Resolution 2020-362

Resolution Reinstating the 2020 General Fund and Enterprise Fund Internal Transfers and Internal Loan Repayments Due to the Improved Financial Condition of Both Funds

Whereas, The Minneapolis Park & Recreation Board ("MPRB") is the fiscal steward of the Minneapolis park system;

Whereas, The United States, the State of Minnesota, and the City of Minneapolis declared states of emergency related to urgent conditions created by the presence and spread of COVID-19;

Whereas, The spread of COVID-19 necessitated unprecedented actions including social distancing requirements and stay-at-home orders and has impacted the MPRB’s ability to deliver services;

Whereas, The Board acknowledged that the COVID-19 Pandemic created a financial crisis with the MPRB experiencing financial resource reductions in the millions of dollars;

Whereas, The Board adopted Resolution 2020-246 approving the one-time reduction to General Fund and Enterprise Fund internal transfers and internal loan repayments due to the financial impacts associated with the coronavirus pandemic on June 17, 2020;

Whereas, The Board recognizes that the General Fund financial condition has improved due to expenditure savings and the receipt of federal and state aids;

Whereas, The Board recognizes that the Enterprise Fund financial condition has improved due to golf operations, expense savings, and the receipt of federal aid;

Whereas, The Board acknowledges that due to the improved financial conditions of both funds it is no longer necessary to take the one-time reduction to General Fund and Enterprise Fund internal transfers and internal loan repayments as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Operations Facilities Improvement Fund Transfer</td>
<td>$263,326</td>
</tr>
<tr>
<td>General Fund</td>
<td>Park Land Acquisition Fund Transfer</td>
<td>$315,000</td>
</tr>
<tr>
<td>General Fund</td>
<td>Regional Park Transfer for Webber Pool Deficit</td>
<td>$100,000</td>
</tr>
<tr>
<td>General Fund</td>
<td>Headquarters Internal Loan Repayment</td>
<td>$130,000</td>
</tr>
<tr>
<td>Enterprise Fund</td>
<td>Minnehaha Refectory Internal Loan Repayment</td>
<td>$140,050; and</td>
</tr>
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</table>
Whereas, This resolution is supported by the MPRB 2007-2020 Comprehensive Plan, which envisions “Dynamic parks that shape city character and meet diverse community needs;”

RESOLVED, That the Board of Commissioners approve reinstating the 2020 General Fund and Enterprise Fund internal transfers and internal loan repayments due to the improved financial condition of both funds; and

RESOLVED, That the President of the Board and Secretary to the Board are authorized to take all necessary administrative actions to implement this resolution.
TO: Minneapolis Park and Recreation Board

FROM: Julia Wiseman, Director Finance

DATE: December 16, 2020

SUBJECT: Resolution Reinstating the 2020 General Fund and Enterprise Fund Internal Transfers and Internal Loan Repayments Due to the Improved Financial Condition of Both Funds

BACKGROUND

This action considers reinstating the 2020 General Fund and Enterprise Fund internal transfers and internal loan repayments due to the improved financial condition of both funds.

Following Governor Walz’ declaration of a peacetime state of emergency on March 13 and the stay at home order for Minnesota on March 25, the MPRB enacted necessary changes in service levels. Buildings were closed, and many programs and events cancelled, resulting in a $1 – 2 million loss in revenue each month. The Board adopted a budget framework on April 22, 2020 to guide the MPRB through the current financial crisis and prepare for the future of the MPRB. Included in the budget framework is a review of General Fund and Enterprise Fund internal transfers and internal loan repayments that were budgeted in 2020 and on June 17, 2020 Resolution 2020-246 was adopted by the Board that placed these transfers and loan repayments on hold.

Since that the time the General Fund financial condition has improved through the realization of expenditure savings and the receipt of federal and state assistance. The Enterprise Fund financial condition has improved through golf operations experiencing a historic season, realization of expenditure savings, and the receipt of federal assistance.

With the improved financial condition, the Board and Superintendent have begun to restore items that were identified and initiated through the budget framework, Board action, and Superintendent authority, including restoring the non-represented employee group - July 1, 2020 wage increase; forgiving the 2020 furlough days for certain union represented employees; and forgiving any remaining budgetary leave days that employees had not yet taken. Staff is now asking the Board to consider reinstating the 2020 internal transfers and internal loan repayments that were placed on hold.
The following chart details the 2020 General Fund and Enterprise Fund internal transfers and internal loan repayments that is being brought forward to the Board for reinstatement consideration. It shows the impacts of not reinstating the transfers.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Description</th>
<th>Amount</th>
<th>Impact</th>
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<tbody>
<tr>
<td>General Fund</td>
<td>Operations Facilities Improvement Fund Transfer</td>
<td>$263,326</td>
<td>Less funding available for operations facilities improvements</td>
</tr>
<tr>
<td>General Fund</td>
<td>Park Land Acquisition Fund Transfer</td>
<td>$315,000</td>
<td>Less funding available for Riverfirst property acquisition</td>
</tr>
<tr>
<td>General Fund</td>
<td>Regional Park Transfer for Webber Pool Deficit</td>
<td>$100,000</td>
<td>Extend pay back by one year</td>
</tr>
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**RECOMMENDATION**

Staff recommends the Board of Commissioners approve reinstating the 2020 General Fund and Enterprise Fund internal transfers and internal loan repayments due to the improved financial condition of both funds.

This action is supported by the following vision and goal statements in the MPRB 2007-2020 Comprehensive Plan.

**Vision Theme 3:** Dynamic parks that shape city character and meet diverse community needs.

**Goal:** Financially independent and sustainable parks prosper.

Prepared By: Julia Wiseman, Director Finance, Finance Review:
Julia Wiseman Completed 12/03/2020 2:08 PM
Jennifer Ringold Completed 12/06/2020 3:41 PM
Jennifer Ringold Completed 12/06/2020 3:41 PM
Al Bangoura Completed 12/06/2020 4:59 PM
Minneapolis Park and Recreation Board Pending 12/16/2020 5:10 PM