



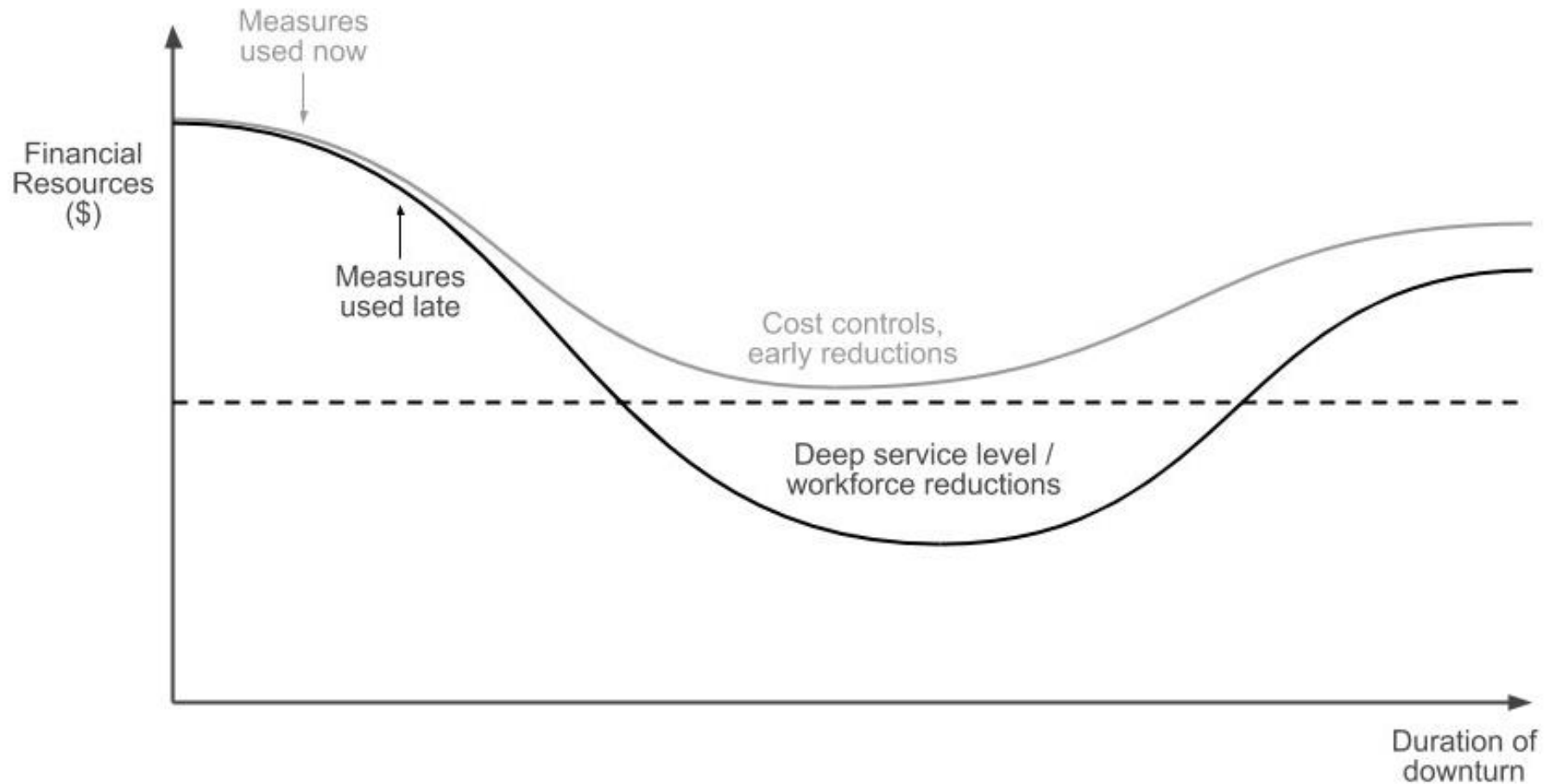
Minneapolis Park & Recreation Board

Financial Update Coronavirus Pandemic (COVID-19) April 22, 2020

Juli Wiseman, Finance Director



COVID-19 Financial Curve





COVID-19 Potential Expense Reductions

- MPRB General and Enterprise Funds are currently losing revenue at an estimated level of \$1.2 million per month and will increase to \$2.2 million per month during peak time.
- Expense reduction options will need to be explored and prioritized
 - Internal loan repayments
 - Internal transfers
 - Fund Balance previously authorized uses
 - Contractual Services
 - Materials & Supplies
 - Equipment Purchases (large & small)
 - Delay or cancelation of capital and rehabilitation projects
 - Personnel Costs



Draft MPRB Budget Framework

- Resolution 2020-190: Resolution Approving the Minneapolis Park and Recreation Board Budget Framework to Respond to Financial Impacts of the Coronavirus Pandemic
- Based on current predictions by the MN Department of Health with the epidemic peak to occur in early July and public health and safety measures, including social distancing needed well into July and August.
- Economic impacts resulting from this health crisis will be felt long after the health crisis subsides.



Draft MPRB Budget Framework

- Budget framework developed to weather the current financial crisis and prepare for the future of the MPRB
- Staged approach with Stage 1 implemented, Stage 2 begun and to be fully implemented in the coming weeks
- Stage 1 & 2 remain in effect through December 1, 2020
- Stage 3 to be implemented if State enters an extended economic recession



Draft MPRB Budget Framework ework

Stage 1 – Social distancing requirements, stay-at-home order, closures/cancellations of buildings, events and programs, aspects of service delivery on hold. This stage was initiated on April 3, 2020.

1. Take immediate action to reduce costs
 - a. Hiring Freeze – Appointed, Certified Civil Service and Provisional Employees (part-time and full-time), exceptions to be approved by Division Head and Superintendent
 - b. Spending Freeze – only critical purchases should be made
 - c. Travel and Training Freeze – only required trainings; no travel



Draft MPRB Budget Framework

Stage 2 – Social distancing requirements, modified building, event and program uses/offerings, aspects of service delivery on hold or modified, position MPRB for possibility for rapid restoration of service delivery.

This stage is beginning to be implemented where allowable through Superintendent authority and, if approved by the Board, additional items will be completed in the coming weeks due to the extension of the stay-at-home order and the current predictions by the MN Department of Health that the epidemic peak will occur in early July which is anticipated to require an extended length of the social distancing requirements.



Draft MPRB Budget Framework

1. Modify revenue estimates as programs and services are re-established, and assistance becomes known
 - a. Establish modified programs and services that do not violate social distancing requirements and/or can be provided virtually
 - b. Identify and apply for state and federal relief available to local governments
2. Determine appropriate level of fund balance that should be used to offset the loss of revenue
 - a. Identify how emergency fund balance would be replenished to meet financial policy requirements
 - b. Identify and return General Fund one-time fund balance authorizations back to excess fund balance



Draft MPRB Budget Framework

3. Determine internal loan repayments and transfers that can be cancelled or delayed
 - a. Identify General and Enterprise Funds internal loan repayments to defer and extend payback period
 - b. Identify General Fund internal transfers to cancel reducing the amount available for the program impacted
4. Determine capital and rehabilitation projects that can be delayed or re-aligned
 - a. Identify Enterprise Fund capital and rehabilitation projects to be delayed
 - b. Consider the realignment of the NPP20 CIP for the years 2020 and 2021 toward rehabilitation vs. capital in year 2020
 - c. Consider the shifting of Operations & Maintenance Lottery-in-lieu excess fund balance to current year General Fund operations



Draft MPRB Budget Framework

5. Take action to reduce personnel costs
 - a. Wage Freeze for all full-time and part-time employees
 - b. Inactivate provisional employees who do not have work assignments in the current service model (Note: allows employees to apply for unemployment benefits)
 - c. Budgetary Leave enacted for voluntary unpaid leave by Appointed and Certified Civil Service employees



Draft MPRB Budget Framework

Stage 3 – Economic recession – budget development and financial planning, re-defined service delivery. This stage will be implemented if the State enters an extended economic recession. Board actions will be sought to implement these items, as required.

1. Board direction during budget development and financial planning process for revised 2020 Annual Budget
2. Board direction during budget development and financial planning process for the 2021 Annual Budget
 - a. Wage Freeze for multiple years (City is considering 2020 and 2021)
 - b. Wage Cuts
 - c. Separation or elimination of some positions – vacancy/severance/buy-outs



General Fund Budget Status 3/31/2020

Revenue	2019			2020			
	Actual Year-End	Actual As of 3/31	Percent Recognized	Current Budget	Actual As of 3/31	Percent Recognized	Projected Year-End
Property Taxes	63,597,657	2,695	0.0%	66,953,700	2,938	0.0%	64,248,500
Local Government Aid	9,356,363	-	0.0%	9,624,270	-	0.0%	9,624,270
Fees, Fines & Other Rev	11,325,596	2,145,970	18.9%	11,836,138	2,233,232	18.9%	4,548,138
Commons Transfer	375,000	-	0.0%	820,000	820,000	100.0%	820,000
Disaster Relief							14,000
Total Revenues	84,654,616	2,148,665	2.5%	89,234,108	3,056,170	3.4%	79,254,908
Expenses							
Wages & Fringe	57,642,631	12,520,114	21.7%	61,989,158	13,895,125	22.4%	59,389,158
Materials & Supplies	5,129,682	790,654	15.4%	4,810,163	861,598	17.9%	4,259,163
Contractual Services	18,126,173	3,495,898	19.3%	18,607,349	3,655,174	19.6%	18,013,278
Capital Outlay	539,351	61,286	11.4%	641,729	81,703	12.7%	441,729
Transfers	3,082,261	-	0.0%	3,185,709	-	0.0%	2,377,383
Total Expenses	84,520,098	16,867,952	20.0%	89,234,108	18,493,600	20.7%	84,480,711
Revenue Less Expenses	134,518	(14,719,287)		-	(15,437,430)		(5,225,803)
Un-Audited Fund Balance 1/1/2020							4,327,000
Projected Fund Balance 12/31/2020							(898,803)



Enterprise Fund Budget Status 3/31/2020

Department	2019			2020			
	Actual Year-End	Actual As of 3/31	Percent Recognized	Current Budget	Actual As of 3/31	Percent Recognized	Projected Year-End
Golf							
Revenues	\$5,569,204	\$323,373	5.40%	\$6,066,630	\$212,110	3.50%	\$2,351,630
Expenses	6,154,714	798,898	12.20%	6,481,953	882,127	13.61%	6,056,953
Net Income	(\$585,510)	(\$475,525)		(\$415,323)	(\$670,017)		(\$3,705,323)
Use & Events Permitting							
Revenues	\$1,276,685	\$177,903	15.20%	\$1,240,260	\$92,398	7.45%	\$92,398
Expenses	831,034	149,519	18.10%	960,098	162,785	16.96%	604,098
Net Income	\$445,651	\$28,384		\$280,162	(\$70,387)		(\$511,700)
Concessions							
Revenues	\$1,419,992	\$9,251	0.60%	\$1,489,000	\$37,162	2.50%	\$556,000
Expenses	292,999	27,193	6.80%	455,560	32,613	7.16%	378,560
Net Income	\$1,126,993	(\$17,942)		\$1,033,440	\$4,549		\$177,440



Enterprise Fund Budget Status 3/31/2020

Department	2019			2020			
	Actual Year-End	Actual As of 3/31	Percent Recognized	Current Budget	Actual As of 3/31	Percent Recognized	Projected Year-End
Parking							
Revenues	\$2,509,801	\$251,265	10.80%	\$2,565,358	\$259,231	10.11%	\$1,974,358
Expenses	591,061	109,421	18.50%	809,742	125,205	15.46%	745,742
Net Income	\$1,918,740	\$141,844		\$1,755,616	\$134,026		\$1,228,616
Ice Arenas							
Revenues	\$1,277,434	\$306,394	27.10%	\$1,137,279	\$128,475	11.30%	\$365,625
Expenses	1,243,908	322,928	32.10%	1,085,793	256,992	23.67%	867,793
Net Income	\$33,526	(\$16,534)		\$51,486	(\$128,517)		(\$502,168)
Sculpture Garden & Cowles Conservatory							
Revenues	\$172,769	\$10,536	3.40%	\$309,800	\$9,199	2.97%	\$89,800
Expenses	181,332	10,762	3.00%	376,005	17,371	4.62%	282,004
Net Income	(\$8,563)	(\$226)		(\$66,205)	(\$8,172)		(\$192,204)



Enterprise Fund Budget Status 3/31/2020

	2019			2020			
	Actual Year-End	Actual As of 3/31	Percent Recognized	Current Budget	Actual As of 3/31	Percent Recognized	Projected Year-End
Total Operating Income							
Revenues	\$12,225,885	\$1,078,722	8.82%	\$12,808,327	\$738,575	5.77%	\$5,429,811
Expenses	\$9,295,048	\$1,418,721	15.26%	\$10,169,151	\$1,477,093	14.53%	\$8,935,150
Net Income	\$2,930,837	(\$339,999)		\$2,639,176	(\$738,518)		(\$3,505,339)
Non-Operating Revenue							
Insurance Proceeds	637,902	\$0		1,000,344	\$0		362,442
Total Non-Operating Rev	\$637,902	\$0		\$1,000,344	\$0		\$362,442
Non-Operating Expenses							
Improvements	\$1,341,829	\$0	0.00%	\$2,310,344	\$113,268	4.90%	\$1,623,344
MERF Payment	\$177,092	\$0	0.00%	\$141,773	\$35,443	25.00%	\$141,773
Debt Service	\$715,154	\$0	0.00%	\$717,387	\$0	0.00%	\$577,337
Total Non-Operating Exp	\$2,234,075	\$0		\$3,169,504	\$148,711		\$2,342,454
Income after Non-Operating Revenue & Expenses	\$1,334,664			\$470,016	(\$887,229)		(\$5,485,351)
Un-Audited Fund Balance 1/1/2020							\$4,100,000
Projected Fund Balance 12/31/2020							(\$1,385,351)



Minneapolis Park & Recreation Board

Questions?

Juli Wiseman, Finance Director