



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

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Budget Overview

The Minneapolis Park and Recreation Board continues to respond to the economic challenges facing the park system with a commitment to strategic planning. What follows is a description of the Park Board General, Enterprise and Internal Service Funds.

General Fund

This report details the Minneapolis Park and Recreation Board General Fund budget status as of June 30, 2010. To the end of 2010, General Fund revenues are projected to be \$56.9 million and expenditures are projected to be \$56.7 million.

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

Enterprise Fund

The Enterprise Fund is a self-supporting fund established to account for all business-type operations of the Park Board including golf courses, refectories, ice arenas, permits and recreational activities. Enterprise Fund operating income is projected to end the year at \$2.7 million, 1.4 percent higher than 2009.

Internal Service Funds

Internal Service Funds provide equipment fleet, information technology and self-insurance services to the Park Board departments. To the end of 2010 internal service fund revenues are projected to be \$7.5 million and expenses are projected to be \$7.8 million.

Budget Strategies and Initiatives

The 2010 Budget strategies were approved in the 2010 budget. The 2010 Annual Budget included initiatives related to these six strategies. This report details the progress on those initiatives through the second quarter of 2010.



General Fund

Summary

The General Fund is the operating fund of the Minneapolis Park and Recreation Board. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund began 2010 with a fund balance of \$3.9 million and has a current operating budget of \$56.9 million. Through June of this year, 45.0 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, 2010, totaled \$23.5 million, up 5.3 percent from the \$22.4 million collected in the first half of 2009. Total revenues for 2010 are projected to be \$56.9 million, a decrease of 1.5 percent from 2009 actual revenues.

As of June 30, 2010, actual expenditures totaled \$25.6 million, down 0.3 percent from the \$25.7 million spent in the first half of 2009. To the end of 2010 expenditures are projected to be \$56.7 million, an increase of 1.2 percent over 2009 actual expenditures.

The fund balance for the General Fund at fiscal year-end 2009 exceeded the financial policy requirement of 5 percent of the general fund operating budget. It is expected that the 2010 year-end general fund balance will exceed the requirement as well.

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

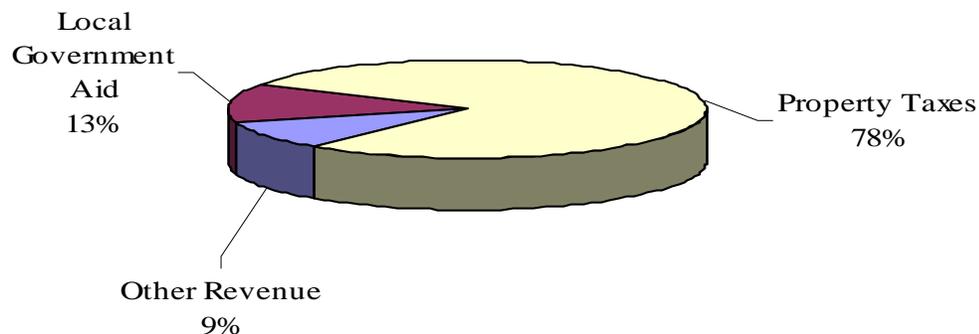
This report contains estimates. Unforeseen changes in revenue and expenditures will cause actual results to fluctuate from the projected results.

General Fund Revenues

As of June 30, 2010, actual revenues totaled \$23.5 million, up 5.3 percent from the \$22.4 million received in the first half of 2009.

Revenues by Major Category

	2009			2010				
	Actual		Percent Recognized	Original Budget	Current Budget	Actual		Projected Year End
	Year-End	As of 6/30				As of 6/30	Percent Recognized	
Property Taxes	\$43,497,476	\$21,320,974	49.00%	\$44,578,850	\$43,680,950	\$22,367,226	51.20%	\$44,063,435
Local Government Aid	9,469,497		0.00%	8,104,593	7,423,928		0.00%	7,423,928
Fees, Fines and Other	4,794,099	1,047,912	21.90%	5,039,109	5,779,730	1,176,307	20.40%	5,381,494
Total Revenues	\$57,761,072	\$22,368,886	38.70%	\$57,722,552	\$56,884,608	\$23,543,533	41.40%	\$56,868,857





Property Taxes

This spring legislation to balance the State Budget was enacted. The actions eliminated the Park Board's 2010 market value homestead credit (a component of property tax revenue), a loss of \$897,900. Still, property taxes provide 78 percent of projected revenue, the largest funding source of the General Fund. The Park Board received the first half property tax payment from Hennepin County, 51.2 percent of budgeted property taxes. Delinquent property tax payments continue to push property tax collections over budgeted levels, with \$560,358 received in the first half of 2010. Property tax revenue is projected to exceed budget by \$382,485 at year-end.

Local Government Aid

The City of Minneapolis receives LGA from the State of Minnesota through an appropriation set by formula in state law. The City of Minneapolis transfers 11.79 percent of that appropriation to the Park Board. Local Government Aid (LGA) provides 13 percent of projected revenue, the second largest funding source of the General Fund. The LGA funds are received in two installments during July and December.

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

Fees, Fines and Other Revenue

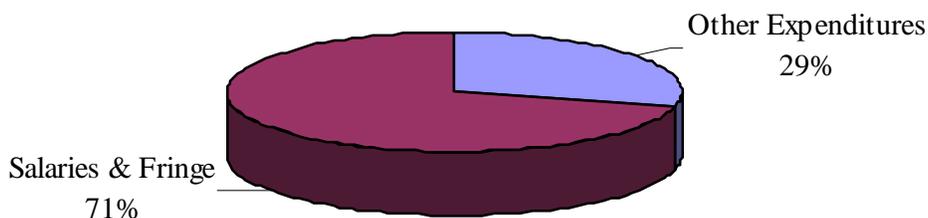
Fees, fines and other revenue provide nine percent of projected revenue. The Park Board has recognized 20.4 percent of the budgeted fees, fines and other revenue for 2010. Revenue for 2010 is projected to be 12 percent higher than 2009 due to new revenue initiatives including the expansion in off-leash dog licensing and the implementation of off-leash administrative tickets, Bike Tour proceeds, and Wirth Winter recreation revenues. The restructuring and price reduction in aquatics season passes along with staff's marketing efforts has resulted in 900 more passes sold in 2010 than 2009, with a revenue increase of over \$21,700.

General Fund Expenditures

As of June 30, 2010, actual expenditures totaled \$25.6 million, down 0.3 percent from the \$25.7 million spent in the first half of 2009.

Expenditures by Major Category

	2009			2010		
	Actual		Percent Expended	Current Budget	Actual	
	Year-End	As of 6/30			As of 6/30	Percent Expended
Salaries & Fringe	\$40,568,243	\$19,624,708	48.40%	\$40,319,684	\$19,525,766	48.40%
Other Expenditures	15,442,117	\$6,050,090	39.20%	16,564,924	\$6,082,348	36.70%
Total Expenditures	\$56,010,360	\$25,674,798	45.80%	\$56,884,608	\$25,608,114	45.00%





Salaries and Fringe Benefits

Salaries and fringe benefits are 48.4 percent expended with 50 percent of the year elapsed, the same as 2009. Savings from position vacancies were used to partially offset the \$1.6 million in state aid reductions passed by the legislature earlier this year.

Other Expenditures

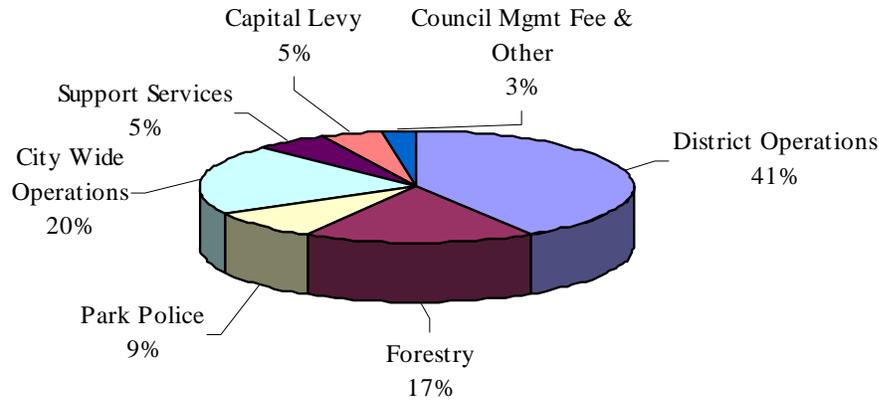
Other expenditures are 36.7 percent expended with 50 percent of the year elapsed, compared to 39.2 percent expended at the same point in 2009. Neighborhood capital was increased by \$1,000,000 in the 2010 amended budget, none of which had been expended as of June 30.

Expenditures by Service Area

	2009			2010				
	Actual		Percent Expended	Original Budget	Current Budget	Actual As of 6/30	Percent Expended	Projected Year-End
	Year-End	As of 6/30						
District Operations	\$23,701,652	\$11,372,171	48.00%	\$24,527,230	\$23,400,178	\$11,293,090	48.30%	\$23,376,696
Forestry	9,831,861	4,857,850	49.40%	10,011,550	9,743,561	4,782,462	49.10%	9,732,310
Park Police	5,148,115	2,501,642	48.60%	5,302,754	5,021,407	2,396,656	47.70%	5,009,011
Community Recreation Services	3,270,103	1,568,632	48.00%	3,275,811	3,070,678	1,427,327	46.50%	3,054,480
Trades & Field Services	3,564,112	1,555,770	43.70%	3,891,265	3,787,662	1,654,891	43.70%	3,756,603
Finance and Personnel	1,485,919	741,484	49.90%	1,546,212	1,511,731	760,144	50.30%	1,511,166
City Mgmt Fee, Workers Comp	1,413,362	534,458	37.80%	1,300,382	1,439,994	665,910	46.20%	1,439,000
Capital Levy	1,492,817	0	0.00%	1,863,200	2,613,200	0	0.00%	2,613,200
Environmental	1,306,500	579,052	44.30%	1,373,775	1,286,945	573,587	44.60%	1,284,835
Aquatics and Neiman Complex	1,058,146	330,311	31.20%	1,144,912	1,014,034	231,097	22.80%	958,932
Planning and Project Management	1,243,661	611,816	49.20%	1,343,490	1,305,226	603,696	46.30%	1,303,983
Summer Yth Emp-Teen Teamworks	1,000,635	291,113	29.10%	185,000	803,556	316,459	39.40%	801,543
Administration	388,336	173,131	44.60%	395,784	386,015	177,305	45.90%	384,752
Public Info and Customer Service	581,994	282,233	48.50%	667,077	640,473	269,986	42.20%	607,469
Wirth Winter	0	0	0.00%	346,264	331,919	178,302	53.70%	330,000
Data Practices	25,350	12,907	50.90%	27,553	27,430	11,663	42.50%	27,000
Board of Commissioners	497,797	262,228	52.70%	520,293	500,599	265,539	53.00%	498,500
Total Expenditures	\$56,010,360	\$25,674,798	45.80%	\$57,722,552	\$56,884,608	\$25,608,114	45.00%	\$56,689,480



Expenditures by Service Area



2010 expenditures are projected to be under the current budget by \$195,128. Three service areas make up approximately 78 percent of the projected General Fund expenditures: District Operations, Forestry, and City Wide Operations. Small percentage variances in any of these service areas can significantly impact total expenditures.

General Fund Budget Appropriation Changes

Two budget appropriation changes occurred during the first half of 2010. On April 21 the Board approved a budget reduction of \$1.45 million due to the enactment of legislation reducing the Park Board's 2010 state aids. The second budget appropriation change was a \$612,056 increase to the Teen Teamworks budget for grant funding received from the City of Minneapolis, State of Minnesota, federal government and private donors.

Budget Appropriation Changes

2010 Original Budget	\$57,722,552
Reduction in State Aids	(1,450,000)
Teen Teamworks Grants	<u>612,056</u>
2010 Current Budget	<u>\$56,884,608</u>



General Fund Balance

As of June 30, 2010 the year-end fund balance is projected to be \$4.1 million, 4.6 percent higher than 2009.

General Fund Balance

	2009			2010			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year-End	As of 6/30					
Total Revenue	\$57,761,072	\$22,368,886	38.70%	\$56,884,608	\$23,543,533	41.40%	\$56,868,857
Total Expenditures	56,010,360	25,674,798	45.80%	56,884,608	25,608,114	45.00%	56,689,480
Revenue Over/(Under) Expenditures	<u>\$1,750,712</u>	<u>(\$3,305,912)</u>		<u>\$0</u>	<u>(\$2,064,581)</u>		<u>\$179,378</u>

The fund balance for the General Fund at fiscal year-end 2009 was \$3.9 million. Park Board financial policy requires the general fund balance to be maintained at a level of 5 percent of the current year adopted expenditure appropriation. The 2009 year-end balance exceeded this requirement.

Based on the current revenue and expenditure estimates, the projected year-end 2010 balance is estimated at \$4.1 million, resulting in a \$179,378 increase in fund balance. This projected fund balance exceeds financial policy requirements, and will leave \$1,206,314 available for future budget balancing strategies.

2010 Projected General Fund Year-End Fund Balance

Fund Balance, January 1, 2010	\$3,913,064
Projected Revenues in Excess of Expenditures	<u>179,378</u>
Projected Fund Balance, December 31, 2010	4,092,442
Fund Balance Requirement (5%)	<u>2,886,128</u>
Fund Balance in Excess of Requirement	<u>\$1,206,314</u>

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



Enterprise Fund

Fund Description

The Enterprise Fund is a self-supporting fund established to account for all business-type operations of the Park Board including golf courses, 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.

Enterprise Fund Income

	2009			2010			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year-End	As of 6/30					
Operating Revenues							
Golf	6,538,922	2,978,523	45.6%	7,030,796	2,763,314	39.3%	6,384,945
Ice Arenas	828,375	513,121	61.9%	849,500	452,703	53.3%	851,396
Parking	872,142	469,661	53.9%	1,123,000	472,178	42.0%	926,816
Permits	1,117,780	367,956	32.9%	901,000	268,765	29.8%	1,200,000
Parade Complex	27,913	15,761	56.5%	45,800	22,063	48.2%	45,800
Concessions	841,417	349,655	41.6%	795,400	193,182	24.3%	863,204
Excursion Boats	25,769	0	0.0%	37,000	13,436	36.3%	35,000
Canoe Docks & Sailboat Buoys	219,939	75,100	34.1%	205,000	230,640	112.5%	230,640
Recreation	3,364,283	1,561,580	46.4%	3,116,689	1,679,302	53.9%	3,617,904
Wirth Winter	164,258	102,267	62.3%	66,880	47,940	71.7%	66,880
Total Operating Revenues	\$14,000,798	\$6,433,624	46.0%	\$14,171,065	\$6,143,523	43.4%	\$14,222,585
Operating Expenses							
Golf	6,024,692	2,525,795	41.9%	6,069,177	2,564,352	42.3%	5,941,740
Ice Arenas	767,177	336,710	43.9%	843,439	355,886	42.2%	845,856
Parking	118,948	40,343	33.9%	248,000	75,016	30.2%	172,275
Permits	622,842	204,909	32.9%	586,641	363,516	62.0%	725,000
Parade Complex	474,055	222,045	46.8%	405,465	168,884	41.7%	394,324
Concessions	156,790	45,448	29.0%	125,551	57,692	46.0%	159,000
Excursion Boats	5,764	2,806	48.7%	5,125	6	0.1%	852
Canoe Docks & Sailboat Buoys	36,539	14,110	38.6%	37,496	14,048	37.5%	38,000
Recreation	2,877,659	1,179,232	41.0%	3,117,383	1,291,357	41.4%	3,151,276
Wirth Winter	227,221	163,365	71.9%	66,880	56,653	84.7%	66,880
Total Operating Expenses	\$11,311,687	\$4,734,763	41.9%	\$11,505,157	\$4,947,410	43.0%	\$11,495,203
Operating Income	2,689,111	1,698,861		2,665,908	1,196,113		2,727,383
Improvements and Transfers							
Improvements	283,749	104,208	36.7%	1,374,471	344,149	25.0%	834,286
Debt Service	1,017,835	421,394	41.4%	746,437	142,125	19.0%	746,437
Match for Hennepin Youth Sports Grants				250,000	0	0.0%	400,000
Transfers	295,000	0	0.0%	295,000	0	0.0%	295,000
Total Improvements and Transfers	\$1,596,584	\$525,602	32.9%	\$2,665,908	\$486,274	18.2%	\$2,275,723
Income After Improvements and Transfers	\$1,092,527	\$1,173,259		\$0	\$709,839		\$451,660



Golf Operations

June's precipitation had a significant impact on operations with rainfall being 1.9 inches higher than June 2009. In 2010, June had 17 days where precipitation impacted daily operations. Net Income to year-end is projected at \$443,205, down \$71,025 compared to 2009. Staff is currently working to identify variable costs that can be immediately reduced to improve net income. Included in these are immediate seasonal and part-time staff reductions in clubhouse, range and grill operations, utilizing volunteers and delaying small equipment purchases.

Ice Arenas

Ice arena operations consist of the Parade and Northeast Ice arenas. Revenues are expected to come in at budget in 2010. Although 2010 is the first full year the Minnesota Wild are not utilizing the Parade Ice Arena facilities for practices, staff has worked to replace this revenue. Staff is working with the Minneapolis Youth Hockey Association on the development of a dry land training facility that utilizes the locker room space previously occupied by the Minnesota Wild. The Minneapolis Youth Hockey Association has also secured additional ice rentals for summer youth development programs. Ice arena expenses are up 5.7 percent from the first half of 2009 due to the timing of debt service payments, but to year-end expenses are projected to come in at budget.

Parking

During the first half of 2010 staff was reorganized, all parking lot signage was standardized and replaced with new signage, underperforming meters were removed and re-installed in more productive areas and a new vendor was selected to maintain pay and display parking meters. To the end of 2010 revenues are projected to be up \$54,674 over 2009 revenues, while expenses are projected to be up \$53,327 due to the parking system re-design.

Permits

An increase in permitted events this summer and fall and the upcoming Minneapolis Bike Tour will increase revenues above 2009 levels by year-end. Expenses are projected to increase over 2009 due to the addition of the events group to the permits area.

Parade Complex

The Parade Complex includes the Cowles Conservatory, Parade Athletic Fields (including Parade Baseball field and Parade Football/Soccer field), and the Sculpture Garden. Revenue is generated from rentals of Cowles Conservatory and the Sculpture Garden. Revenues are expected to meet budget in 2010, an increase of \$17,887 over 2009. Expenses are projected at \$394,324, a reduction of \$79,731 from 2009 expenses.

Concessions

Concessions revenues are projected to increase by 2.6 percent over 2009, while expenses are projected to remain the same.

Excursion Boats

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

Canoe Docks & Sailboat Buoys

In the first half of 2010, \$230,640 of revenue has been collected for sailboat buoy and private canoe dock rental. This includes the majority of revenue for 2010, which is projected to be an increase of 5 percent over 2009 revenues. Sailboat buoys sold-out in 2010, prompting the addition of 25 buoys to Lake Nokomis. The purchase and installation of these buoys is projected to increase expenses over 2009 by 4 percent. These buoys are being rented on a pro-rated basis for 2010, and will be available for the full year in 2011.



Recreation

In the first half of 2010 Recreation revenues are up 7.5 percent over the same time period as 2009, and expenses are up 9.5 percent. Adult sports fees were increased five percent in 2010, and sand volleyball participation has substantially increased.

Wirth Winter

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

Enterprise Operating Income

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

Operating income is projected to be \$2.7 million, which is 1.4 percent higher than 2009 and 2.3 percent above budget.

Operating income is used for four purposes; facility improvements, transfers to support the general fund, matching funds for the Hennepin County youth sports grants, and debt service. Improvements completed in 2010 include construction of a new irrigation system at Columbia Golf Course, a compressor and board replacement at Parade Ice Arena, new pay and display parking machines, disc golf course construction and carpet at Gross Golf Course clubhouse.

Staff is proposing to increase the match for youth athletic fields by \$150,000. This will support completion of Frank Quilici Field at Shingle Creek Park, irrigation at Jackson Square Park, and completion of the grant supported athletic fields in 2010. A fall project to renovate the exterior of the clubhouse at Gross Golf Course is also included in the 2010 enterprise capital funding. The project estimate is \$100,000.



Internal Service Fund

Fund Description

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

Revenues

	2009			2010			
	Actual		Percent Recognized	Current Budget	Actual As of 6/30	Percent Recognized	Projected Year-End
	Year-End	As of 6/30					
Equipment	\$4,153,574	\$1,984,632	47.80%	\$4,148,461	\$1,985,064	47.90%	\$4,070,128
ITS	949,955	471,653	49.70%	920,847	471,373	51.20%	920,000
Self Insurance	2,775,440	1,387,720	50.00%	2,659,283	1,274,236	47.90%	2,548,472
Total Revenues	\$7,878,969	\$3,844,005	48.80%	\$7,728,591	\$3,730,673	48.30%	\$7,538,600

Expenses

	2009			2010			
	Actual		Percent Expended	Current Budget	Actual As of 6/30	Percent Expended	Projected Year-End
	Year-End	As of 6/30					
Equipment	3,874,009	1,802,023	46.50%	4,420,159	1,843,308	41.70%	4,400,000
ITS	927,192	387,981	41.80%	915,943	572,292	62.50%	954,000
Self Insurance	1,935,977	623,079	32.20%	2,659,283	869,621	32.70%	2,400,000
Total Expenses	\$6,737,178	\$2,813,083	41.80%	\$7,995,385	\$3,285,221	41.10%	\$7,754,000

Equipment

Equipment rental is charged to Park Board departments for use of Park Board owned equipment. Equipment revenue is flat compared to the same period in 2009 due to rental rates not increasing in 2010. Expenses are up 2.3 percent compared to 2009. Equipment purchases are planned for the second half of the year that will necessitate the use of Equipment reserves of approximately \$330,000. This was planned for in the 2010 budget and will leave an Equipment reserve balance of approximately \$700,000.

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 and operating expenses are expected to end the year at budget. ITS will be using \$34,000 of reserves to fund the deployment of a new internet protocol (IP) phone system at parks throughout the system. This upgrade is in conjunction with the network service upgrade and three year contract with US Internet approved by the Board on August 19, 2009. This capital investment will yield operating savings by replacing existing phone lines.

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 be under budget in 2010 due to budget reductions in the general fund.

Expenses are also projected to be under budget; however they are dependent on the number and amount of claims settled during the second half of the year.



Internal Service Fund Reserve

Planned spending in the Equipment and Information Technology Services areas reduces Internal Service Fund Reserves by \$215,400 for a projected year-end balance of \$1.2 million.

2010 Projected Internal Service Fund Reserve Balance

Reserve Balance January 1, 2010	\$1,400,689
Revenues below expenditures	<u>(215,400)</u>
Projected Reserve Balance December 31, 2010	\$1,185,289



2010 Budget Strategy Initiatives Second Quarter Report

The Minneapolis Park and Recreation Board 2010 Annual Budget includes six budget strategies. The 2010 Annual Budget included initiatives related to these strategies. This report details the progress on the initiatives through the second quarter of 2010. The strategies and initiatives are written as they appear in the 2010 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 2010 Annual Budget see the website at www.minneapolisparcs.org.

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

2010 Initiatives

Event Staffing and Event Funding

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

Second Quarter Report: The event staff positions are now working in an events group in the Enterprise Fund. The resources to support the Juneteenth Event, recognition programs, and Safety Camp have been transferred to the event sponsors for 2010. These programs had previously been supported by the General Fund.

Bike Tour

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

Second Quarter Report: Current Bike Tour registrations are at 285, compared to 121 at the same point last year, with a goal of 5,000 riders.

Parking System Improvements

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

Second Quarter Report: Parking system improvements continue to be implemented. Underperforming Pay and Display parking meters have been relocated to new locations, and a new vendor has been hired at a reduced rate to maintain and collect monies. Renewal notices were sent to annual parking pass holders, new parking meters were installed along Minnehaha Avenue, and event parking has been expanded to include area wide events such as the Basilica Block Party and the Pride Festival. The financial impact of these changes will be available at the end of the third quarter.



Off Leash Dog Permits

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

Second Quarter Report: The Park Board began issuing off-leash dog permits at the beginning of 2010. In the first half of 2010 the Customer Service Department issued 5,068 off-leash permits, generating revenue of \$191,656. Minneapolis Animal Care and Control (MACC) has sold 375 off-leash permits on the Park Board's behalf to its walk-up customers to provide a one stop shop and a more positive customer experience.

The Park Board online permitting system has provided a user friendly method of acquiring the permits. The online system provides for an immediate temporary permit to be printed, while the actual permit order is fulfilled the next business day. Permits are now issued on a twelve month permit cycle to better align with other Park Board permit cycles.

Off Leash Enforcement

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

Second Quarter Report: The MPRB began enforcement of the off-leash recreation areas on April 12, 2010. To date, 465 tickets have been issued, with 308 converted to off-leash permits.

Ongoing Initiatives

Constitutional Amendment for Outdoors, Parks & Arts

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

Second Quarter Report: The Park Board has been awarded funds for projects at Lake Harriet Regional Park Playground, Boom Island, Wirth Beach and Picnic Area, and for bike and pedestrian trails creating access to Brownie Lake. The total funding for these projects is \$3.2 million.

Park Dedication Ordinance

The Minnesota State Legislature approved legislation that allows the City of Minneapolis and the Park Board to adopt a joint park dedication ordinance that would assess a fee on new residential and commercial industrial development to support park rehabilitation, renovation and expansion within a nexus of the new development.

Second Quarter Report: The park dedication ordinance had its second and final reading at the July 7 MPRB meeting. The City is now in the process of approving an identical ordinance. The ordinance is required to go back to the State Legislature to make changes to allow a flat fee and to have the dedication implemented through the building permit process.



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

2010 Initiatives

Adjusting to Reduced Resources

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

Second Quarter Report: Park Board resources were further reduced by the State Legislature and Governor this spring by \$1.6 million. The Board approved a modified budget on April 21, including reductions in part-time wages, savings from vacant positions and reductions in operating expenses.

Local Government Aid (LGA) Reliance

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

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

Activity Plans

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

Second Quarter Report: Work continues on field sports and trails activity plans. The field sports plan is estimated to be completed in October, and the trails plan by the end of 2010. Court sports and winter recreation activity plans will be focused on this fall.

Sustainability Initiatives

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

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

Second Quarter Report: The Park Board has entered into a guaranteed savings performance contract with the McKinstry Group to implement energy efficiency improvements at Logan and Lake Nokomis Community Centers and Matthews, McRae and Pershing Recreation Centers. The annual energy savings are estimated at \$23,391.

A solar panel trailer to power Park Board events is being purchased with the \$100,000 Toyota sponsorship funds. It is currently in the bid process stage.

Park Board's Independent Management of Human Resources

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



Second Quarter Report

Park Board Human Resources successfully began administering its Human Resource functions. The Park Board Human Resources Department underwent many hours of training including position classification training provided by the Employers Association, and human resources software application training provided by the City. All Park Board employment files were transferred from the City to the Park Board. This was a cooperative effort with the City of Minneapolis that resulted in efficiencies for the Park Board and the City.

Looking Ahead

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

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

Second Quarter Report: State budget deficits continue to impact the Park Board. Park Board state aids were reduced by \$1.6 million in the first half of 2010 to help balance the current State budget. The State budget situation will impact future Park Board LGA funding, with the deficit for the State's next biennium currently being projected at \$6 billion.

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

2010 Initiatives

Hennepin Youth Sports Grants

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

Second Quarter Report: In the first half of 2010 the Park Board received seven grants from this program totaling \$996,000, and is providing matching funds in the amount of \$255,000 to provide for \$1,251,000 in improvements to neighborhood park youth athletic facilities. In the first half of 2010 work began on projects at Armatage Park, Bottineau Park and Van Cleve Park.

Gang Prevention Federal Grant

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

Second Quarter Report: All program goals for the first half of 2010 have been met. These included hiring two Senior Youth Program Specialists to coordinate the program, developing relationships with community partners and developing program procedures and guidelines. Twenty-eight adult mentors have been vetted and trained, and 45 at-risk youth are in the program.



Ongoing Initiatives

Partners

A policy on corporate sponsorship and promotions will be reviewed by the Board and will assist in continuing to attract new partners and sponsors. The Park Board continues the review of existing partnerships to ensure the park system is receiving the maximum benefit possible.

Second Quarter Report: A Request for Proposals for the beverage contract was issued in the first quarter of 2010 and a contract will be awarded in the third quarter of 2010. The Toyota Sponsorship agreement is up for renewal and staff is attempting to obtain an additional three years of sponsorship in the amount of \$100,000 annually and 10 vehicles for Park Board use. The Lake Harriet Concert sponsorship program is in place and the Park board will receive \$33,000 in 2010.

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

2010 Initiative

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

Second Quarter Report: In April and June, more than 40 groups participated in one-time service projects throughout the park system. This is an average of four projects per week and more than double the number of projects in the same time period last year. These volunteers were part of corporate, school, church or community groups and they completed tasks such as planting and weeding landscape beds, mulching and watering young trees, cutting back overgrown brush, picking up litter, removing invasive plants and re-planting native plants. In addition, the Park Board has received donations of \$12,000 for volunteer project materials and supplies.

In the second quarter of 2010, the first Park Board Volunteer Handbook was developed. The handbook overviews volunteer opportunities, recruitment and recognition initiatives, safety and work rules and relevant policies.



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

2010 Initiative

No Program Fee Increases for Youth and Families

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

Second Quarter Report: Fees for youth and family programs have not increased.

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

Ongoing Initiatives

Staff training and professional development will continue through 2010. In house training will be available in efficient use of technology tools as well as supervisory skills.

Second Quarter Report: In February 2010 supervisors received training on Overtime, the Fair Labor Standards Act (FLSA), and hiring and selection. Human Resources developed and released a new safety training program in May 2010. This program consists of a series of short safety training DVDs and accompanying quizzes which will be available to all staff. A program was developed for child sexual abuse prevention in partnership with Park Board Human Resources, Volunteer Coordination and a consultant with Project Pathfinder. The result of the program was the *Interaction with Youth Code of Conduct*. Recreation employees received training on the new Code of Conduct in February 2010.