revenue in excess of expenditures	<u>22,763</u>
Working Capital December 31, 2009	\$ 1,423,836

Self Insurance Fund Working Capital Balance

The Self Insurance Fund working capital balance at year-end 2008 was \$5.8 million. During 2009 department financial operations increased the working capital balance by \$839,463. Based on un-audited figures the Self Insurance Fund working capital balance ended 2009 at \$6.6 million. This increase of 14 percent is due to the low amount of claims and settlements during 2009, and the repayment of \$260,000 of capital advance from the Park Board General Fund.

2009 Un-audited Self Insurance Fund Year End Working Capital Balance

Working Capital January 1, 2009	\$5,793,439
Self Insurance Fund revenue in excess of expenditures	<u>839,463</u>
Working Capital December 31, 2009	\$ 6,632,902



2008-2009 Budget Strategy Initiatives 2009 Year End 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 results of those initiatives during 2009. The strategies and initiatives are written as they appear in the 2009 Annual Budget book on pages 10 to 14. The year end status is given after each initiative. For a copy of the Minneapolis Park and Recreation Board 2009 Annual Budget see the website at 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 4th, 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.

Year-End 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. In 2009 the Park Board was awarded \$2.6 million for BF Nelson and Theodore Wirth Park projects. The Park Board will continue to protect formula funding in the Parks and Trails Fund, and pursue other funding sources within the constitutional amendment, including habitat, clean water and culture/arts.

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.

Year-End 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 percent (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.

Park Board President John Erwin is currently in discussions with City Council Members regarding the park dedication ordinance. At the Park Board's Jan. 29, 2010 Legislative Breakfast, State Representative Frank Hornstein stated his interest in leading a work group to resolve outstanding issues.

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.



Year-End Report

In 2009 the Park Board submitted six projects for consideration for the initial funding of the Hennepin Youth Sports Grant Program. The Board had five of the six proposals approved and fully funded for a total of \$620,000. The five approved projects are: Irrigation of baseball/softball fields at Armatage Park; Renovation of baseball and soccer fields at Bottineau Park; New baseball/soccer field at East Phillips; Renovation of soccer field at Stewart Park; and Renovation of baseball field at Van Cleve Park.

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.

Year-End 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.

Year-End Report

In 2009 the Park Board worked on Activity Plans for court sports, winter recreation, field sports and trail activities. This work will continue in 2010. 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 were held for all four plans during the first half of 2009. Information gathered at these meetings,



along with online 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.

Year-End 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.

Year-End Report

Negotiations were completed with Park National Baseball, the Minneapolis Rowing Club, River Rats, the Metropolitan Foundation, the Boys and Girls Clubs of the Twin Cities, Pillsbury United Communities and Phyllis Wheatley Community Center. A round of negotiations with Minneapolis Public Schools has been completed and the Board of Commissioners has approved the plan. Another round of negotiations with Minneapolis Public Schools is expected in 2010.

**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.



Year-End 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.

Year-End Report

- More than 1,200 volunteers made long-term commitments to coach youth athletic teams, instruct youth and adult classes and care for gardens and green spaces through Adopt-a-Park agreements.
- Sixty four groups (2,600 individuals) from area corporations, schools, non-profits and community groups contributed more than 10,500 hours of work to plant and weed landscape beds, water and mulch trees, cut back overgrown brush, pick up litter and remove graffiti.
- Over 2,500 volunteers helped with one-day special events including the Minneapolis Bike Tour, Earth Day Watershed Cleanup, Monarch Festival, neighborhood festivals and holiday parties and much more.

500 New Coaches Initiative

Through an extensive recruitment campaign, the goal of recruiting 500 new youth athletics coaches was exceeded in 2009. The new coaches added vital leadership to many of the Park Board's 1,100 youth sports teams in 2009.

Volunteer Recognition

A new volunteer recognition program was launched to recognize the efforts of exceptional volunteers throughout the system. The program's goal is to thank all MPRB volunteers, through a variety of methods they find to be meaningful and also fits their level of volunteer involvement. Information about volunteer recognition efforts can be found on the MPRB website.



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.

Year-End Report

Fees for youth and family programs were not increased in 2009.

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.

Year-End Report

The event staff worked to secure sponsorship for music and movies provided in the park system. An agreement was reached with the City of Minneapolis Clean City program to sponsor movies in the parks. A bequest of \$50,000 was received to cover costs associated with the Lake Harriet concert series in 2009, a particular interest of the donor. An agreement was reached for 2010 support of the Lake Harriet Concert Series with funding from Oak Ridge Financial in the amount of \$33,000.

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.



Year-End Report

The Lake Harriet concession expansion was referred to a Citizen's Advisory Committee in 2009. The committee report was presented to the Board at the February 3, 2010, meeting. The committee recommended changes to the current facility to allow for expanded food offerings. The mobile concessions agreement was approved by the Board on December 16, 2009.

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.

Year-End Report

The Board negotiated with Mintahoe and obtained a new lease for space in the Park Board headquarters building. The lease was approved by the Board on February 4, 2009.

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.

Year-End 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.



Year End Report

Hourly parking fees and annual parking pass fees were increased in January 2009. In 2009, \$408,713 of parking revenue was collected from regional parks, an increase of approximately 21 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.

Year End Report

A vendor has been selected for the new online system for permitting events. The newly consolidated events group met regularly during 2009 to develop new events. A new food event called the Homegrown Experience is planned for August 2010. This event will feature local organic, sustainable food and will take place at the Nicollet Island Pavilion.

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.

Year End Report

The Park Board provided Disability Awareness Training for staff in 2009, and this will continue in 2010 with a second series, *Disability Training II – Practical Solutions for Practical Situations*. Youth safety is always of top priority and recreation staff 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.



Park Board Human Resources staff underwent a series of training sessions provided by the City and outside consultants on the hiring process and classification system to complete the final stages of Delegation of Hiring Authority from the City HR department to the Park Board. Information and Technology Services completed email and file management training for over 90 percent of employees with computer access. This in-house training was designed to improve employee efficiency while enhancing the sustainability of our technology infrastructure.