



**Minneapolis**  
**Park & Recreation Board**

[www.minneapolisparcs.org](http://www.minneapolisparcs.org)

# 2020 Budget Retreat

## May 8, 2019

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# General Fund

- **General Fund**

- The General Fund is the MPRB's main operating fund that reports activities not reported in other funds.

- **General Fund Activities**

- Care & Maintenance of the Park System
- Recreation Facility Operations and Programming
- Planning for Development & Redevelopment of the Park System
- Park Safety & Security
- Executive Management
- Support Services

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# Budget History



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# General Fund Revenues

- Property Tax
- Local Government Aid (LGA)
- Other Revenue

# Property Tax

- The Park Board property tax levy has increased an average of 4.2 percent annually for the past ten years, including the Tree Preservation and Reforestation Levy, which was reinstated in 2014, and the 20-Year Neighborhood Park Plan which began in 2017.

**Park Board Property Tax Levy (in millions)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund	\$45.5	\$47.2	\$47.2	\$48.6	\$48.6	\$50.6	\$52.6	\$58.0	\$60.5	\$63.9
Increase	4.3%	3.8%	0.0%	3.0%	0.0%	4.0%	4.0%	10.3%	4.2%	5.8%
Tree Levy					\$1.0	\$1.5	\$1.7	\$1.7	\$1.8	\$1.8
Increase						45.9%	17.4%	0.0%	1.2%	3.0%
<b>Total</b>	<b>\$45.5</b>	<b>\$47.2</b>	<b>\$47.2</b>	<b>\$48.6</b>	<b>\$49.6</b>	<b>\$52.0</b>	<b>\$54.3</b>	<b>\$59.7</b>	<b>\$62.2</b>	<b>\$65.7</b>
Increase \$	\$1.9	\$1.7	\$0.0	\$1.4	\$1.0	\$2.4	\$2.3	\$5.4	\$2.5	\$3.5
Increase %	4.3%	3.8%	0.0%	3.0%	2.1%	4.9%	4.4%	10.0%	4.1%	5.7%

# Property Tax (continued)

- City of Minneapolis property taxes have increased an average of 3.6 percent annually for the past ten years.

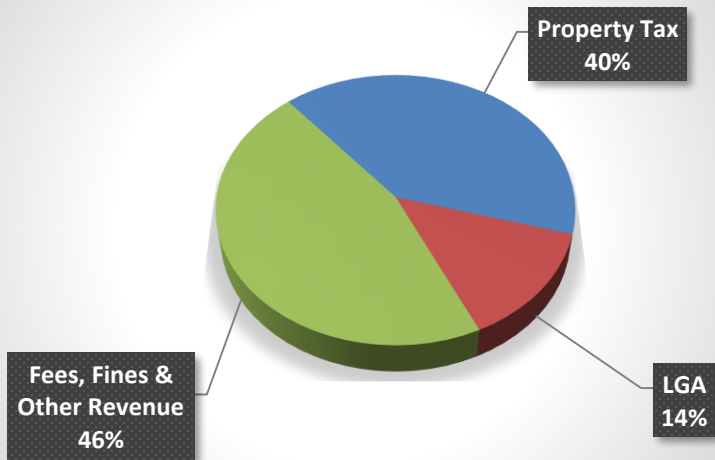
**City of Minneapolis Property Tax Levy (in millions)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Amount	\$210.0	\$220.8	\$220.8	\$224.0	\$220.5	\$224.0	\$231.7	\$242.6	\$256.4	\$271.6
Increase \$	\$17.9	\$10.8	\$0.0	\$3.2	-\$3.5	\$3.5	\$7.7	\$10.9	\$13.8	\$15.2
Increase %	9.3%	5.2%	0.0%	1.5%	-1.6%	1.6%	3.4%	4.7%	5.7%	5.9%

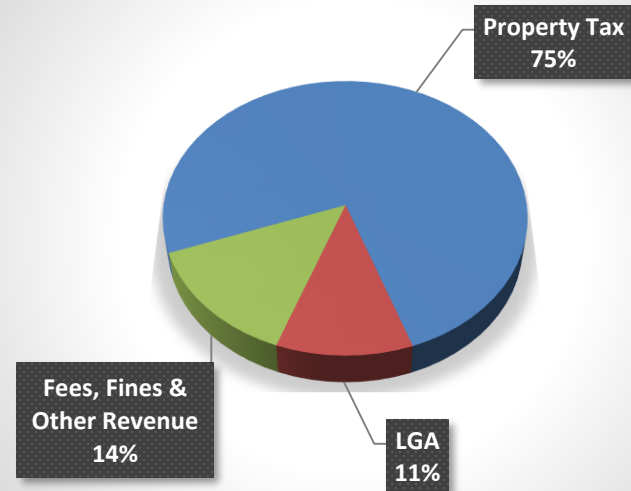
# Property Tax (continued)

- The Park Board is heavily reliant on property taxes, while the City of Minneapolis has more diversified revenue sources, reducing reliance on property taxes.

2019 City of Minneapolis General Fund Revenue by Major Sources

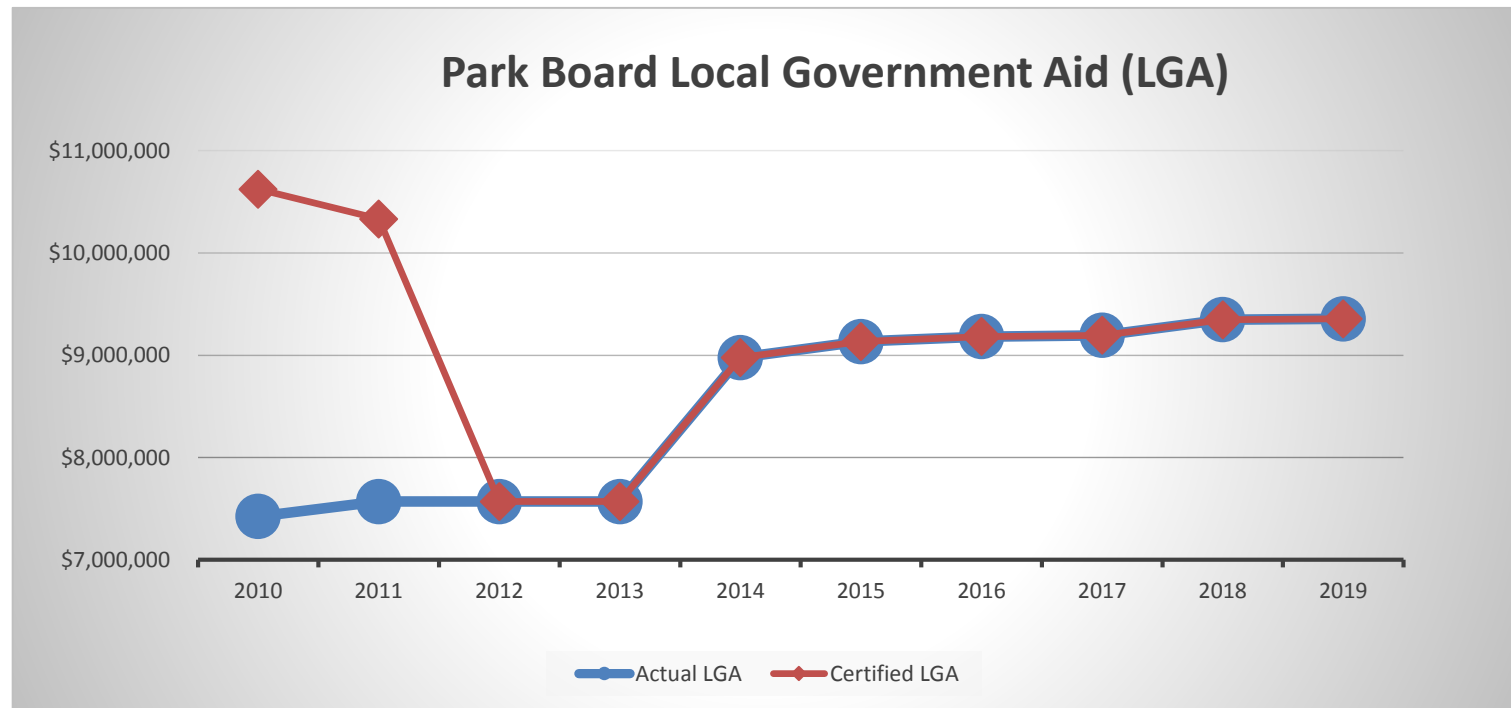


2019 Park Board General Fund Revenue by Major Sources



# Local Government Aid

- Actions to balance the state budget from 2008-2011 resulted in reduced Local Government Aid (LGA) payments to Minnesota cities. The Park Board lost \$8.5 million in LGA due to the reductions over these four years.
- In 2019 Park Board LGA was increased by \$9,000.





# General Fund Other Revenue

- Other revenue includes:
  - License, permit and service fees
  - Grants and donations
  - Building and grounds rentals
  - Fines
  - Overhead Charges, Transfers from other funds, Pension Credits
- In the 2013 budget a number of activities were moved from the enterprise fund to the general fund, resulting in greater fee revenue in the general fund

**General Fund Other Revenue (in millions)**

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 (Budget)
\$5.1	\$5.2	\$5.0	\$9.6	\$8.5	\$9.9	\$9.9	\$10.0	\$10.9	\$11.6

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# General Fund Expenditures

- General Fund Operating Budget History
- Capital Funding
- Full-Time Employees

# General Fund Operating Budget History

- Park Board General Fund operating budget has increased \$25.4 million, or an average of 4.5 percent over ten years.
  - Fee based recreation programs of \$3.5 million moved to the General Fund in 2013.
  - NPP20 operations funding of \$3.0 million was added to the General Fund in 2017.
- Increases in health insurance premiums, pension contribution rates, and utility costs directly reduced the amount of funding available for programs and services. Recent increases in state aid, property tax revenues, and the moderating of health insurance increases has helped improve Park Board finances.

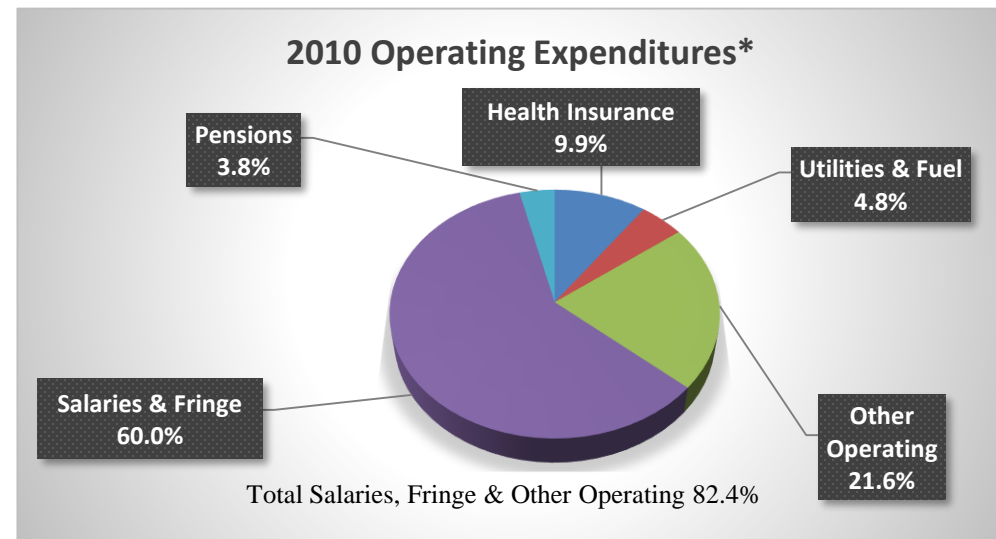
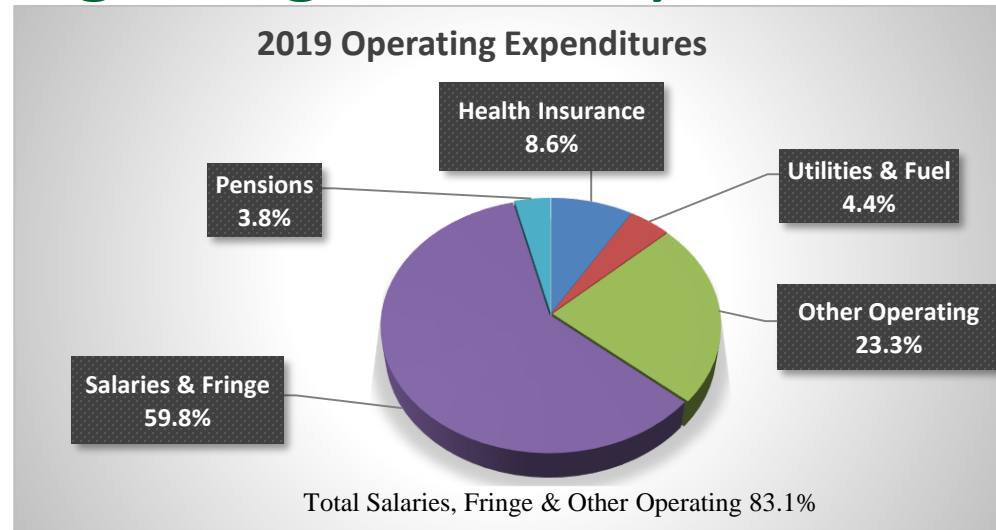
Operating Budget History (in millions)\*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Amount	\$55.9	\$53.8	\$53.8	\$59.5	\$62.5	\$65.7	\$68.4	\$73.8	\$77.7	\$81.3
Increase	0.0%	-3.8%	0.0%	10.6%	5.0%	5.1%	4.1%	7.9%	5.3%	4.6%

\*Does not include tree preservation & reforestation levy

# General Fund Operating Budget History (continued)

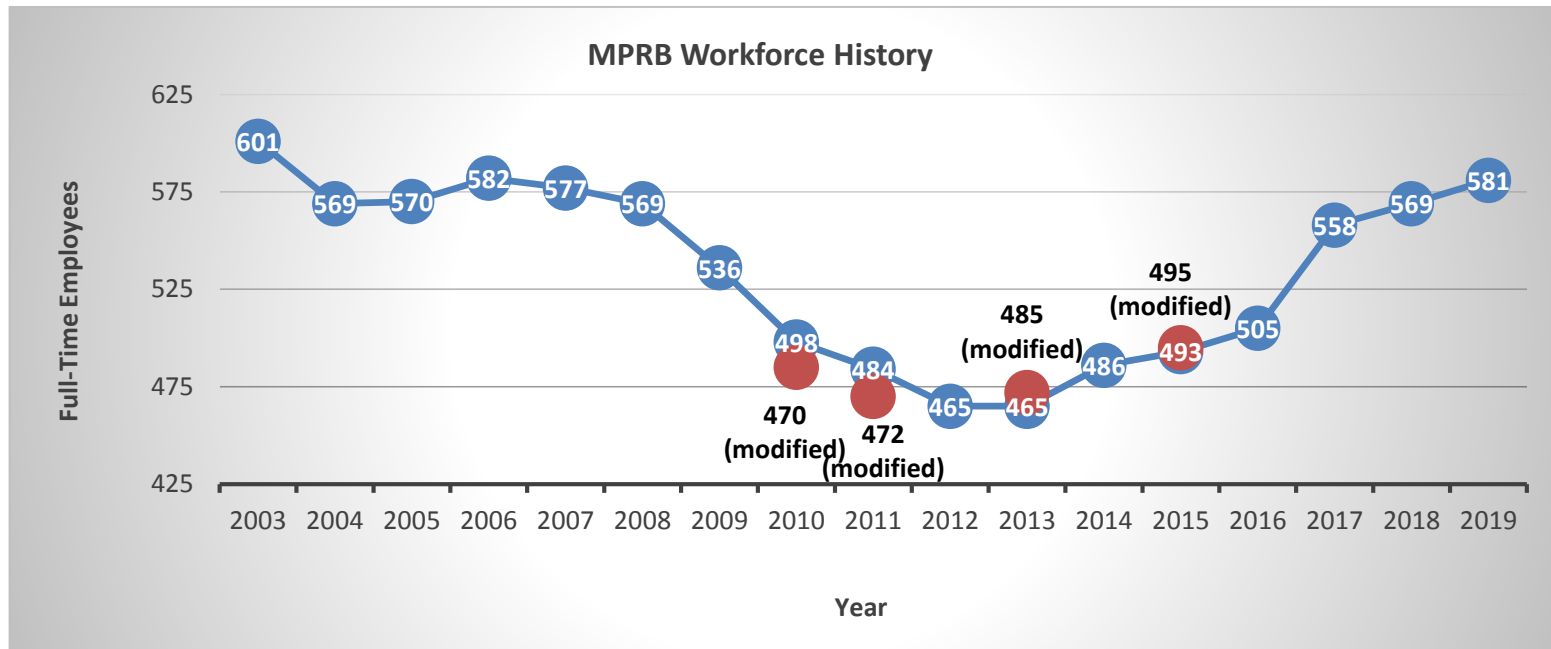
Total salary, fringe and operating funding percentages are similar in 2010 and 2019, however costs for mobile equipment and technology have increased by \$3.0 million as the Park Board has worked to stabilize internal service funds and improve operating efficiencies and service delivery through the use of technology.



\*includes the same activities as 2019 Operating Expenditures

# Full-Time Employees (all funds)

- 117 full-time positions, 20 percent of the workforce was eliminated between 2006 - 2012
- Since 2012, the workforce has been increased by 116 full-time positions, including 45 positions from NPP20.



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# Budget Outlook



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# State Legislative Update

- The State Legislature is currently in session, with the session set to end May 20. The current status of laws affecting the Park Board Funding include
  - Local Government Aid (LGA) – The Governor’s budget proposes a \$30 million increase to LGA funding. If the legislature adopts this proposal the Park Board would receive an annual increase of \$318,000 in LGA.
  - PERA state aid will end in 2019 unless legislation is passed to extend the program. The Park Board receives \$73,000 in PERA state aid annually. The House Tax omnibus bill includes an extension of the program.
  - The Governor has recommended \$10 million in state funding for MERF employers. If passed, this funding would reduce pressure on City of Minneapolis property taxes, and reduce MERF expenses in the Park Board enterprise and internal service funds.

# City Update

- Legislation passed in 2017 eliminated \$10,000,000 per year in state funding for the Minneapolis Employees Retirement Fund. The Park Board's share of the \$10,000,000 is paid through the City property tax levy and an increased contribution from the Enterprise & Internal Service funds. If the state funding is restored Enterprise & Internal Service fund expenses will decrease by approximately \$65,000.
- The City of Minneapolis five-year financial direction calls for Park Board property tax levy increases of four percent from 2020 through 2024, and Total City of Minneapolis property tax levy increases of 6.05% in 2020, 7.36% in 2021, 5.55% in 2022, 4.72% in 2023 and 3.98% in 2024.
- On January 1, 2018 the City implemented a single-employer, self-insured medical plan. The plan provides the opportunity for potential cost savings through reduced state and federal taxes and administrative fees and greater control over annual increases. The City of Minneapolis is assuming health insurance costs will increase 7% in 2020 and 5% per year thereafter.



# City Update - Minimum Wage

- The City of Minneapolis minimum wage ordinance went into effect January 1, 2018. The Park Board follows the Large Business minimum wage amounts.
- The minimum wage impacts on the Park Board budget are shown below. These amounts are built into the five-year budget projections.

## Minimum Wage Impacts

Year	Date	Wage	General Fund	Enterprise Fund
2018	1/1/2018	\$10.00	\$6,727	\$24,276
2018	7/1/2018	\$11.25	\$180,089	\$40,844
2019	7/1/2019	\$12.25	\$376,152	\$82,548
2020	7/1/2020	\$13.25	\$415,118	\$85,094
2021	7/1/2021	\$14.25	\$446,582	\$86,954
2022	7/1/2022	\$15.00	\$436,625	\$76,385
2023	full year	\$15/hour	\$202,372	\$32,821
Total			\$2,063,663	\$428,920

# General Fund Five-Year Projections

General Fund Property Tax Levy Increase		8.01%	5.54%	5.10%	4.58%	4.16%
	Adopted	Est	Est	Est	Est	Est
	Budget	Budget	Budget	Budget	Budget	Budget
	2019	2020	2021	2022	2023	2024
Property Taxes	63,295,650	68,365,440	72,152,885	75,832,683	79,305,819	82,604,941
Local Government Aid	9,355,257	9,355,257	9,355,257	9,355,257	9,355,257	9,355,257
Fees, Fines and Other Revenues	11,632,994	11,432,994	11,432,994	11,282,994	11,282,994	11,282,994
<b>Total Revenue</b>	<b>84,283,901</b>	<b>89,153,691</b>	<b>92,941,136</b>	<b>96,470,934</b>	<b>99,944,070</b>	<b>103,243,192</b>
Full-Time Wages & Fringe	41,892,726	44,514,235	46,273,627	48,058,204	49,969,210	51,868,132
Part-Time Wages & Fringe	9,847,601	10,510,724	11,167,521	11,827,453	12,267,374	12,512,721
Health Insurance	7,002,562	7,492,741	7,867,378	8,260,747	8,673,785	9,107,474
Other Expenditures	22,546,012	23,540,991	24,537,610	25,229,529	25,938,701	26,659,864
<b>Operating Costs</b>	<b>81,288,901</b>	<b>86,058,691</b>	<b>89,846,136</b>	<b>93,375,933</b>	<b>96,849,070</b>	<b>100,148,192</b>
Neighborhood Park Capital Levy	2,180,000	2,180,000	2,180,000	2,180,000	2,180,000	2,180,000
Operations Facilities	500,000	500,000	500,000	500,000	500,000	500,000
Regional Park Transfer		100,000	100,000	100,000	100,000	100,000
Park Land Acquisition Reserve	315,000	315,000	315,000	315,000	315,000	315,000
<b>Total Expense</b>	<b>84,283,901</b>	<b>89,153,691</b>	<b>92,941,136</b>	<b>96,470,933</b>	<b>99,944,070</b>	<b>103,243,192</b>
<b>Estimated Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*Does not include tree preservation & reforestation levy

# MPRB Property Tax Levy

<b>Minneapolis Park &amp; Recreation Board Total Certified Property Tax Levy</b>				
<b>Current Service Level Increase</b>				
	2019 Adopted	2020 Projected	Change	% Change
Minneapolis Park Board	63,935,000	69,056,000	5,121,000	8.0%
Tree Preservation & Reforestation	1,805,000	1,878,000	73,000	4.0%
Park Board Total	65,740,000	70,934,000	5,194,000	7.9%

- The \$5.1 million, 7.9% increase in Park Board property taxes is a 1.5% increase on total City of Minneapolis property taxes.
- Every 1 percent increase in Park Board Property Taxes generates \$650,800 for the Park Board, and increases the average homeowners (\$266,000 median value) property taxes by approximately \$2.80 per year.

# General Fund Budget 2020

2020 MPRB Property Tax Increase	Property Tax Revenue	Property Tax Increase
<b>Projected during 2018</b>	<b>\$2,585,901</b>	<b>4.09%</b>
Union contract settlement costs over provision for wage adjustment	\$691,142	
Impact of positions added during the 2019 budget process	\$125,535	
Health insurance increases 7% instead of 5%	\$140,051	
Other expense increases over inflation	\$129,692	
Revenue reduction based on historical actuals	\$200,000	
	<b>\$3,872,321</b>	<b>6.12%</b>
Park acquisition and development operating costs	\$180,990	
Park system improvements and expansion operating costs	\$125,996	
Commons Park (Estimated)	\$790,483	
Regional Park Transfer (Webber Pool deficit)	\$100,000	
	<b>\$5,069,790</b>	<b>8.01%</b>
PERA Aid ends (Revenue Reduction) (Dependent on State Budget)	\$73,290	
LGA Increase (Revenue Increase)(Dependent on State Budget)	-\$318,000	
	<b>\$4,825,080</b>	<b>7.62%</b>

\*Does not include tree preservation & reforestation levy

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# Special Revenue Funds



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# Special Revenue Funds

## **Special Revenue Funds**

Special Revenue Funds are established to account for resources designated for specific purposes.

### **Park Grant and Dedicated Revenue Fund**

This fund accounts for grants and other revenue that has been designated for specific purposes through grantor requirements, donor requests, Ordinance or Board direction.

### **Park Grant and Dedicated Revenue Fund Activities**

- Grants and donations for non-capital activities
- Self-supporting community events
- Park land acquisition reserve
- O&M lottery proceeds reserve
- Park dedication reserve

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# Special Revenue Funds (Continued)

## **Tree Preservation & Reforestation Fund**

This fund accounts for a special property tax levy recommended by the Board to address threats to the urban forest due to Emerald Ash Borer and tree loss due to storms.

## **Tree Preservation & Reforestation Fund Activities**

- Tree Removal
- Stump Grinding
- Tree Planting

# Park Grant & Dedicated Revenue Fund

- Teen Teamworks, recreation center, and youth sports grant funded activities
- Self-supporting community events such as the Bike Tour and Minneapolis Red, White & Boom
- Park Land Acquisition Reserve, which is a Board designated fund where revenue received from land sales and other sources are earmarked for land acquisition
- O&M Lottery and Park Dedication are held until allocated through the Capital Improvement Plan process.

	Budget	Estimate	Estimate	Estimate	Estimate	Estimate
Grant & Dedicated Revenue	2019	2020	2021	2022	2023	2024
Revenue	1,367,600	1,367,600	1,367,600	1,367,600	1,367,600	1,367,600
Expense	1,367,600	1,367,600	1,367,600	1,367,600	1,367,600	1,367,600
Net Income	-	-	-	-	-	-

- The Park Grant & Dedicated Revenue Fund budget is adjusted throughout the year as grants, donations and land sale revenue is received.



# Park Dedication

- Minnesota State Legislature and concurrent City and MPRB Ordinances established the Park Dedication Fee and the MPRB has been collecting the fee since January 1, 2014.
- Park dedication fees are assessed on any non-exempt development within Minneapolis and are designed to enhance the park system for new residents or employees moving into the city.
- Current Rates effective 4/1/2018, Commercial rate is \$210.00 per development employee and the residential rate is \$1,576.20 per non-exempt unit.

	2014	2015	2016	2017	2018	2019 ( 3/31/19)
Beginning Balance	0	209,800	1,709,162	6,192,101	8,228,450	13,538,147
Revenue	209,800	1,499,362	4,482,939	3,014,659	5,756,294	1,647,669
Expense/Allocated	0			978,310	446,597	2,980,476
Ending Balance	209,800	1,709,162	6,192,101	8,228,450	13,538,147	12,205,340

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# Tree Preservation & Reforestation Fund

- The Forestry Department manages the Tree Preservation & Reforestation program (Tree Levy) that is funded through a special property tax levy. The program was instituted in 2014 and was designed to remove and replace 40,000 ash trees over eight years.
- The Tree Levy began in 2014 with funding of \$1.2 million, which funded the replanting of trees lost in the 2011 North Minneapolis tornado and the 2013 Minneapolis wind storm, and began the removal of ash trees. From 2015-2019 the Tree Levy increased to its current level of \$1.8 million, funding the removal and replacement of ash trees.

# Tree Preservation & Reforestation Fund

- The 2019 Tree Levy includes the removal and replacement of 4,735 ash trees.
- Any unspent funds at the end of the year are designated for tree preservation & reforestation purposes. Those funds are shown in future years as Use of Fund Balance.

Property Tax Levy Increase	3.0%	4.0%	-27.2%	-100.0%
	Adopted	Estimated	Estimated	Estimated
	Budget	Budget	Budget	Budget
<u>Revenue</u>	2019	2020	2021	2022
Property Taxes	1,786,950	1,859,220	1,353,969	0
Use of Fund Balance	20,000	0	50,000	0
<b>Total</b>	<b>1,806,950</b>	<b>1,859,220</b>	<b>1,403,969</b>	<b>0</b>
<u>Expenditures</u>				
Full-Time Wages & Fringe	478,987	502,936	348,024	-
Health Insurance	79,000	84,530	58,757	-
Other Expenditures	1,248,963	1,271,753	997,188	-
Capital Costs	-	-	-	-
<b>Total</b>	<b>1,806,950</b>	<b>1,859,220</b>	<b>1,403,969</b>	<b>0</b>

- The property tax levy supporting the fund ends in 2022. The Board will need a strategy for the future of the funds and/or program.

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# Internal Service Funds



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# Internal Service Funds

## **Internal Service Funds**

Internal service funds are used to provide goods and/or services internally within the MPRB organization. Internal service funds are designed to operate on a break-even basis for operations, while accruing additional funds to finance future capital costs.

### **Park Internal Services Fund**

This fund accounts for the rental of equipment and the information technology services provided to other MPRB Funds.

### **Park Internal Services Fund Activities**

- Equipment Purchasing, Maintenance and Disposal
- Service and Support for all MPRB Technology

### **Park Self-Insurance Fund**

This fund accounts for the insurance activities of the MPRB. These activities include workers compensation, property insurance, general liability, automotive liability and police professional liability.

### **Park Self Insurance Fund Activities**

- Administration of MPRB Insurance Activities
  - Maintenance of Insurance Reserves and Payment of Claims
-

## Park Internal Services Fund – Information Technology Services

- Information Technology Services (ITS) provides service and support for all MPRB technology initiatives including computer hardware, software, network and connectivity, wireless access, servers, telephony, mobile devices, multifunctional printing devices, and multimedia equipment.
- ITS Budget History:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	920,847	898,586	1,099,890	1,234,080	1,532,685	1,551,080	1,718,122	1,789,672	2,012,767	2,288,893
Expense	920,847	898,586	1,303,476	1,233,998	1,489,336	1,551,080	1,658,122	1,779,672	2,012,767	2,288,893
Net	0	0	(203,586)	82	43,349	0	60,000	10,000	0	0

- The Park Board has increased its investment in technology over the past 10 years, including upgrades in point-of-sale systems, mobile devices, wireless access, network infrastructure & redundancy, and asset management system. An increasing workforce has also required additional technology.
- This investment has not begun to address technology in recreation centers or other public facing needs.

## Park Internal Services Fund – Information Technology Services

- The 2020 ITS budget projection includes the current service level, plus scheduled hardware replacement and network upgrades.

		Budget	Estimate	Estimate	Estimate	Estimate	Estimate
		2019	2020	2021	2022	2023	2024
Information Technology Services							
	Revenue	2,288,893	2,352,103	2,418,150	2,486,226	2,556,399	2,628,740
	Expense	2,288,893	2,352,103	2,418,150	2,486,226	2,556,399	2,628,740
	Net Income	-	-	-	-	-	-

- ITS maintains a reserve fund for technology capital and software replacement and one-time needs. At the end of 2018 the balance was \$654,000. This balance will be used to smooth out large fluctuations in ITS funding needs when large technology investments are required.

## Park Internal Services Fund – Equipment Services

- The Equipment Services Unit manages the acquisition, maintenance and disposal of approximately 1,700 units of large and small equipment; primarily the MPRB’s fleet of vehicles, including small and large trucks, plows, police vehicles, weed harvesters, tractors, along with a variety of off-road equipment and specialized mowers.
- Equipment Services Budget History:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	4,148,461	4,417,649	4,094,401	4,137,903	4,477,497	5,018,233	5,275,504	5,764,389	5,626,856	5,795,976
Expense	4,435,913	4,417,649	3,932,772	4,245,142	4,473,998	5,018,233	5,255,504	6,336,088	5,751,856	6,089,125
Net	(287,452)	0	161,629	(107,239)	3,499	0	20,000	(571,699)	(125,000)	(293,149)

- Since 2012 the Park Board has increased investment in equipment to modernize its fleet, enhancing operating efficiencies. It also increased equipment rates charged to departments to cover the actual costs of operating and replacing equipment. Equipment rates had been artificially held down as a budget reduction method.



## Park Internal Services Fund – Equipment Services

- The 2020 Equipment Services budget projection includes the current service level operating expenses and the scheduled equipment replacement.

		Budget	Estimate	Estimate	Estimate	Estimate	Estimate
Equipment Services		2019	2020	2021	2022	2023	2024
	Revenue	5,795,976	5,935,259	6,379,990	6,535,507	6,695,069	6,858,792
	Expense	6,089,125	6,228,408	6,379,990	6,535,507	6,695,069	6,858,792
	Net Income	(293,149)	(293,149)	-	-	-	-

- Equipment Services maintains a reserve fund for replacement of equipment. At the end of 2018 the balance was \$4,637,649. This balance is sufficient as a reserve for capital replacement needs, and will be reduced by spending in 2019 and 2020. In 2017 equipment purchases were limited due to issues with the state equipment purchasing contract, which increased the fund balance.

# Park Self-Insurance Fund

- The Self Insurance Fund covers liability for the activities the MPRB has chosen to insure. These activities include workers compensation, property loss, general liability, automotive liability and police professional liability.
- Self-Insurance Budget History:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	2,659,283	2,659,283	2,028,027	1,975,221	2,015,656	2,341,582	2,163,359	2,197,208	2,176,361	2,172,586
Expense	2,659,283	2,659,283	2,028,027	1,975,221	2,015,656	2,087,802	2,163,359	2,197,208	2,176,361	2,172,586
Net	0	0	0	0	0	253,780	0	0	0	0

- The majority of the Self-Insurance budget funds workers compensation claims. The Park Board has been working to increase workplace safety through better use of equipment and better work practices, decreasing the amount of claims since 2010.

# Park Self-Insurance Fund

- The 2020 Self-Insurance budget projection includes the current service level operating expenses.

		Budget	Estimate	Estimate	Estimate	Estimate	Estimate
		2019	2020	2021	2022	2023	2024
Self-Insurance							
	Revenue	2,172,586	2,182,502	2,227,520	2,273,479	2,320,400	2,368,303
	Expense	2,172,586	2,182,502	2,227,520	2,273,479	2,320,400	2,368,303
	Net Income	-	-	-	-	-	-

- Park Self-Insurance fund maintains a reserve fund for actuarial determined Workers' Compensation and General Liability Claims payables. At the end of 2018 the balance was \$8.5 million. This balance is sufficient as a reserve with the liabilities considered fully funded.

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# Enterprise Fund



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# Enterprise Fund

## **Enterprise Fund**

The Enterprise Fund is established to account for government activities that operate as a business. Enterprise activities are meant to be self-supporting and include operations, capital improvements and debt service. Enterprise fund activities DO NOT receive property tax support.

### **Enterprise Fund Activities**

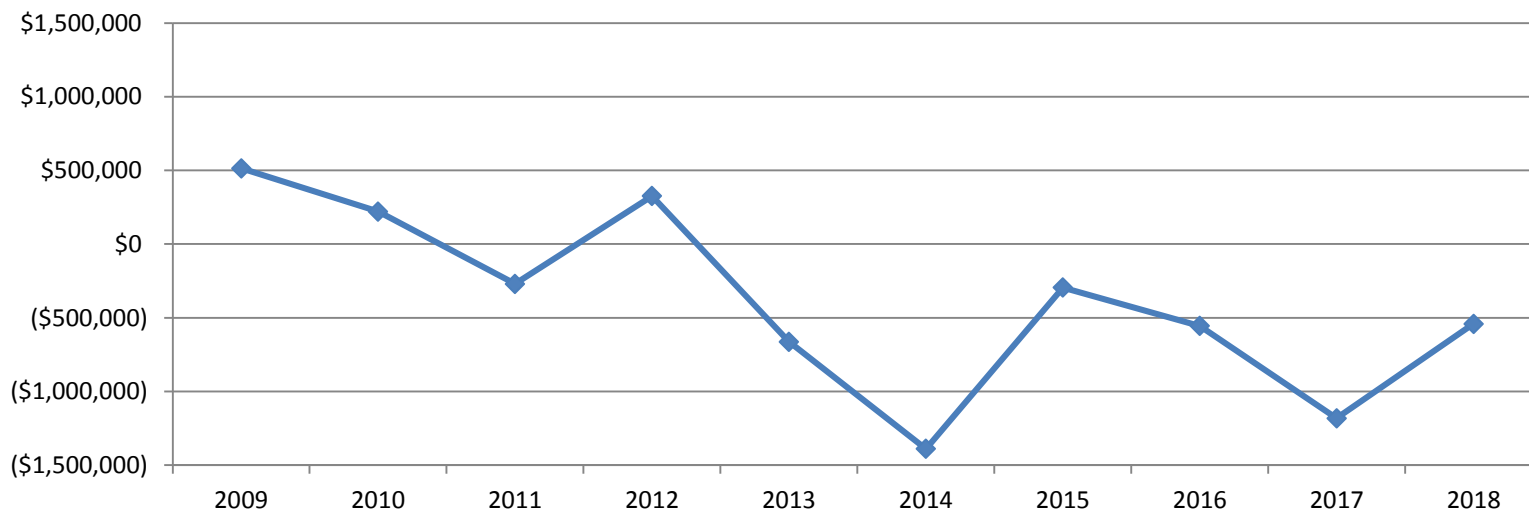
- Golf
- Parking
- Concessions
- Ice Arenas
- Permits
- Sculpture Garden

A ten-year history of Enterprise Fund actual revenues, expenses and net income is presented for each of the activities. From 2010 to 2013 activities that were identified as unable to be self-supporting were removed from the enterprise fund. A brief description and history of those activities is included as well.

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# Golf Operations

## Golf Net Income

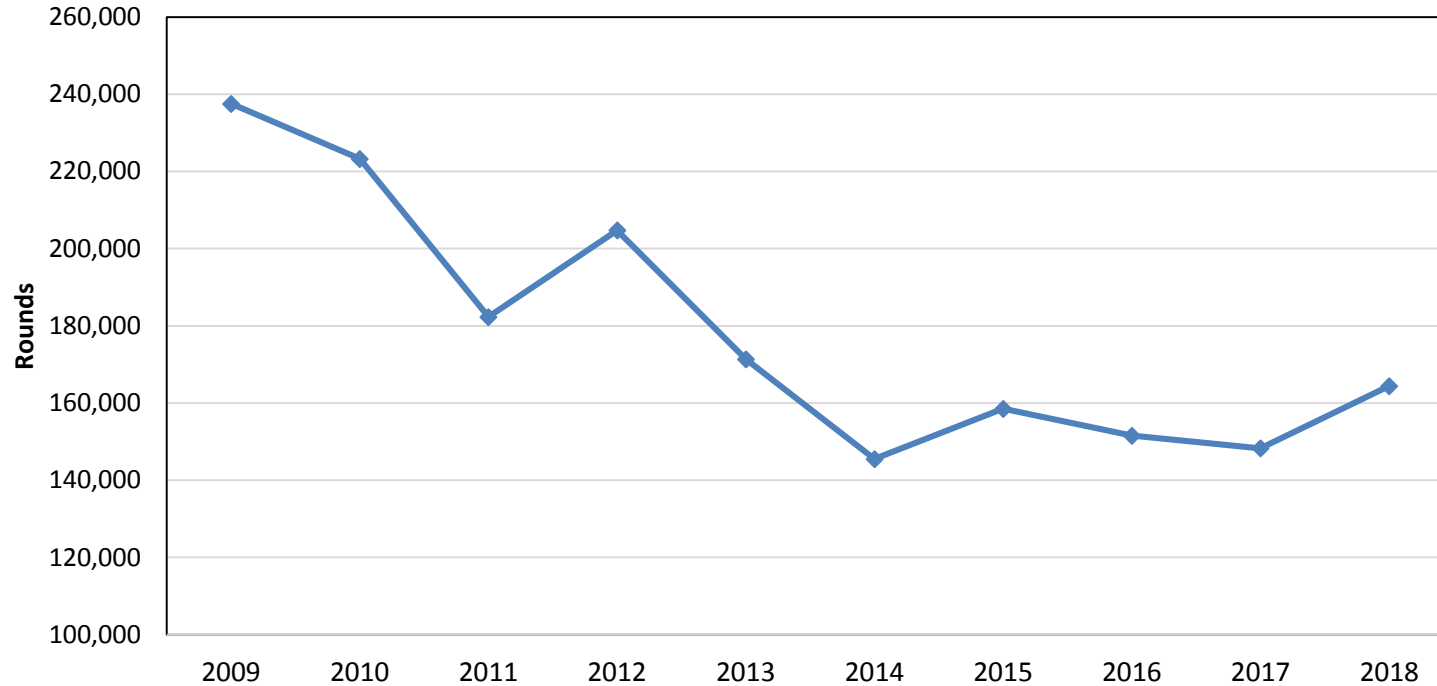


- Golf average annual net income 1998-2008 was \$1.1 million
- Golf average annual net income 2009-2018 was (\$383,328) due to weak demand and course flooding

Golf	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues	\$6,538,922	\$6,093,993	\$5,454,346	\$6,169,519	\$5,185,719	\$4,551,087	\$4,786,526	\$4,967,999	\$4,753,724	\$5,701,352
Expenses	6,024,692	5,873,058	5,724,667	5,842,892	5,848,923	5,939,553	5,081,284	5,522,824	5,935,816	6,242,761
<b>Net Income</b>	<b>\$514,230</b>	<b>\$220,935</b>	<b>(\$270,321)</b>	<b>\$326,627</b>	<b>(\$663,204)</b>	<b>(\$1,388,466)</b>	<b>(\$294,758)</b>	<b>(\$554,825)</b>	<b>(\$1,182,092)</b>	<b>(\$541,409)</b>

# Golf Operations

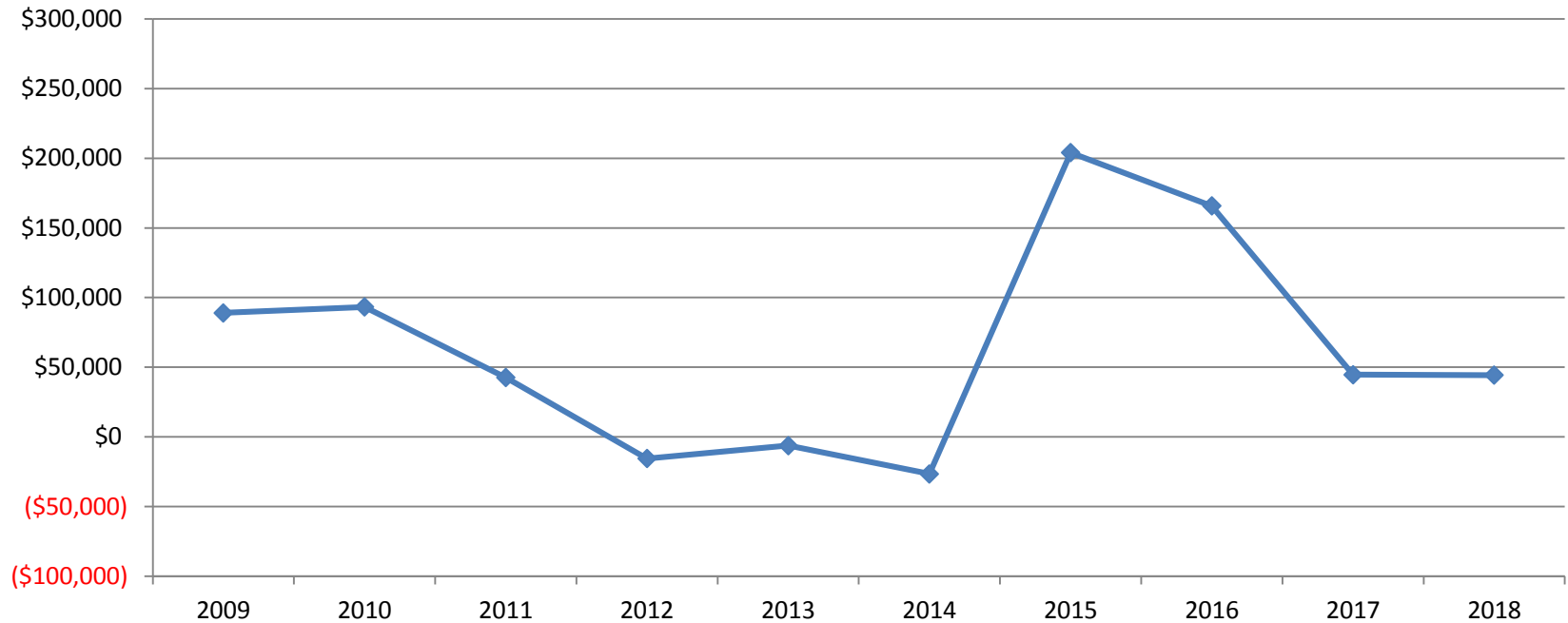
## Golf Rounds Played



- Average annual rounds of golf from 2009-2018 was 178,756
- Average annual rounds of golf from 1998-2008 was 274,231

# Ice Arenas

## Ice Arenas Net Income



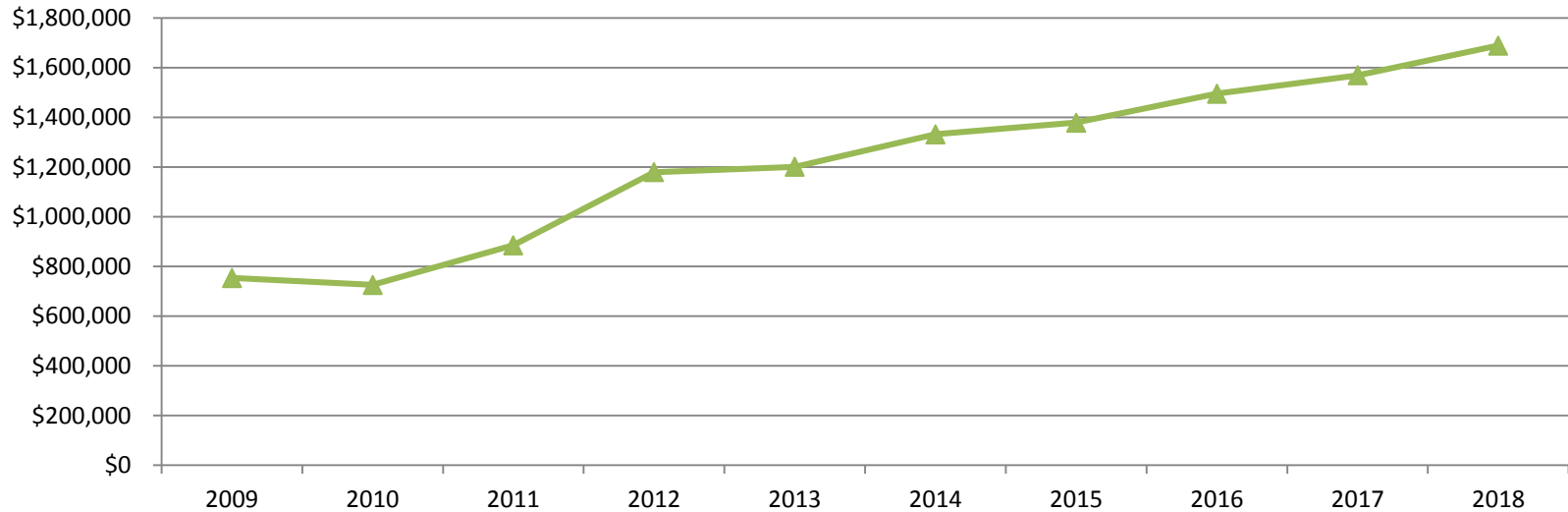
Ice Arenas	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues	\$828,375	\$848,823	\$812,083	\$819,627	\$740,542	\$794,535	\$991,155	\$962,691	\$922,733	\$1,373,133
Expenses	739,378	755,547	769,483	835,173	746,799	821,194	787,045	796,841	878,111	1,328,855
<b>Net Income</b>	<b>\$88,997</b>	<b>\$93,276</b>	<b>\$42,600</b>	<b>(\$15,546)</b>	<b>(\$6,257)</b>	<b>(\$26,659)</b>	<b>\$204,110</b>	<b>\$165,850</b>	<b>\$44,622</b>	<b>\$44,278</b>

- The Park Board pays debt service for the 2006 purchase of Northeast Ice Arena, and the 2013-14 renovation of Parade Ice Arena



# Customer Service - Parking

## Parking Net Income

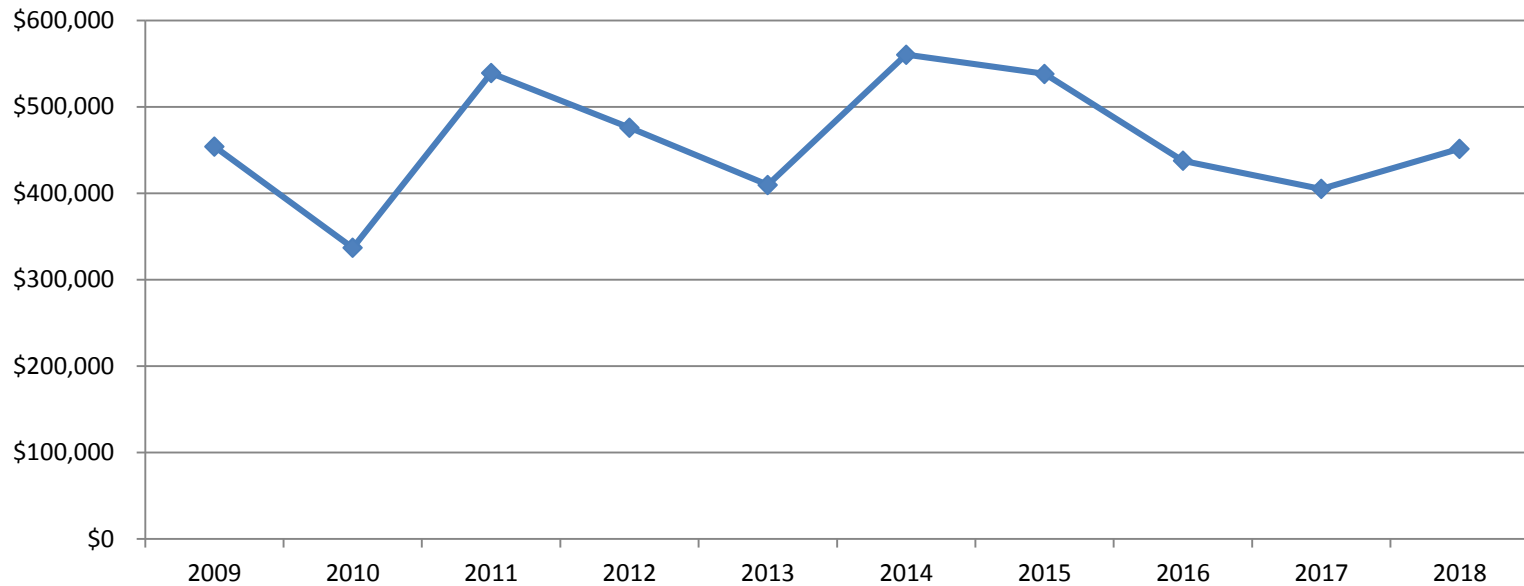


Parking	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues	\$872,142	\$900,037	\$1,102,989	\$1,397,382	\$1,443,931	\$1,614,123	\$1,740,615	\$1,960,007	\$2,049,985	\$2,245,320
Expenses	118,948	174,176	218,042	218,329	242,897	282,639	361,870	465,207	481,195	556,598
<b>Net Income</b>	<b>\$753,194</b>	<b>\$725,861</b>	<b>\$884,947</b>	<b>\$1,179,053</b>	<b>\$1,201,034</b>	<b>\$1,331,484</b>	<b>\$1,378,745</b>	<b>\$1,494,800</b>	<b>\$1,568,790</b>	<b>\$1,688,722</b>

- In 2011 & 2012 electronic pay stations were installed
- Parking has continued to expand pay locations and rates as warranted by the market

# Customer Service - Permits

## Use & Events Permitting Net Income

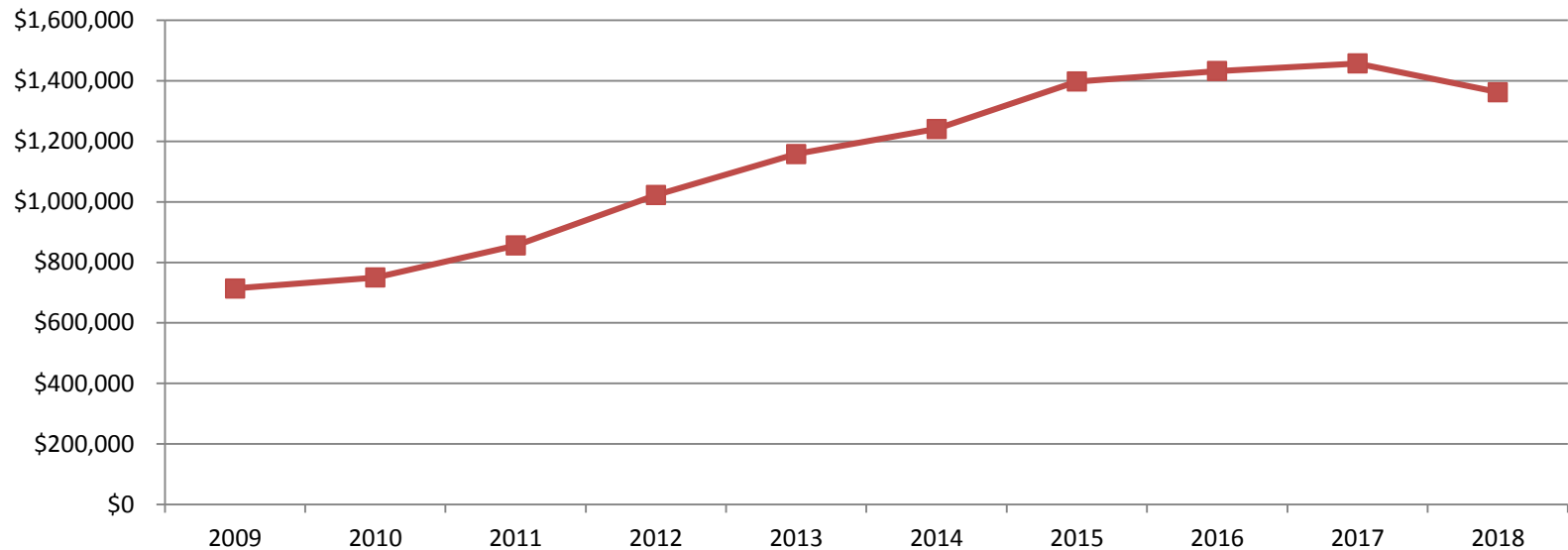


<b>U&amp;E Permitting</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Revenues	\$1,076,883	\$1,232,682	\$1,262,262	\$1,094,972	\$957,069	\$1,079,594	\$1,120,280	\$1,123,695	\$1,059,852	\$1,179,176
Expenses	622,842	895,676	723,241	618,993	547,316	519,277	582,052	686,119	654,709	727,653
<b>Net Income</b>	<b>\$454,041</b>	<b>\$337,006</b>	<b>\$539,021</b>	<b>\$475,979</b>	<b>\$409,753</b>	<b>\$560,317</b>	<b>\$538,228</b>	<b>\$437,576</b>	<b>\$405,143</b>	<b>\$451,523</b>

- Limited use policy has reduced the number of events permitted since 2011

# Customer Service - Concessions

## Concessions Net Income

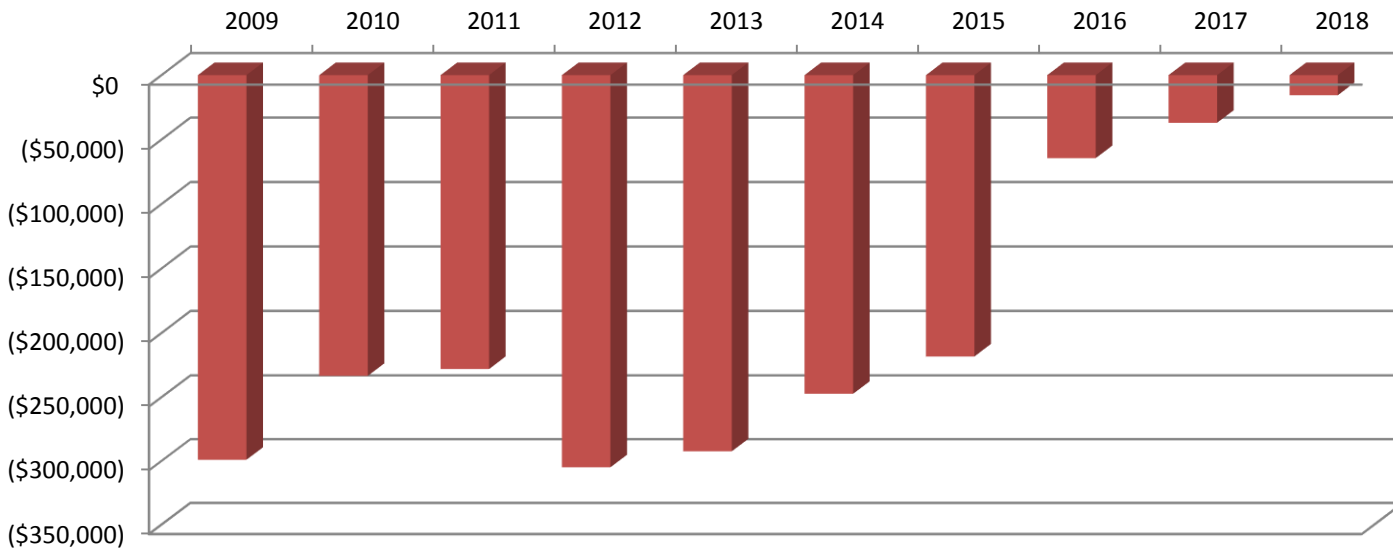


Concessions	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues	\$876,417	\$931,913	\$1,033,341	\$1,183,096	\$1,312,822	\$1,419,987	\$1,592,527	\$1,655,040	\$1,667,001	\$1,612,943
Expenses	162,554	181,843	177,246	160,562	154,765	178,698	194,550	222,604	209,374	250,309
<b>Net Income</b>	<b>\$713,863</b>	<b>\$750,070</b>	<b>\$856,095</b>	<b>\$1,022,534</b>	<b>\$1,158,057</b>	<b>\$1,241,289</b>	<b>\$1,397,977</b>	<b>\$1,432,436</b>	<b>\$1,457,627</b>	<b>\$1,362,634</b>

- Vendors have improved their operations and become destinations
- Introduction of beer & wine sales has increased the commissions paid

# Sculpture Garden

## Sculpture Garden Net Losses



### Sculpture Garden & Cowles Conservatory

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues	\$27,913	\$41,949	\$28,370	\$12,604	\$8,923	\$11,135	\$2,965	\$0	\$51,283	\$163,732
Expenses	327,030	275,220	256,317	317,542	301,355	258,435	221,198	64,358	88,252	179,280
<b>Net Income</b>	<b>(\$299,117)</b>	<b>(\$233,271)</b>	<b>(\$227,947)</b>	<b>(\$304,938)</b>	<b>(\$292,432)</b>	<b>(\$247,300)</b>	<b>(\$218,233)</b>	<b>(\$64,358)</b>	<b>(\$36,969)</b>	<b>(\$15,548)</b>

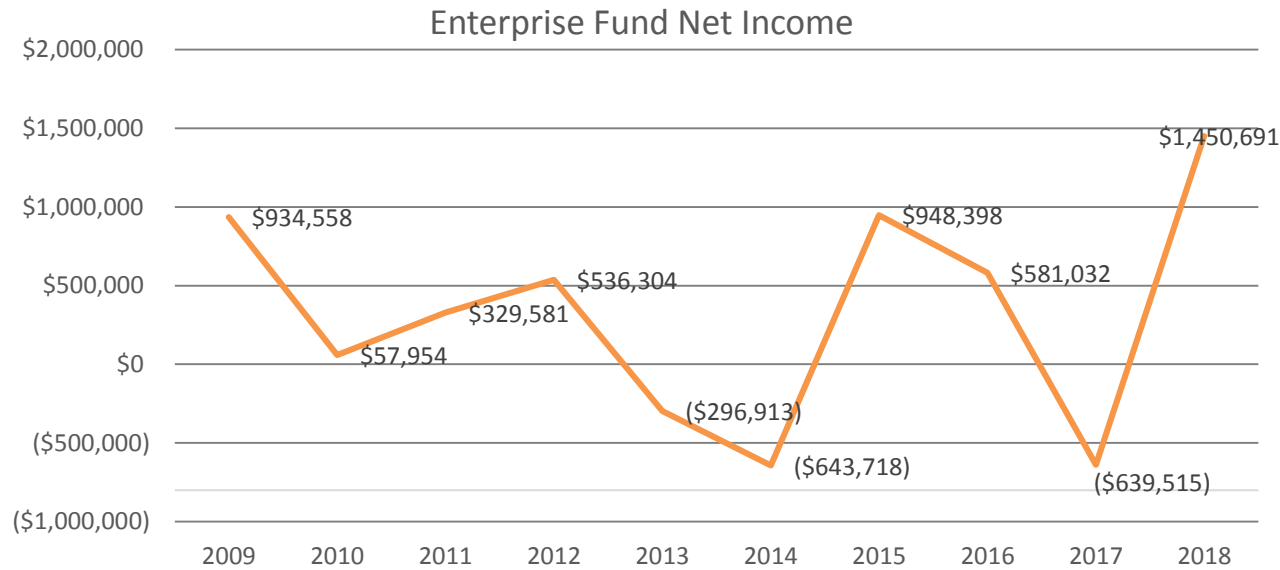
- The Sculpture Garden was under construction during 2016 and reopened in June, 2017. The grow-in after construction is now complete and additional revenue opportunities are expected.
- Revenue is generated from rentals of the sculpture garden grounds and pavilion

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# Activities no longer in Enterprise Fund

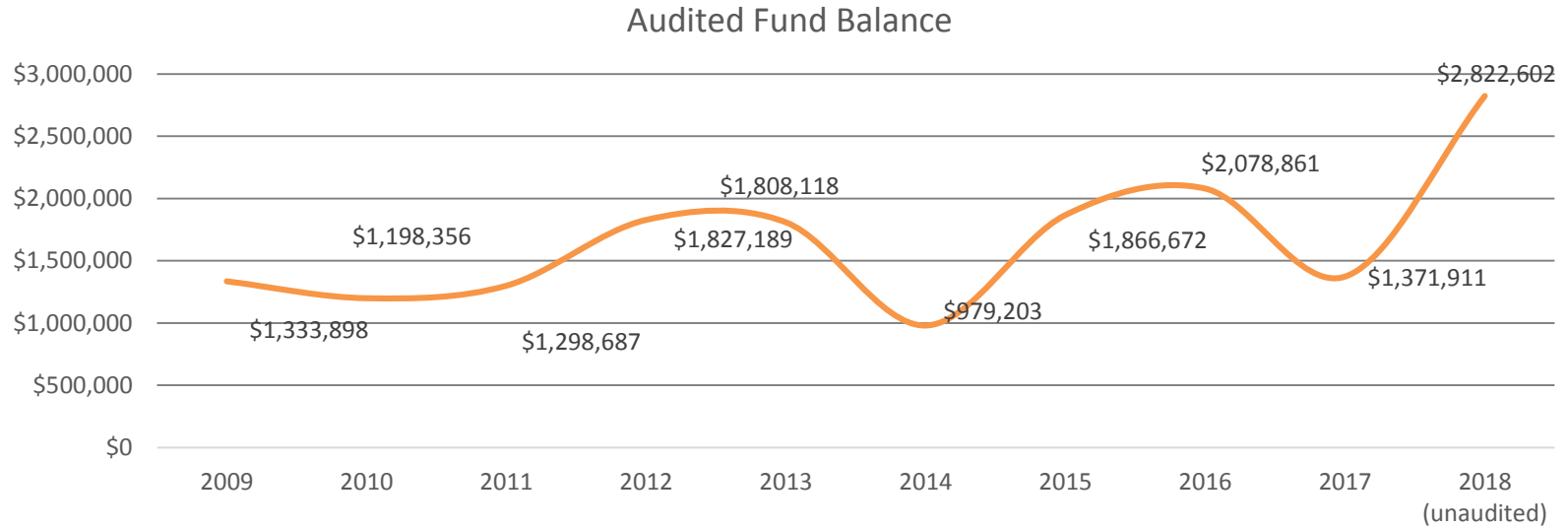
- Enterprise Fund activities review began in 2012
- Identified activities that were not self-supporting
- Phased approach was used to move these activities out of the Enterprise Fund to an appropriate fund

# Net Income



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Total Operating Income</b>										
Revenues	\$13,882,336	\$14,002,871	\$14,348,944	\$16,112,952	\$9,899,352	\$9,676,380	\$10,352,516	\$10,769,899	\$11,071,700	\$12,275,656
Expenses	11,283,888	11,653,530	12,085,442	13,219,958	8,402,595	8,626,036	8,051,681	8,494,692	8,247,457	9,285,456
<b>Operating Income</b>	<b>\$2,598,448</b>	<b>\$2,349,341</b>	<b>\$2,263,502</b>	<b>\$2,892,994</b>	<b>\$1,496,757</b>	<b>\$1,050,344</b>	<b>\$2,300,835</b>	<b>\$2,275,207</b>	<b>\$2,824,243</b>	<b>\$2,990,200</b>
<b>Non-Operating Expenses</b>										
Improvements	\$283,749	\$808,221	\$475,067	\$679,850	\$1,062,971	\$655,184	\$138,900	\$963,837	\$2,674,121	\$809,622
Debt Service	1,085,141	926,535	824,824	825,549	730,699	1,038,878	1,213,537	730,338	789,637	729,887
Athletic Field Improvements		114,232	339,030	156,892						
Transfers	295,000	442,399	295,000	694,399						
<b>Total</b>	<b>\$1,663,890</b>	<b>\$2,291,387</b>	<b>\$1,933,921</b>	<b>\$2,356,690</b>	<b>\$1,793,670</b>	<b>\$1,694,062</b>	<b>\$1,352,437</b>	<b>\$1,694,175</b>	<b>\$3,463,758</b>	<b>\$1,539,509</b>
<b>Net Income</b>	<b>\$934,558</b>	<b>\$57,954</b>	<b>\$329,581</b>	<b>\$536,304</b>	<b>(\$296,913)</b>	<b>(\$643,718)</b>	<b>\$948,398</b>	<b>\$581,032</b>	<b>(\$639,515)</b>	<b>\$1,450,691</b>

# Fund Balance



Audited Fund	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 (unaudited)
Balance	\$1,333,898	\$1,198,356	\$1,298,687	\$1,827,189	\$1,808,118	\$979,203	\$1,866,672	\$2,078,861	\$1,371,911	\$2,822,602

# Debt Service

## MPRB Debt Service (paid by Enterprise Fund)

	Neiman Sports Complex	Fort Snelling Settlement	McKinstry Energy Efficiency	Northeast Ice Arena Mortgage	Parade Ice Improvements	Minnehaha Ref Improvements	Total Debt Service
2009	\$1,017,342			\$67,799			\$1,085,141
2010	\$764,236	\$94,500		\$67,799			\$926,535
2011	\$626,588	\$94,500	\$35,938	\$67,799			\$824,825
2012	\$627,625	\$94,500	\$35,625	\$67,799			\$825,549
2013	\$617,900	Paid off by	\$45,000	\$67,799			\$730,699
2014	\$623,350	General Fund	\$43,750	\$67,799	\$303,979		\$1,038,878
2015	\$623,200		\$42,500	\$67,799	\$480,038		\$1,213,537
2016	Part of		\$46,250	\$67,799	\$476,239	\$140,050	\$730,338
2017	CIP		\$309,750	\$67,799	\$272,038	\$140,050	\$789,637
2018				\$67,799	\$522,038	\$140,050	\$729,887
<b>Total</b>	<b>\$4,900,241</b>	<b>\$283,500</b>	<b>\$558,813</b>	<b>\$677,990</b>	<b>\$2,054,332</b>	<b>\$420,150</b>	<b>\$8,895,026</b>

- Parade Ice Improvements debt service increases beginning in 2020 so that total enterprise debt service goes up to around \$1.2 million annually until 2029, without any new debt taken on.



# Enterprise Fund Budget Outlook

The preceding data was the actual results of Enterprise Fund activities. The following shows the 2019 Enterprise Fund budget and five years of projected budgets.

		Budget	Estimate	Estimate	Estimate	Estimate	Estimate
		2019	2020	2021	2022	2023	2024
Golf Operations							
	Revenue	6,035,082	6,210,959	6,391,233	6,551,014	6,714,789	6,882,659
	Expense	6,535,763	6,767,441	6,948,798	7,187,245	7,400,332	7,595,336
	Net Income	(500,681)	(556,482)	(557,565)	(636,231)	(685,543)	(712,678)
Ice Arena Operations							
	Revenue	1,129,279	1,197,511	1,227,449	1,258,135	1,289,588	1,321,828
	Expense	1,007,231	1,038,505	1,065,521	1,093,300	1,121,866	1,151,242
	Net Income	122,048	159,006	161,928	164,835	167,723	170,586
Parking Operations							
	Revenue	2,334,980	2,393,355	2,545,888	2,609,536	2,674,774	2,741,643
	Expense	589,968	604,930	619,369	634,179	649,371	664,954
	Net Income	1,745,012	1,788,425	1,926,519	1,975,356	2,025,403	2,076,689

# Enterprise Fund Budget Outlook

		Budget	Estimate	Estimate	Estimate	Estimate	Estimate
		2019	2020	2021	2022	2023	2024
<b>Use &amp; Event Permitting</b>							
	Revenue	1,172,760	1,202,079	1,232,131	1,262,934	1,294,508	1,326,870
	Expense	826,147	859,372	885,625	912,719	940,683	969,548
	Net Income	346,613	342,707	346,506	350,216	353,824	357,322
<b>Vendor Agreements/Concessions</b>							
	Revenue	1,637,500	1,678,438	1,720,398	1,763,408	1,807,494	1,852,681
	Expense	401,078	412,874	425,138	437,791	450,848	464,322
	Net Income	1,236,422	1,265,563	1,295,261	1,325,617	1,356,645	1,388,359
<b>Sculpture Garden &amp; Cowles Conservatory</b>							
	Revenue	309,800	317,545	325,484	333,621	341,961	350,510
	Expense	355,406	364,353	373,742	383,394	393,316	403,518
	Net Income	(45,606)	(46,808)	(48,258)	(49,773)	(51,355)	(53,008)
<b>Total Enterprise Fund Operations</b>							
	Revenue	12,619,401	12,999,886	13,442,583	13,778,648	14,123,114	14,476,192
	Expense	9,715,593	10,047,476	10,318,193	10,648,629	10,956,416	11,248,921
	Net Income	2,903,808	2,952,410	3,124,390	3,130,019	3,166,698	3,227,271

# Enterprise Fund Budget Outlook

	Budget	Estimate	Estimate	Estimate	Estimate	Estimate
	2019	2020	2021	2022	2023	2024
<b>Enterprise Fund Net Income</b>	<b>2,903,808</b>	<b>2,952,410</b>	<b>3,124,390</b>	<b>3,130,019</b>	<b>3,166,698</b>	<b>3,227,271</b>
<b>Uses of Enterprise Fund Net Income</b>						
Capital Improvements	1,319,878	1,319,878	1,319,878	1,319,878	1,319,878	1,319,878
MERF Payment	177,092	177,092	177,092	177,092	177,092	177,092
Debt Service						
Northeast Ice Arena	67,799	67,799	33,900	-	-	-
Parade Ice*	517,038	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Minnehaha Refectory	140,050	140,050	140,050	140,050	140,050	140,050
<b>Total Debt Service</b>	<b>724,887</b>	<b>1,407,849</b>	<b>1,373,950</b>	<b>1,340,050</b>	<b>1,340,050</b>	<b>1,340,050</b>
<b>Total Improvements &amp; Debt Service</b>	<b>2,221,857</b>	<b>2,904,819</b>	<b>2,870,920</b>	<b>2,837,020</b>	<b>2,837,020</b>	<b>2,837,020</b>
<b>Net Income Less Improvements &amp; Debt Service</b>	<b>681,951</b>	<b>47,591</b>	<b>253,470</b>	<b>292,999</b>	<b>329,678</b>	<b>390,251</b>
<b>Projected Enterprise Fund Reserve Balance</b>	<b>2,121,297</b>	<b>2,247,732</b>	<b>2,501,202</b>	<b>2,794,201</b>	<b>3,123,879</b>	<b>3,514,130</b>

\*Parade Ice Arena debt is currently scheduled to be \$3.3 million in 2020. The debt is planned to be restructured, reducing the 2020 debt service payment.