



Minneapolis Park and Recreation Board  
Financial Status Report  
as of Second Quarter, 2011

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## **Budget Overview**

Minneapolis Park and Recreation Board operating activities are accounted for in funds. The Park Board funds included in this financial status report are the General Fund, Enterprise Fund and Internal Service Funds. The report consists of two sections and reports the individual fund status through June 30, 2011. The first section of the report details the operations of the General, Enterprise and Internal Service Funds. The second section details the mid-year results of the budget initiatives adopted in the 2011 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.*

### **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 2011, General Fund revenues are projected to be \$59.4 million and expenditures are projected to be \$58.3 million.

On May 22, 2011 a tornado and severe storms damaged a large portion of North Minneapolis including park property. The Minneapolis Park and Recreation Board was instrumental in the emergency response, debris clean-up and resident assistance. A Presidential Disaster Declaration for Public Assistance was declared and the Park Board will receive disaster relief funds from the federal government and State of Minnesota. Park Board staff is currently working with the Federal Emergency Management Agency to compile and report eligible storm related expenses. Storm related expenses are not included in the second quarter financial status report as preliminary figures are based on estimates. Actual storm related costs and eligible reimbursements will be reported in the third quarter financial status report.

On July 20, 2011 the Governor signed bills into law ending the State shutdown. These bills included reductions to Park Board state aids of approximately \$200,000. The Park Board developed a plan to address the reduction and to increase pay-as-you-go neighborhood capital rehabilitation funding by \$1.1 million. Although this action took place after June 30, 2011 the information has been included in the second quarter financial status report to accurately reflect its impact on year-end projections.

The 2011 year-end fund balance is projected to be \$6.0 million, which exceeds financial policy requirements. This balance is an increase of \$1.1 million over the 2010 year-end 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 is projected to end the year at \$1.5 million.

### **Internal Service Funds**

Internal Service Funds accounts for equipment fleet, information technology and self-insurance services to Park Board departments. To the end of 2011 Internal Service Fund revenues are projected to be \$8.1 million and expenses are projected to be \$7.5 million.

### **Budget Strategies and Initiatives**

The 2011 Annual Budget included Board adopted strategies and initiatives related to the strategies. This report details the results of those initiatives through the second quarter of 2011.



## 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 2011 with a fund balance of \$4.1 million and has a current operating budget of \$59.4 million. Through June of this year, 45 percent of the Fund's appropriations have been spent with 50 percent of the year elapsed.

Revenue generated by the Park Board as of June 30, 2011 totaled \$24.7 million, up 4.8 percent from the \$23.5 million collected in the first half of 2010. Total revenues for 2011 are projected to be \$59.4 million, an increase of \$1.4 million from 2010 actual revenues.

As of June 30, 2011 actual expenditures totaled \$26.1 million, up 2.0 percent from the \$25.6 million spent in 2010. To the end of 2011 expenditures are projected to be \$58.3 million, 2.5 percent higher than 2010.

The fund balance for the General Fund at fiscal year-end 2010 exceeded the financial policy requirement of 5 percent of the General Fund operating budget. It is expected that the 2011 year-end General Fund balance will exceed the requirement as well.

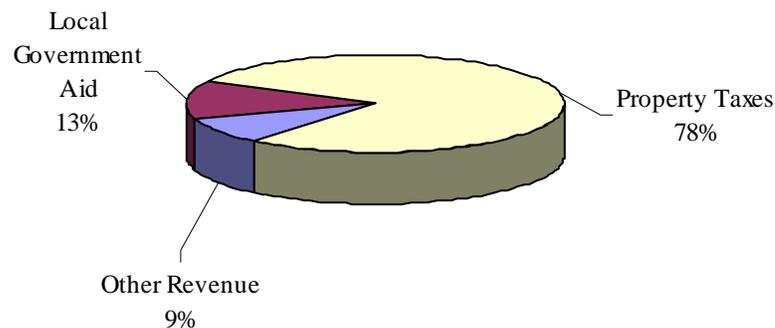
This report contains estimates. Unforeseen changes in revenue and expenditures will cause actual results to fluctuate from the projected results.

### General Fund Revenues

As of June 30, 2011 actual revenues totaled \$24.7 million, up 4.8 percent from the \$23.5 million received in the first half of 2010.

#### Revenues by Major Category

	2010			2011			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year End
	Year-End	As of 6/30					
Property and Other Taxes	\$44,403,101	\$22,367,226	50.4%	\$46,272,466	\$23,433,629	50.6%	\$46,574,338
Local Government Aid	7,423,928	0	0.0%	7,570,039	0	0.0%	7,570,039
Fees, Fines and Other Revenues	6,210,611	1,176,307	18.9%	5,546,749	1,230,658	22.2%	5,246,749
<b>Total Revenues</b>	<b>\$58,037,640</b>	<b>\$23,543,533</b>	<b>40.6%</b>	<b>\$59,389,254</b>	<b>\$24,664,287</b>	<b>41.5%</b>	<b>\$59,391,126</b>





**Property Taxes**

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, 50.6 percent of budgeted property taxes. Delinquent property tax payments continue to push property tax collections over budgeted levels, with \$493,192 received in the first half of 2011. Property tax revenue is projected to exceed budget by \$301,872 at year-end.

**Local Government Aid**

Local Government Aid (LGA) is projected to provide 13 percent of 2011 revenue, the second largest funding source of the General Fund. The State Budget included the 2011 City of Minneapolis LGA allocation of \$64.1 million. The City of Minneapolis revenue distribution policy provides for the transfer of a portion of this LGA to the Park Board. The Park Board expects to receive its full budgeted LGA amount of \$7.6 million.

**Fees, Fines and Other Revenue**

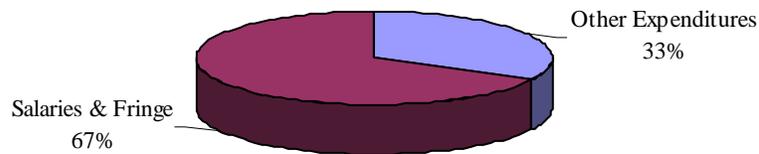
Fees, fines and other revenue provide nine percent of projected revenue. The Park Board has recognized 22.2 percent of the budgeted fees, fines and other revenue for 2011, an increase of 4.6% over 2010. Revenues are projected to end the year below budget largely due to a reduction in Park Board regional park operations and maintenance of \$200,000 in 2011.

**General Fund Expenditures**

As of June 30, 2011 actual expenditures totaled \$26.1 million, up 2.0 percent from the \$25.6 million spent in the first half of 2010.

**Expenditures by Major Category**

	2010			2011		
	Actual		Percent Expended	Current Budget	Actual As of 6/30	Percent Expended
	Year-End	As of 6/30				
Salaries & Fringe	\$ 40,410,345	\$ 19,525,766	48.3%	\$ 39,847,368	\$ 18,882,964	47.4%
Other Expenditures	16,429,603	6,082,348	37.0%	19,541,886	7,231,711	37.0%
<b>Total Expenditures</b>	<b>\$56,839,948</b>	<b>\$25,608,114</b>	<b>45.1%</b>	<b>\$59,389,254</b>	<b>\$26,114,675</b>	<b>44.0%</b>



**Salaries and Fringe Benefits**

Salaries and fringe benefits are 47.4 percent expended with 50 percent of the year elapsed, 3.3 percent lower than 2010 largely due to vacancies being held open during the first half of 2011. In response to state aid reductions, the Park Board eliminated 17 vacant positions from General Fund operations in 2011 resulting in a salary and fringe benefit savings of \$1.1 million.



**Other Expenditures**

Other expenditures include materials, supplies, contractual services and capital outlay. Other expenditures are 37.0 percent expended with 50 percent of the year elapsed, the same as 2010. Other expenditure reductions of \$388,000 were used to help offset Park Board state aid reductions, while \$1.1 million was allocated to pay-as-you-go neighborhood capital rehabilitation.

**Expenditures by Service Area**

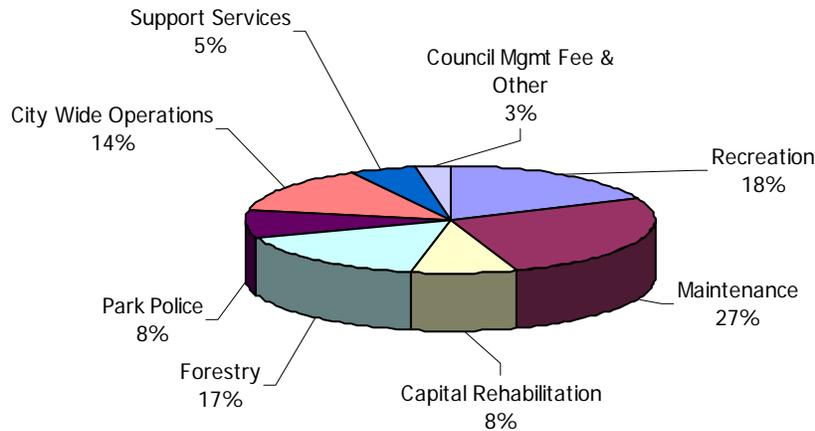
	2010			2011			
	Actual		Percent Expended	Current Budget	Actual As of 6/30	Percent Expended	Projected Year-End
	Year-End	As of 6/30					
<b>Operating Departments</b>							
Maintenance	\$15,814,981	\$7,591,617	48.0%	\$15,492,826	\$7,524,392	48.6%	\$15,405,021
Recreation	10,252,153	5,066,058	49.4%	11,073,440	4,647,378	42.0%	10,625,085
Forestry	9,959,736	4,782,462	48.0%	9,779,217	4,840,522	49.5%	9,687,688
Park Police	4,931,914	2,396,656	48.6%	4,909,756	2,478,506	50.5%	4,910,081
Trades & Field Services	3,603,644	1,654,891	45.9%	3,611,092	1,787,650	49.5%	3,581,256
City Mgmt Fee, Workers Comp	1,408,557	665,910	47.3%	1,757,139	1,182,374	67.3%	1,660,136
Environmental	1,255,098	573,587	45.7%	1,429,012	557,833	39.0%	1,310,732
Finance and Personnel	1,480,593	760,144	51.3%	1,397,140	665,604	47.6%	1,331,771
Planning and Project Management	1,373,133	603,696	44.0%	1,390,804	804,120	57.8%	1,389,712
Public Info, Customer Service & Data Practices	634,225	281,649	44.4%	909,972	358,193	39.4%	717,586
Summer Youth Employment-Teen Teamworks	969,066	316,459	32.7%	842,278	94,484	11.2%	835,000
Board of Commissioners	499,379	265,539	53.2%	515,296	329,901	64.0%	514,953
Administration	474,891	177,305	37.3%	433,815	239,558	55.2%	433,530
Aquatics	771,691	155,303	20.1%	430,651	136,594	31.7%	430,607
Wirth Winter Recreation Area	350,274	178,302	50.9%	366,005	276,572	75.6%	392,867
Volunteer Services	130,237	62,742	48.2%	147,923	63,633	43.0%	133,303
Neiman Complex	238,101	75,794	31.8%				
Stormwater Charges	1,542,650	0	0.0%				
Severance Cost	462,231	0	0.0%				
<b>Total Operating Expenditures</b>	<b>\$56,152,554</b>	<b>\$25,608,114</b>	<b>45.6%</b>	<b>\$54,486,366</b>	<b>\$25,987,314</b>	<b>47.7%</b>	<b>\$53,359,328</b>
<b>Capital</b>							
Pay-as-You-Go-Rehabilitation	687,394	0	0.0%	4,902,888	127,361	2.6%	4,902,888
<b>Total Capital Expenditures</b>	<b>\$687,394</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$4,902,888</b>	<b>\$127,361</b>	<b>2.6%</b>	<b>\$4,902,888</b>
<b>Total General Fund</b>	<b>\$56,839,948</b>	<b>\$25,608,114</b>	<b>45.1%</b>	<b>\$59,389,254</b>	<b>\$26,114,675</b>	<b>44.0%</b>	<b>\$58,262,216</b>

**Operating Departments**

Five departments have expended greater than 50 percent of budget in the first half of 2011. Budgeted expenditures associated with the 2010 organizational restructuring have been paid out in the first half of 2011 and budgeted contractual services for lobbying and legal fees associated with the State budget cycle and Park Board policy issues have been expended. Operating department budgets are monitored closely throughout the year and adjustments are made if necessary to ensure budget targets are met.



**Expenditures by Service Area**



**Service Areas**

Three service areas make up approximately 62 percent of the projected General Fund expenditures: Maintenance, Recreation and Forestry. Small percentage variances in any of these areas can significantly impact total expenditures.

**General Fund Budget Appropriation Changes**

Two budget appropriation changes occurred during the first half of 2011. The first change was a budget reduction of \$1.5 million including the elimination of 17 vacant positions to offset the loss of state aids and increase pay-as-you-go neighborhood capital rehabilitation. The second budget appropriation change was a \$692,278 increase to the Teen Teamworks budget for grant funding received from the City of Minneapolis, State of Minnesota, and private donors.

**Budget Appropriation Changes**

2011 Original Budget	\$59,063,179
Department/State Aid Reductions	(1,511,203)
Pay-as-You-Go Rehabilitation	1,145,000
Teen Teamworks Grants & Donations	<u>692,278</u>
2011 Current Budget	<u>\$59,389,254</u>

**General Fund Balance**

The 2011 year-end fund balance is estimated to be \$6.0 million, 23.4 percent higher than 2010.

**General Fund Balance**

	2010			2011			
	Actual Year-End	As of 6/30	Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
Total Revenue	\$58,037,640	\$23,543,533	40.6%	\$59,389,254	\$24,664,287	41.5%	\$59,391,126
Total Expenditures	56,839,948	25,608,114	45.1%	59,389,254	26,114,675	44.0%	58,262,216
Revenue Over/(Under) Expenditures	<u>\$1,197,692</u>	<u>(\$2,064,581)</u>		<u>\$0</u>	<u>(\$1,450,388)</u>		<u>\$1,128,910</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 2011 balance is estimated at \$6.0 million, a \$1.1 million increase in fund balance. This fund balance exceeds financial policy requirements by \$3.0 million.

**2011 Projected General Fund Year-End Fund Balance**

<b>Fund Balance, January 1, 2011</b>	<b>\$4,833,807</b>
Projected Revenues in Excess of Expenditures	<u>1,128,910</u>
<b>Projected Fund Balance, December 31, 2011</b>	<b>5,962,717</b>
Fund Balance Requirement (5%)	<u>2,953,159</u>
<b>Fund Balance in Excess of Requirement</b>	<b><u><u>\$3,009,558</u></u></b>

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



## **Enterprise Fund**

### **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 by Service Area**

	2010			2011			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year End	As of 6/30					
<b>Golf</b>							
Revenues	\$6,093,993	\$2,763,314	45.3%	\$6,595,195	\$2,167,035	32.9%	\$5,442,312
Expenses	5,873,058	2,564,352	43.7%	6,013,830	2,461,024	40.9%	5,656,893
<b>Net Income</b>	<b>\$220,935</b>	<b>\$198,962</b>		<b>\$581,365</b>	<b>(\$293,989)</b>		<b>(\$214,581)</b>
<b>Permits/Special Events</b>							
Revenues	\$1,232,682	\$268,765	21.8%	\$1,022,062	\$317,932	31.1%	\$1,169,000
Expenses	895,676	363,516	40.6%	646,633	240,307	37.2%	769,969
<b>Net Income</b>	<b>\$337,006</b>	<b>(\$94,751)</b>		<b>\$375,429</b>	<b>\$77,625</b>		<b>\$399,031</b>
<b>Concessions</b>							
Revenues	\$931,913	\$206,618	22.2%	\$933,400	\$191,417	20.5%	\$945,000
Expenses	181,843	57,698	31.7%	165,335	50,997	30.8%	163,855
<b>Net Income</b>	<b>\$750,070</b>	<b>\$148,920</b>		<b>\$768,065</b>	<b>\$140,420</b>		<b>\$781,145</b>
<b>Parking</b>							
Revenues	\$900,037	\$472,178	52.5%	\$923,000	\$391,678	42.4%	\$923,968
Expenses	174,176	75,016	43.1%	216,053	88,689	41.0%	215,344
<b>Net Income</b>	<b>\$725,861</b>	<b>\$397,162</b>		<b>\$706,947</b>	<b>\$302,989</b>		<b>\$708,624</b>
<b>Ice Arenas</b>							
Revenues	\$848,823	\$452,703	53.3%	\$840,000	\$339,263	40.4%	\$840,065
Expenses	823,346	355,886	43.2%	721,589	377,827	52.4%	784,683
<b>Net Income</b>	<b>\$25,477</b>	<b>\$96,817</b>		<b>\$118,411</b>	<b>(\$38,564)</b>		<b>\$55,382</b>
<b>Athletic Facilities</b>							
Revenues	\$0	\$0		\$254,000	\$53,039	20.9%	\$230,000
Expenses	142,804	56,381	39.5%	361,123	134,928	37.4%	377,537
<b>Net Income</b>	<b>(\$142,804)</b>	<b>(\$56,381)</b>		<b>(\$107,123)</b>	<b>(\$81,889)</b>		<b>(\$147,537)</b>
<b>Lupient Water Park</b>							
Revenues	In the General Fund in 2010			\$183,503	\$49,830	27.2%	\$206,547
Expenses				306,503	76,786	25.1%	310,952
<b>Net Income</b>				<b>(\$123,000)</b>	<b>(\$26,956)</b>		<b>(\$104,405)</b>
<b>Wirth Winter</b>							
Revenues	\$73,548	\$47,940	65.2%	\$60,850	\$57,481	94.5%	\$76,180
Expenses	76,036	56,653	74.5%	60,395	52,554	87.0%	76,167
<b>Net Income</b>	<b>(\$2,488)</b>	<b>(\$8,713)</b>		<b>\$455</b>	<b>\$4,927</b>		<b>\$13</b>



2011 Second Quarter Financial Status Report

**Enterprise Fund by Service Area (Continued)**

	2010			2011			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year End	As of 6/30					
<b>Sculpture Garden &amp; Cowles Conservatory</b>							
Revenues	\$41,949	\$22,063	52.6%	\$32,900	\$11,052	33.6%	\$37,000
Expenses	275,220	112,503	40.9%	245,843	107,609	43.8%	256,964
<b>Net Income</b>	<b>(\$233,271)</b>	<b>(\$90,440)</b>		<b>(\$212,943)</b>	<b>(\$96,557)</b>		<b>(\$219,964)</b>
<b>Canoe Docks &amp; Sailboat Buoys</b>							
Revenues	\$239,901	\$230,640	96.1%	In the General Fund in 2011			
Expenses	34,737	14,048	40.4%				
<b>Net Income</b>	<b>\$205,164</b>	<b>\$216,592</b>					
<b>Recreation</b>							
Revenues	\$3,640,025	\$1,679,302	46.1%	\$3,360,804	\$1,763,902	52.5%	\$3,705,176
Expenses	3,244,433	1,291,357	39.8%	3,360,804	1,289,859	38.4%	3,464,342
<b>Net Income</b>	<b>\$395,592</b>	<b>\$387,945</b>		<b>\$0</b>	<b>\$474,043</b>		<b>\$240,834</b>
<b>Total Operating Income</b>							
Revenues	\$14,002,871	\$6,143,523	43.9%	\$14,205,714	\$5,342,629	37.6%	\$13,575,248
Expenses	11,721,329	4,947,410	42.2%	12,098,108	4,880,580	40.3%	12,076,706
<b>Net Income</b>	<b>\$2,281,542</b>	<b>\$1,196,113</b>		<b>\$2,107,606</b>	<b>\$462,049</b>		<b>\$1,498,542</b>
<b>Non-Operating Expenses</b>							
Improvements	\$808,221	\$344,149	42.6%	\$939,169	\$169,585	18.1%	\$250,000
Debt Service	858,736	142,125	16.6%	746,437	91,263	12.2%	746,437
Athletic Field Improvements	114,232	0	0.0%	250,000	94,500	37.8%	250,000
Payment of prior year expense	295,384	0	0.0%	0	0		0
Transfers	442,399	0	0.0%	295,000	0	0.0%	295,000
<b>Total Non-Operating Exp</b>	<b>\$2,518,972</b>	<b>\$486,274</b>		<b>\$2,230,606</b>	<b>\$355,348</b>		<b>\$1,541,437</b>
<b>Income after Non-Operating Expenses</b>	<b>(\$237,430)</b>	<b>\$709,839</b>		<b>(\$123,000)</b>	<b>\$106,701</b>		<b>(\$42,895)</b>

**Golf Operations**

Golf revenue has been impacted by the late start to the golf season and poor weather conditions throughout the first half of 2011. Through June 30, 2011 there have been 35 fewer playable golf days than in 2010 and golf revenue is down 22 percent. Expenses are down 4 percent from 2010, and staff continues to identify areas to achieve cost savings. To the end of 2011 golf operations is projected to have a loss of (\$214,581).

**Permits/Special Events**

Permits net income is projected to end 2011 at \$399,031, an increase of \$62,025 over 2010. Expenses are expected to decrease due to staffing changes in the events group. Revenues are expected to end the year similar to 2010.

**Concessions**

Concessions net income is projected to increase by \$31,075 to \$781,145 in 2011 due to the opening of the Lake Harriet concession *Bread & Pickle*.



### **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 as of June 30, 2011 is down from 2010 levels due to a change in reporting of administrative tickets. In 2010 parking was credited with administrative ticket revenue and the amount was transferred to the General Fund at year end. In addition the General Fund is now retaining 15 percent of the revenue from the sale of parking permits. Expenses are up 18 percent from 2010 due to the faster payment of credit card fees, but expenses are projected to end the year within budget. To the end of 2011 parking operations net income is projected to be \$708,624.

### **Ice Arenas**

Ice arena operations consist of the Parade and Northeast Ice Arenas. Revenues are expected to come in at budget in 2011. Expenses are expected to end the year \$38,633 lower than 2010 but may exceed the 2011 budget due to unexpected cooling system repairs. To the end of 2011 ice arena operations net income is projected to be \$55,382.

### **Athletic Facilities**

Athletic Facilities consist of Neiman Complex, Parade Athletic Fields, Van Cleve Field and Quilici Field. To the end of 2011 this operation is projected to have a loss of (\$147,537).

### **Lupient Water Park**

Lupient Water Park was transferred to the Enterprise Fund during 2011 with the goal of making this operation self-supporting within four years. To the end of 2011 this operation is projected to have a loss of (\$104,405).

### **Wirth Winter Recreation Area**

The Enterprise Fund reports revenues and expenses for the operation of the tubing hill. The Wirth Winter Recreation Area is projected to meet revenue and expense goals during 2011.

### **Sculpture Garden & Cowles Conservatory**

The Parade Complex includes the Cowles Conservatory and the Sculpture Garden. Revenue is generated from rentals of Cowles Conservatory and the Sculpture Garden. Revenues and expenses are both expected to slightly exceed budget to the end of 2011. To the end of 2011 this operation is projected to have a loss of (\$219,964), a slight improvement of \$13,307 from 2010 net loss.

### **Recreation**

Recreation includes fee-based community programs, school-age child care, and adult sports. To the end of 2011 recreation net income is projected to be \$240,834, a decrease of \$154,758 from 2010 net income. This is due to adult sports becoming a self-supported operation in the enterprise fund. Adult sports administrative functions had previously been supported by the General Fund.

### **Enterprise Operating Income**

Operating income is the difference between operating revenues and operating expenses. Operating income in 2011 is projected to be \$1.5 million. Operating income is lower than 2010 due to reduced net income in golf operations, providing adult sports as a self-supporting function, and maintaining Lupient Water Park in the Enterprise Fund.

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 the first half of 2011 include the rehabilitation of the Lake Harriet concession, alarm system at Columbia Golf Course, and new pay and display parking machines. New windows at Columbia Manor and two pay-by-space meters are planned for the second half of the year. Several improvements planned for 2011 will be deferred due to decreased net income, including a new zamboni at Parade Ice Arena, Hiawatha Golf Course parking lot renovation and Meadowbrook Golf Course well renovation.



## Internal Service Fund

### Summary

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

	2010			2011			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year End	As of 6/30					
<b>Equipment</b>							
Revenues	\$4,055,468	\$1,985,064	48.9%	\$4,417,649	\$2,356,479	53.3%	\$4,511,653
Expenses	4,145,909	1,843,308	44.5%	4,417,649	2,622,520	59.4%	4,398,023
<b>Net Income</b>	<b>(\$90,441)</b>	<b>\$141,756</b>		<b>\$0</b>	<b>(\$266,041)</b>		<b>\$113,630</b>
<b>Information Technology Services</b>							
Revenues	\$918,454	\$471,373	51.3%	\$898,586	\$471,210	52.4%	\$920,000
Expenses	908,649	572,292	63.0%	898,586	456,018	50.7%	894,350
<b>Net Income</b>	<b>\$9,805</b>	<b>(\$100,919)</b>		<b>\$0</b>	<b>\$15,192</b>		<b>\$25,650</b>
<b>Self-Insurance</b>							
Revenues	\$2,652,613	\$1,274,236	48.0%	\$2,659,283	\$1,102,138	41.4%	\$2,675,082
Expenses	1,844,800	869,621	47.1%	2,659,283	701,603	26.4%	2,241,008
<b>Net Income</b>	<b>\$807,813</b>	<b>\$404,615</b>		<b>\$0</b>	<b>\$400,535</b>		<b>\$434,074</b>

### Equipment

Equipment rental is charged to Park Board departments for use of equipment owned by the Park Board. Equipment revenue is up 18.7 percent compared to 2010 due to increases in equipment rental rates. Expenses are up 42.3 percent compared to 2010 due to scheduled equipment purchases that included chippers, mowers and police vehicles. In addition, Equipment is purchasing two vehicles to replace the 10 Toyota vehicles that were returned when the agreement ended. Currently Equipment is projected to end the year within budget. However, equipment replacement needs could cause expenditures to exceed budget and necessitate use of the equipment reserve balance. The projected year-end equipment reserve balance is \$1.2 million.

### 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 revenues are expected to end the year over budget due to departments adding workstations, including tablets that are used by Forestry to take tree inventories. Expenses are expected to end the year at budget. The projected year-end Information Technology Services equipment reserve is \$378,000.

### 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 2011. Expenses are expected to be under budget 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 2010 was \$1.4 million. During 2011 revenues are projected to exceed expenses by \$139,000, increasing the equipment reserve balance to \$1.6 million.

**2011 Projected Internal Service Fund Year-End Equipment Reserve Balance**

<b>Working Capital January 1, 2011</b>	<b>\$1,435,225</b>
Equipment Services revenue in excess of expenditures	113,630
ITS revenue in excess of expenditures	<u>25,650</u>
<b>Working Capital December 31, 2011</b>	<b>\$ 1,574,505</b>

**Self Insurance Fund Net Asset Balance**

The Self Insurance Fund net assets balance at year-end 2010 was \$7.2 million. During 2010 revenues are projected to exceed expenses by \$434,000, increasing the net assets balance to \$7.7 million.

**2011 Projected Self Insurance Fund Year-End Net Asset Balance**

<b>Working Capital January 1, 2011</b>	<b>\$7,248,601</b>
Self Insurance Fund revenue in excess of expenditures	<u>434,074</u>
<b>Working Capital December 31, 2011</b>	<b>\$ 7,682,675</b>



## **2011 Budget Strategy Initiatives Second Quarter Report**

The Minneapolis Park and Recreation Board 2011 Annual Budget included seven budget strategies and initiatives related to these strategies. This report details the progress on the initiatives through the second quarter of 2011. The strategies and initiatives are written as they appear in the 2011 Annual Budget book on pages 12 to 15. The second quarter reports are given after each initiative. For a copy of the Minneapolis Park and Recreation Board 2011 Annual Budget see the website at [www.minneapolisparcs.org](http://www.minneapolisparcs.org).

### **STRATEGY ONE: Focus resources on a well maintained park system. Address issues of aging infrastructure especially in neighborhood parks. Use Comprehensive plan as guidance for maintenance of natural areas and boulevard trees.**

#### **2011 Initiatives**

##### **Neighborhood park capital funding**

*The Park Board 2011-2016 Neighborhood Capital Improvement Program focuses on improving energy efficiency and improvements to recreation centers at Pershing and Luxton Parks, upgrading neighborhood playgrounds at Marshall Terrace and Levin Parks, providing new aquatic amenities at Webber Park, repaving parking lots at Corcoran, Fuller, and Bryant Square Parks, matching the Hennepin County Youth Sports grant program, and matching the regional park funding for parkway paving. Pay-as-You-Go capital will be invested in the Farview Park wading pool, Powderhorn Park paths, water parks and parkway paving and lighting.*

**Second Quarter Report:** The following results have been achieved for the neighborhood park capital funding initiative:

- Initiated design development for energy improvements at Pershing and Luxton Parks
- Worked with the community to develop a concept design for a new playground at Levin Park
- Hired a consultant to work with the community and staff to develop a master plan for Webber Park
- Obtained favorable bids to restore the Corcoran, Fuller, Bryant and Longfellow Park parking lots.
- Secured community and Board approval for field renovations at East Phillips, Currie, Northeast, Pearl and Pershing Parks.
- Hired a consultant to develop plans to reconstruct Parade Road.
- Received community and Board approval on concept plans for a new Farview Park wading pool.

##### **Parkway paving and lighting capital funding**

*The Park Board began discussions with the City of Minneapolis regarding the Park Board resuming the lead role in managing the capital program for parkways and parkway lighting. Discussions will continue in 2011 with the goal of reaching an equitable agreement. The Park Board 2011-2016 Neighborhood Capital Improvement Program includes an increased focus on the improvement of these amenities. Parkway paving improvement projects are prioritized by considering the condition index assessment information provided by the City of Minneapolis Public Works Department. Parkway lighting replacement will receive priority to allow for the removal of temporary light poles and to provide for consistent light standards along the parkways.*



**Second Quarter Report:** An analysis of current conditions of parkway road surfaces and lighting is expected to be completed in August 2011. As a part of the analysis, staff is working with consultants to develop possible restoration, reconstruction and maintenance scenarios for parkway paving and lighting. Staff continues to work with the City of Minneapolis to develop options for parkway paving and lighting improvements.

**STRATEGY TWO: BECOME A NATIONAL LEADER IN ISSUES OF SUSTAINABILITY, INCLUDING COLLABORATIVE EFFORTS WITH THE CITY COUNCIL, MAYOR, COUNTY, LOCAL BUSINESS LEADERS, AND THE PUBLIC, MAKING OUR CITY GREENER, CLEANER, AND ENERGY EFFICIENT.**

**2011 Initiatives**

**Recreation building energy improvements**

*The Park Board has adopted an energy efficiency plan developed by the McKinstry Essention consultant group to implement energy efficiency measures in Pershing, Logan, McRae, Mathews, and Nokomis recreation centers. Based on the results of consultant analysis of these buildings, the Park Board can expect to achieve up to 20-29% in energy savings by upgrading lighting, providing new temperature controls, and implementing building envelope improvements. In 2011, the results will be evaluated and a system wide implementation plan will be developed. Specific focus will be placed on setting new energy improvement guidelines that will guide future capital improvement program expenditures for recreation buildings.*

**Second Quarter Report:** The energy efficiency action team, as a part of the organization-wide integration of sustainability, has developed an action plan to use a state-wide system to track and compare energy consumption of buildings. The consumption data will be used to develop capital improvement recommendations.

**Enhanced planting**

*The Forestry operations budget includes funding to plant 4,000 trees. The Board approved the 2011-2016 Neighborhood Capital Improvement Program that includes an allocation of \$150,000 to plant 1,500 additional trees. The Board also approved an allocation of \$50,000 for ornamental shrubs and hardy perennials. The ornamental shrubs and hardy perennials will be strategically planted to reduce operations costs, including mowing in selected locations.*

**Second Quarter Report:** Due to tornado cleanup the initial spring planting of trees was delayed for several weeks, but has now been completed. This fall the 1,500 additional trees will be planted primarily in the downtown area, along Industrial Boulevard, and in North Minneapolis.

Eleven sites have been identified for additional ornamental shrub and hardy perennial planting. Designs have been completed on four of the sites. Design work continues with the assistance of Kit Healy and Audubon Society volunteers. Designs will be completed on the remaining seven sites by the end of August and it is expected that all sites will be planted by late fall.



### **Green events**

*The Park Board maintains its commitment to reduce waste generated from community and city-wide events and continues to seek partners and sponsors who share its values regarding environmental sustainability. Through the incorporation of biodegradable, recyclable and re-useable products the Park Board looks to be a green leader in the park and recreation industry. Examples of such practices include eliminating bottled water through the utilization of tap water stations and compostable cups at events such as the Minneapolis Bike Tour, The Recycle Run, Monarch Festival and Minneapolis Red, White and Boom. At neighborhood events, such as corn feeds and ice cream socials, waste stations containing compost, recycling and trash bins will reduce the amount of waste generated while educating participants about how their individual efforts can improve the health of the park system. Event and Recreation staff will also research and implement a portable bike corral which will encourage event participants to commute by bike rather than drive. Lastly, through funds generated by Earth Day events, the Park Board will continue its internal grant program which supports green initiatives and projects developed by staff.*

**Second Quarter Report:** Composting event waste has occurred at five neighborhood events, and is planned for nine events in the second half of the year.

### **Park Board Re-Organization of Waste Management**

*The Park Board's recently adopted Sustainability Report includes a strategic outline for implementing and enhancing sustainable practices throughout the organization. One of these recommendations is to re-organize waste management strategies. A team of key staff was formed in the fall of 2010 to implement several waste management strategies focusing on waste reduction, increased capturing of public space recycling, and customer satisfaction. Primary activities of this team will be visible in the parks in 2011 and will include re-energizing the Park Board's indoor and outdoor recycling programs, piloting organic waste recycling at selected park locations and experimenting with self-contained waste and recycling containers at the Park Board headquarters building.*

**Second Quarter Report:** The Solid Waste Management Initiative study report was presented at the May 4, 2011 board meeting. Since that report was presented a draft Waste Management Project Initiation and Action Plan has been prepared by the Waste Management Team and submitted to the management team for review.

### **Sustainability Fund**

*The Park Board's financial policy requires the General Fund Balance to be maintained at a level of 5 percent of the current year adopted expenditure appropriation. The 2010 current year-end projected fund balance is estimated to exceed this requirement. The Park Board will direct 25 percent of the excess fund balance to a sustainability fund. This fund will be used to finance capital investments and activities that promote sustainability efforts. The Board will approve the guidelines related to this fund regarding selection of projects and return on investment.*

*The Board approved an allocation of \$75,000 from the sustainability fund for a grant to the Foundation for Minneapolis Parks. The grant is required to have matching funds and will only be disbursed to the foundation as funds are received. The Foundation must provide a minimum of \$75,000 in income to the Park Board from outside sources for capital projects or programming.*

**Second Quarter Report:** The audited fund balance of the General Fund is \$4.8 million as of December 31, 2010. Of that amount up to \$470,000 could be allocated to projects within the Sustainability Fund. Staff will bring forward recommended guidelines regarding selection of projects and return on investment for the Sustainability Fund in a review with the Board during the third quarter of 2011.



**STRATEGY THREE: Focus on our partnerships, especially the City and the Public schools to focus on the service delivery and responsibilities across jurisdictions to assess what is working and what can be changed or improved in difficult financial times.**

**2011 Initiatives**

**Park dedication ordinance**

*The Park Board and the City of Minneapolis have approved a joint park dedication ordinance that allows for assessment of a fee on new residential and commercial industrial development to support park rehabilitation, renovation and expansion within a nexus of the new development. The Park Board and City are developing the process by which the fee will be assessed which will require an amendment to the authorizing statute. The implementation of the fee is set for June 30, 2011.*

**Second Quarter Report:** The legislation necessary to move forward with the park dedication ordinance was not passed during the 2011 Minnesota Legislative session. The proposed legislation can be brought back to the Legislature during the 2012 session for approval.

**Stormwater agreement**

*The City of Minneapolis operates a stormwater management system and charges a stormwater utility fee to operate, construct, maintain, repair and replace this system. In 2010, the Park Board and City of Minneapolis reached an agreement regarding the Park Board's inclusion in the stormwater program. As part of the agreement, the Park Board will be reimbursed for its stormwater management activities such as stormwater monitoring, lake monitoring and stormwater permit-related educational activities. In future years, the Park Board will participate in the City of Minneapolis budget process for operating and capital needs related to stormwater activities.*

**Second Quarter Report:** On May 4, 2011 staff presented a report to the Operations & Environment Committee on the 2011 Scope of Services Agreement between the City of Minneapolis Public Works Department and the Minneapolis Park & Recreation Board for Surface Water Quality Monitoring, Improvement, and Education.

**Parkway responsibilities**

*The Park Board will continue discussions with the City of Minneapolis to reach an equitable agreement regarding the management of the capital program for parkways and parkway lighting. The Park Board is well positioned to leverage funds from regional and federal sources to enhance the resources available for the capital program and will work closely with the City to maximize the use of those funds.*

**Second Quarter Report:** Several meetings have been held involving Park Board management and City of Minneapolis Public Works staff. In addition, with the agreement of Public Works staff, the Park Board has hired a consultant to review the parkway road surfaces and lighting and present an analysis report to the Park Board in August 2011.

**Park Board and school partnerships**

*Park Board and school partnerships will be reviewed in terms of facility and programming resources in collaboration with the Community Education organization. Focus will be directed towards building strong relationships and equitable partnerships. Indoor and outdoor facilities, staffing and programming will be reviewed to maximize resources and eliminate inefficiencies.*



**Second Quarter Report:** This spring Recreation and Minneapolis Public Schools Community Education staff met to discuss increasing partnership programs and maximizing resources. Staff met in small groups based on geography to review existing programs and brainstorm ideas. The groups agreed to meet again in the fall to continue relationship building and discussing ways to better meet community interests and needs.

**STRATEGY FOUR: Focus on: new strategies of community engagement, including greater transparency and information that is posted online, outreach strategies, and clarity about our processes and procedures. Enhance our communications and relationships with communities, media, agencies, and partners.**

### 2011 Initiatives

#### **Community engagement policy and implementation**

*The Park Board is developing a new community engagement policy which will include revised standards and provide consistent practices for working and communicating with the public. This policy effort aligns with goals and strategies outlined in the [2007-2020 MPRB Comprehensive Plan](#).*

*In 2010, various community outreach methods were used to gather opinions from residents and park users in development of the policy. Community members were invited to make comments through an online survey, public meetings, focus group discussions, and print questionnaires made available throughout the parks. The information gathered is being used in the development of a draft policy.*

*In 2011, the draft policy will be made available for public review and comment. The Park Board will have the opportunity to review and approve the new policy. Once approved, staff will be trained to implement the new policy and related operating procedures.*

**Second Quarter Report:** The 45-day comment period for the draft community engagement policy and ordinance amendment is complete. The policy is being revised based on comments received through an online survey and community meetings. The final draft will be presented to the Board in September and October, 2011.

#### **Communication enhancement**

*Efforts to increase communications with communities, organizations, partners and the media include analyzing the staffing and development of communication plans. During the organizational restructuring in 2010, one public relations specialist position was eliminated. Upon completion of the needs analysis, one position will be filled. The specific role of the position will be determined based on the results of the analysis.*

**Second Quarter Report:** The Communications and Marketing Department launched a variety of initiatives aimed at providing timely information to residents, park visitors and staff. Highlights include: new event calendar and road closure chart on website homepage; timely web updates about ice rink conditions, flooding and heat index safety; MPRB booth at several major events (Victory Memorial Drive Rededication, Twin Cities Pride and Red White and Boom); GovDelivery e-subscription program development for July launch; and positive media coverage about Hennepin County Youth Partnership athletic field grants, expanded teen programming, invasive species clearing at Wabun, floating docks at lakes, and logrolling program.



**STRATEGY FIVE: Focus on a financial plan that increases revenue growth with grants, new program offerings, sponsorships and foundation giving, but also plan for potential budget reductions that are the result of projected state deficits or increased costs.**

**2011 Initiatives**

**Organizational restructuring**

*Restructuring of the organization was undertaken in 2010 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 elimination of the positions results in \$1.3 million in savings for the 2011 budget.*

*The restructuring also resulted in the placement of activities that are designed to generate income in the enterprise fund and core services supported by tax operating functions in the general fund.*

**Second Quarter Report:** The organizational restructuring completed in the fall of 2010 did not include any significant changes to the planning department. The Superintendent assessed the structure, services and positions while considering community needs and the organizational vision and determined that changes were needed in the structural framework of planning department operations. Effective April 1, 2011 the structure of the planning department changed to allow the Park Board to effectively provide innovative park planning services to the community and within the organization. Staffing changes were implemented and the Assistant Superintendent for Planning Services was hired in June.

**Enhanced grant writing and federal lobbying**

*Included in the 2011 budget is new funding for grant writing, federal lobbying and local republican lobbying. These initiatives are targeted to increase external funding to the Park Board – especially in the areas of state and federal grants.*

**Second Quarter Report:** A work team started meeting in February and is developing system wide grant tracking and reporting as well as establishing grant policies.

**Sponsorship policy adoption**

*The Board has had several discussions about sponsorships and the type of parameters that should be placed on this kind of revenue. Decisions have been made on a case by case basis but the Board will work to adopt a policy during 2011 that provides guidance for negotiating the terms of sponsorships.*

**Second Quarter Report:** The Board reviewed a draft Sponsorship Policy in February. It will be reviewed again in the third quarter and adoption is scheduled for the fourth quarter.

**Administrative services review**

*Centralized administrative services functions (information technology, human resources, and finance) underwent a review by a consultant to identify opportunities for improvements as well as reductions with the least amount of service impact. Each employee had input into the review and the ultimate recommendations. As a result, plans for improving efficiency were developed and are currently being implemented. Two positions were eliminated, saving \$178,098 in the 2011 budget.*

**Second Quarter Report:** This initiative is complete.



### **Enterprise operations review**

*In 2011 enterprise fund activities will be reviewed to identify opportunities for improvements and increased efficiencies. The areas to be reviewed include golf courses, ice arenas, special events and parking systems. Specific information regarding these initiatives can be found in the Enterprise Fund section of the budget book beginning on page 65.*

**Second Quarter Report:** A consultant completed a review of golf operations during the first half of 2011. The recommendations from the report have begun to be implemented, including changes to maintenance staffing. Parking operations implemented a daily rate at the University of Minnesota parking lots to take advantage of lot turnover, at the recommendation of the parking vendor. Reviews of other enterprise areas are ongoing.

### **STRATEGY SIX: Assure that basic services and programs remain accessible, community based, and equitable. Reaffirm the importance of outdoor activities for children.**

### **2011 Initiatives**

#### **Community based recreation**

*The organizational restructuring that occurred in 2010 provided for the reassignment of Recreation staff to the field to enhance and implement community based programming in the Community Service Areas. The changes will enhance accountability, improve standards, and focus efforts on meeting community needs.*

**Second Quarter Report:** The Community Service Area (CSA) teams continue to work to develop programs and services for their assigned areas in order to maximize resources and eliminate duplicate programs and events. Spring festivals, programs and events were marketed to the entire CSA area, resulting in larger events that were supported by the entire CSA team staff.

#### **Evening/Night Teen Recreation Program**

*An evening/night teen recreation program will be implemented within community service areas in 2011. The goal of the program is to engage youth in positive recreational activities in a safe park environment with adult mentors. This program is allocated \$250,000, \$155,000 of which is shifted from existing budgeted resources and an additional \$95,000 is allocated for security measures, equipment and supplies.*

**Second Quarter Report:** Night Owls, recreation programming from 8:00 p.m. to 11:00 p.m. on Friday and Saturday evenings, continued at eight parks (Farview, Folwell, Logan, Martin Luther King, North Commons, Phillips Community Neighborhood, Powderhorn and Whittier) through the spring, and is now a year-round program. Central park added the Night Owls program on Friday nights.

#### **East Phillips and Phillips community centers**

*In 2011, the Park Board will open the East Phillips Cultural and Community Center, a new facility made possible through the dedication and commitment of community partners. Also in 2011, the Park Board will re-open the renovated Phillips community center. The Recreation division and Phillips community service area team are excited to begin working with the community to build successful programs, services and partnerships.*



**Second Quarter Report:** Phillips Community Center went through a community partnership process which culminated in the Board approving lease agreements that will commence after construction is complete, which is estimated to be November 2011.

East Phillips Cultural Center opened on February 28th, 2011. Community partner agencies and Recreation staff provide programs and services that reflect the needs and interests of the neighborhood and CSA. The Center is open 12:00pm to 9:00pm Mon. through Thursday and 12:00 to 6:00pm on Friday, Saturday 11:00am to 6:00pm and Sunday 12:00pm to 4:00pm.

### **Beach operations review**

*In 2011, the Recreation division will perform a review of current beach operations and rules for guarded and unguarded beaches with the goal of enhancing enjoyment while maintaining a welcoming and safe beach environment. The Board approved an aquatics-beach budget of \$151,863, \$50,000 of which is shifted from existing resources to fund additional lifeguards at beaches.*

**Second Quarter Report:** The following changes to beach operations were implemented in 2011.

- Docks were added to Calhoun Thomas, Harriet North and Nokomis Main beaches
- Beaches with docks were staffed with lifeguards on July 4<sup>th</sup>
- Guarded beach hours have been increased by one hour and are staffed with lifeguards until 7:00pm
- Revised beach rules were developed and new signage posted
- The Park Board in collaboration with Optum Health Care Solutions is providing open swim sessions at Lake Calhoun
- A new log rolling program was started at Lake Calhoun

### **Aquatic plant harvesting**

*During the summer months, the Park Board performs aquatic plant harvesting on Minneapolis lakes with focus on Eurasian water milfoil. This activity is regulated by the Minnesota Department of Natural Resources and allows aquatic plant harvesting to occur in Minnesota water bodies to remove significant plant obstructions to enhance recreational opportunities. Aquatic plant harvesting is performed twice annually at Lakes Harriet, Calhoun, Cedar and Wirth. The 2011 budget supports the reinstatement of harvesting at Lake of the Isles.*

**Second Quarter Report:** Aquatic vegetation harvesting began in early June. A contractor was hired to harvest Lake of the Isles and Lake Harriet. Park Board staff and equipment are responsible for all other harvesting. At the direction of the Minnesota Department of Natural Resources all permits for aquatic vegetation harvesting were suspended with the State shutdown on Friday, July 1st. Aquatic harvesting will resume on August 1.

### **Sixth Park District Off-Leash Recreation Area**

*Six off-leash sites have been developed within the Minneapolis Park System at Lake of the Isles, Franklin Terrace, Minnehaha Park, St. Anthony Parkway, Loring Park and Victory Prairie. All commissioner districts except the sixth park district have at least one off-leash area. In 2011, a citizen advisory committee will be formed to assess community support for an off-leash recreation area in the sixth park district in or near the Kingfield Neighborhood. Funding of \$32,500 has been reserved for the development of a sixth park district off-leash recreation area.*

**Second Quarter Report:** The Sixth Park District Dog Park Citizen Advisory Committee has been formed and has accomplished the following:

- Invited the public to nominate possible dog park sites
- Developed criteria for reviewing sites
- Evaluated 32 different sites
- Sought community input and design development on three potential sites.



### **Rev. Dr. Martin Luther King, Jr. Legacy**

*The Park Board will host a series of public meetings to focus on how best to honor Rev. Dr. Martin Luther King, Jr. at a southwest Minneapolis park named after the civil rights leader. The interactive meetings will result in a plan to honor the legacy of Rev. Dr. Martin Luther King, Jr. Topics will include the Freedom Form #2 sculpture that was installed to honor Dr. King, the park as a whole, and park programming. Funding of \$32,500 has been reserved for honoring the legacy of Rev. Dr. Martin Luther King, Jr. at the park.*

**Second Quarter Report:** On May 18, 2011 the Board approved community recommendations on how best to honor Rev. Dr. Martin Luther King, Jr at Rev. Dr. Martin Luther King Jr Park. Since that approval, the Rev. Dr. Martin Luther King Jr Legacy Advisory Committee has been working to move the Freedom Form #2 Sculpture to its new location for an August 28 rededication celebration. This rededication will coincide with the dedication of the MLK Memorial in Washington DC.

## **STRATEGY SEVEN: Shape city character through nationally recognized park development and redevelopment strategies.**

### **2011 Initiatives**

#### **Upper Riverfront International Design Competition**

*The Park Board and Minneapolis Parks Foundation, along with creative partners University of Minnesota College of Design and Walker Art Center, are sponsoring a design competition addressing the Minneapolis upper riverfront, the area extending from the Stone Arch Bridge to the northern city limits of Minneapolis, along both sides of the Mississippi River. This project builds on the Park Board award-winning 2000 master plan. The goal of riverfront park development to date has been to secure the property and develop park facilities that would attract private investment into the central riverfront corridor. This initiative will produce the next generation of the riverfront improvements by attracting the best design teams in the world and challenging them to create a nationally recognized iconic park development on the Mississippi River.*

**Second Quarter Report:** The RiverFIRST proposal from the team of TLS/KVA was selected earlier this year out of numerous world-class design submittals. The selected design team, project manager Mary Delaittre and finance consultant HR&A Advisors, have been retained to conduct community engagement, concept refinement and financial analysis. The work will be submitted to the Park Board as a strategic plan in September 2011.

#### **Sculpture Garden – the next 20 years**

*The Park Board agreement with the Walker Art Center for the Minneapolis Sculpture Garden expires in 2013. This relationship has provided a well-received outdoor art exhibit and the backdrop for innovative events since 1988. To build on this success and address long-term capital and maintenance needs for the garden, staff will begin working with the Walker Art Center in 2011 to develop the parameters for an agreement that would be approved by the Board in 2012. This agreement could provide the basis for a park conservancy model to be used in the park system.*

**Second Quarter Report:** The Board has been reviewing a conservancy model for Loring Park. In addition, staff has been meeting with the Walker staff to develop a framework for a new operating agreement that will be approved by the Board in 2012.