



Minneapolis Park & Recreation Board

Financial Update Coronavirus Pandemic (COVID-19) April 1, 2020

Juli Wiseman, Finance Director



COVID-19 Potential General Fund Impacts

- MPRB closures due to COVID-19 will impact revenue collections and necessitate use of fund balance to some level

Unaudited General Fund Balance 1/1/2020	\$4,600,000
Property tax 0.5% reduction in collection rate:	(\$340,000)
Rec Center Revenue	(\$915,000)
Rec Plus Revenue	(\$811,000)
Environmental Management Revenue	(\$28,000)
Adult Sports & Field Rentals Revenue	(\$445,000)
Aquatics Revenue	(\$169,000)
Planning Revenue	(\$357,000)
Police Citation & Fee Revenue	(\$109,000)
Other Revenue	(\$188,000)
Estimated General Fund Balance 12/31/2020	\$1,238,000

- Estimated revenue loss of \$3.4 million through June 30
- Any expense savings will reduce the amount of fund balance used
- MPRB policy requires a fund balance of \$4.5 million (5% of budget)



COVID-19 Potential General Fund Impacts

- If MPRB closures continue to the end of 2020 and expenses are not adjusted the MPRB will exceed available fund balance

Unaudited General Fund Balance 1/1/2020	\$4,600,000
Property tax 0.5% reduction in collection rate:	(\$340,000)
Rec Center Revenue	(\$2,042,000)
Rec Plus Revenue	(\$1,800,000)
Environmental Management Revenue	(\$85,000)
Adult Sports & Field Rentals Revenue	(\$1,032,000)
Aquatics Revenue	(\$600,000)
Planning Revenue	(\$1,000,000)
Police Citation & Fee Revenue	(\$264,000)
Other Revenue	(\$465,000)
Estimated General Fund Balance 12/31/2020	(\$3,028,000)

- Estimated revenue loss of \$7.6 million through December 31
- Any expense savings will reduce the amount of fund balance used

Estimates are based on reduced services through 12/31/2020



COVID-19 Potential Enterprise Fund Impacts

- MPRB closures due to COVID-19 will impact revenue collections and necessitate use of fund balance to some level.

Unaudited Enterprise Fund Balance 1/1/2020	\$4,100,000
Budgeted Net Income	\$470,000
Reserved for Bde Maka Ska Refectory	(\$640,000)
Concessions Revenue	(\$383,000)
Golf Revenue	(\$1,500,000)
Ice Arenas Revenue	(\$436,000)
Parking Revenue	(\$244,000)
Sculpture Garden Revenue	(\$75,000)
Use & Events Revenue	(\$500,000)
Estimated Enterprise Fund Balance 6/30/2020	\$792,000

- Estimated revenue loss of \$3.1 million through June 30.
- This estimate includes golf courses and concessions opening in a limited manner, and the continuation of parking operations collecting 75% of budgeted revenue.
- Expense savings will reduce the use of fund balance.



COVID-19 Potential Enterprise Fund Impacts

- If MPRB closures continue to the end of 2020 and expenses are not adjusted the MPRB will exceed available fund balance

Unaudited Enterprise Fund Balance 1/1/2020	\$4,100,000
Budgeted Net Income	\$470,000
Reserved for Bde Maka Ska Refectory	(\$640,000)
Concessions Revenue	(\$933,000)
Golf Revenue	(\$3,715,000)
Ice Arenas Revenue	(\$930,000)
Parking Revenue	(\$591,000)
Sculpture Garden Revenue	(\$220,000)
Use & Events Revenue	(\$1,179,000)
Estimated Enterprise Fund Balance 12/31/2020	(\$3,638,000)

- Estimated revenue loss of \$7.6 million through December 31
- This estimate includes golf courses and concessions opening in a limited manner, and the continuation of parking operations collecting 75% of budgeted revenue
- Expense savings will reduce the use of fund balance



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



COVID-19 Potential Long-term Impacts

- Economic recession and length of recovery
- Property tax pressures
- Local Government Aid (LGA)

State funding has the potential to be impacted as well. Before COVID-19 struck, the state budget was in good shape, with a projected positive balance of \$1.5 billion. However, LGA unallotments have been used to balance the state budget in the past. In 2008 the final LGA payment to the Park Board was reduced by \$1.6 million.

- 20 Year Neighborhood Park Plan Stability
- The Commons Funding



COVID-19 Commissioner Questions

- Current Leaves Available & Considerations

- All available leaves are paid from budgeted personnel costs
- Less staff will be available to implement work of the organization. If parks are closed impact on service levels will be less severe
- Assumption that existing staff will not be replaced by temporary staff while out on leave
- **Federal Emergency Paid Sick Leave** – up to 80 hours of paid leave
- **Federal Emergency Family and Medical Leave (EFMLA)** – up to 12 weeks, first two-weeks unpaid or use other leave option and 10 weeks paid at two-thirds of rate of pay. (max of \$200 per day and \$10,000 aggregate.
 - Average savings for employee with first two-weeks unpaid and 10 weeks two-thirds pay. \$8,422
 - Average savings for employee with first two weeks paid and then 10-weeks two-thirds pay. \$5,264
 - **Pandemic Policy Leave**- ability to borrow up to 80 hours of sick time once all other leave banks are used.



COVID-19 Commissioner Questions

- Cost to keep current non-certified staff working at their typical schedule
 - \$105,000 per week
 - Cost through 6/30/2020 - \$1.6 million
 - Cost through 12/31/2020 - \$4.4 million
- Is the City still charging for parking
 - The City has continued to collect parking revenues, their collections are down



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Questions?

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