Park Board Operating Budget (General Fund)
The Park Board Operating Budget provides resources to fund programs and services to maintain neighborhood parks, natural resources and the urban forest and provide recreational opportunities and park safety. The 2015 Revenue and Expenditure budget is $68.2 million.

Operating Budget Revenues (General Fund)
Property Tax
The Park Board levies a set dollar amount of property taxes each year that is collected from property owners in the City based on the type and value of their property.

Local Government Aid
LGA is funding from the State of Minnesota that cities across the state, including Minneapolis, receive. The City of Minneapolis then transfers a portion of its LGA to the Park Board.

Fees, Fines and Other Revenue
These revenues include items such as recreation center program fees, adult sports, grants, donations, off-leash permits, parking and traffic citations, etc.

Operating Budget Expenditures (General Fund)
Wages and Fringe
The majority of Park Board operating expenditures support full and part-time staff wages and fringe benefits.

Operating
These expenditures include equipment, utilities, contracts and supplies.

Capital
The operating budget transfers funds to capital projects for neighborhood park rehabilitation and improvements.

Park Board Enterprise Fund
The Park Board Enterprise Fund includes business-type activities that are fully supported by revenue from the business activities. Profits from the Enterprise Fund activities are used for capital rehabilitation, construction, improvements or debt service. The 2015 revenue budget is $9.3 million and expense budget $9.1 million

Tree Preservation and Reforestation Fund
The Tree Preservation and Reforestation Fund accounts for a special property tax levy to address threats to the urban forest due to Emerald Ash Borer and tree loss due to storms. The amount of the tax levy in 2015 is $1.5 million, which supports the removal of 5,000 ash trees and planting of replacement trees in 2015.
2015 BUDGET

Pressures on Park Board Operating Budget and Capital Funding

The Park Board has set a target of transferring $5 million annually from the operating budget to fund neighborhood park capital improvements. Due to rising operating expenses and service delivery demands this target has not been reached. In 2015 $2.5 million will be transferred from the operating budget to fund neighborhood park capital improvements.

Revenue Pressures

Local Government Aid

Local Government Aid (LGA) has been an unpredictable funding source. State budget deficits resulted in substantial reductions of local government aid between 2008 and 2011. Actions taken by the State to balance the State budget from 2008 through 2011, resulted in a loss of $8.5 million in certified state aids to the MPRB General Fund. MPRB LGA funding stabilized in 2012, with the certified amount substantially lower than past years.

Property Tax

Park Board Commissioners set an annual tax levy weighing Park Board’s funding needs with citizen’s desires for services and ability to pay, and economic conditions. Over the last ten years the average increase in the Park Board property tax levy was 3.7 percent.

Rising Costs

Over the last ten years Park Board health insurance premiums have increased 68%, energy costs 38% and pension contribution rates 25%. Over this period inflation has only increased by 18%. These costs in excess of inflation have directly reduced the amount of funding available for programs and services.

Operational Gaps

Park attendance, usage, and demand for enhanced programs and services have all been increasing, while at the same time budget reductions were enacted to manage funding shortfalls and rising expenses. These budget reductions have contributed to increased operational and capital funding gaps in the Park system.

From 2003-2012, the workforce was reduced by 136 full-time positions (23 percent); since 2013 the Park Board has been able to add 28 full-time positions back to the workforce.

Below are examples of operational gaps in the park system:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Quantity</th>
<th>Current Service Level</th>
<th>Best Practice/Desired Service Level</th>
<th>Additional Cost for Best Practices/Desired Service Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mowing</td>
<td>2750 acres</td>
<td>14-day cycle</td>
<td>10-day cycle</td>
<td>$875,000</td>
</tr>
<tr>
<td>Trail repair</td>
<td>51 miles</td>
<td>.25 miles/year</td>
<td>1 mile/year</td>
<td>$625,000</td>
</tr>
<tr>
<td>Roof repair</td>
<td>62 roofs</td>
<td>40-50 years</td>
<td>20-25 years</td>
<td>$400,000</td>
</tr>
<tr>
<td>Building maintenance</td>
<td>978,017 sf</td>
<td>4,167 hours</td>
<td>8,500 hours</td>
<td>$194,863</td>
</tr>
</tbody>
</table>