

Board Direction for Developing 2016 Budget

- ❖ Build a general fund operating budget with a 4% property tax levy increase
 - Based on budget implications of federal and state legislative actions, increasing levels of park usage, and increasing demands for enhanced programs and services
- ❖ Budget for Year 3 of the 8 Year Urban Tree Canopy Plan with 0.4% property tax levy increase for the Tree Preservation and Reforestation Levy to address Emerald Ash Borer infestation and tree loss due to storm damage



Factors Impacting 2016 Budget

❖ Key service challenges:

- Park maintenance
 - Despite operational improvements, inadequate funding for general maintenance
 - Need to identify standard service levels for park maintenance and areas of focus
- Recreation Centers and Programs and Youth Development services
 - Despite operational improvements, resources inadequate for delivery of quality recreation services, particularly youth services
 - Assessment of needs at center and administrative level underway
- Other operating budget reductions that went too far
 - 18% (108 FTE's) fewer employees than in 2003
 - To meet basic organizational needs, staffing increases proposed for asset management, athletics and aquatics, finance, human resources, park police and youth development departments

Factors Impacting 2016 Budget

❖ Key service challenges:

- Increased demands for service and increased park usage
- Needs to address Emerald ash borer infestation and tree losses due to storms
- Operation facilities investments needs



Factors Impacting 2016 Budget

- ❖ Key financial challenges that lead to service challenges
 - Main drivers of continued health care cost increases and Affordable Care Act impacts, minimum wage increases, inflationary increases especially in construction costs, employer pension cost increases
 - Internal service rate increases for stabilization of mobile equipment fleet and information technology services
 - Capital investment needs outpace available funding
 - Continued work to stabilize the Enterprise Fund



Basis of Superintendent's Recommended 2016 Budget

- ❖ Support the Board approved 2007-2020 Comprehensive Plan and 2014-2018 Strategic Direction
- ❖ Address needs for park system to constantly evolve and be responsive to changing demographics and needs of the community, with particular focus on diversity, equity and inclusion
- ❖ Provide evolving and responsive service delivery within existing resources by assessing revenue opportunities and expense allocations, and reallocating and shifting funds
- ❖ Continue focus on improving organization's internal coordination and customer service
- ❖ Continue addressing staff capacity issues
- ❖ Minimize impact on the environment
- ❖ Continue to respond to urban tree canopy threats through special tax levy



Organizational Performance Initiatives

- ❖ Commitment to provide excellent services and maintain system within available resources
- ❖ 2012-2015 efforts to improve work performance and operating efficiencies with significant work accomplished
 - Forestry occupational safety and efficiency improvements
 - Trash handling injury reduction, operating efficiencies and cost reductions
 - Improved maintenance labor distribution
 - Equipment optimization
 - Operational alignment and organization-wide reorganization
- Operating efficiencies garnered \$2.3 million in annual savings
- More cohesive operations, improved internal coordination, and improved service delivery



Organizational Performance Initiatives

- ❖ 2016 budget supports ongoing efforts to improve work performance and operating efficiencies
 - Continue evaluation of work processes and staffing levels, with particular focus on areas impacting our ability to perform basic daily functions
 - Measure work performance and incorporate those measures into budget process
 - Department business planning
 - Continue streamline and improve the effectiveness of our work



General Fund Initiatives and Changes for 2016

❖ Superintendent's Office

- Communications and Marketing – funding to complete MPRB's historical archival work began in 2015
- Park Police – expand park patrol agent hours and conversion of one park patrol agent position from part-time to full-time due to expanded park acreage, development and service delivery; update police administration fee to cover full costs of park police services for permitted special events; savings in equipment and clerical support



General Fund Initiatives and Changes for 2016

❖ Deputy Superintendent's Office

- Community Outreach – develop Equity Plan in 2016 to continue important racial equity and inclusion work, savings from operating efficiencies
- Customer Service – alignment of revenues to expenditures between department's General Fund and Enterprise Fund activities
- Finance – add clerical position for centralized requisition process to streamline requisition process and free up non-finance staff to perform key job functions, other operating efficiency savings
- Human Resources – add training and professional development position to coordinate training programs for staff with partial offset from a reduction in consultant training and development services work

General Fund Initiatives and Changes for 2016

❖ Environmental Stewardship Division

- Asset Management – additional parkkeeper position, additional staffing for Webber Natural Swimming Pool (NSP) and Ice Rink, funding to address critical mechanical repairs for North Commons waterpark, additional plumber position to address increased service demands for emergency, corrective and preventative maintenance of aging MPRB plumbing infrastructure
- Environmental Management – additional funds for Webber NSP water quality monitoring; increased seasonal gardener staffing at Eloise Butler Wildflower Garden; variety of administrative cost savings; environmental education program expansion with additional revenue; funds for expanded water quality testing sites, including additional revenue
- Forestry – reduce tree purchases, planting, and stump grinding from 8,900 to 8,050 trees to address delayed and necessary pruning of trees; funding for Forestry Preservation position

General Fund Initiatives and Changes for 2015

❖ Recreation Division

- Athletic Programs & Aquatics – add athletic program manager position, funding for recruitment and retention of seasonal lifeguards, expand swimming lessons at beaches, adjust seasonal aquatic staff wages, add open swim event, align hours of Lupient Waterpark with other MPRB aquatic facilities, eliminate end of season tournament while expanding end of season jamborees for 10U sports
- Recreation Centers & Programs – expand part-time staffing for building rentals, fund outdoor supervision at Webber NSP, eliminate Nite Owlz at Whittier Park, revamp awards programs at centers, funding for costs associated with implementing workforce stabilization efforts in recreation centers
- Youth Development – expand Street Reach program with addition of part-time Street Reach staff and full-time Youth Development Supervisor position, expand Rec Plus childcare program



Other Initiatives and Changes for 2016

- ❖ Recreation analysis
 - Complete RecQuest project with report presentation to Board by May 2016
- ❖ Investments in operation facilities
 - Initial capital funding to address north and northeast operation facility needs
- ❖ Pay-As-You-Go Capital
 - Provide \$2.28 million in Pay-As-You-Go Capital funding

Other Initiatives and Changes for 2016

❖ Capital Improvement Program (CIP)

- While overall 2016 and 2017 funding levels are relatively unchanged significant changes are proposed in 2016-2021 CIP to ensure sound funding for capital projects
- Changes include accounting for budget shortfalls from older projects, incorporating operations facilities in CIP, placing remaining Neiman Sports Complex construction debt service in the CIP and covering its remaining costs from the General Fund not the Enterprise Fund
- Takes into account the loss of dedicated North Mississippi Regional Park funding beginning in 2018 and the transfer of locally-funded Riverfront Development Fund from regional parks implementation to the General Fund acquisition account
- To address these changes, 2016 Capital Levy projects shift one year, all funding sources from many other projects have been shifted, and no new projects are proposed in 2021
- Additionally, the 2016-2021 CIP documents outside capital funding sources and park dedication revenue and makes first allocation from the park dedication account

Other Initiatives and Changes for 2016

- ❖ Park Land Acquisition Fund
 - General Fund transfers of \$300,000 in 2016 and \$400,000 in 2017 for RiverFirst land acquisition
- ❖ Fee increases
 - No increases for vast majority of activity, permit and program fees
 - Market-rate increases for select General Fund and Enterprise Fund activities and services
- ❖ No additional allocations are recommended for the Sustainability Fund



Stabilization of Enterprise Fund

- ❖ Continued rollout of Enterprise Fund adjustments to fund activities appropriately and improve financial condition of fund
 - Move Neiman Sports Complex construction debt service payment from Enterprise Fund to General Fund CIP for five years remaining on the debt
 - Sculpture Garden and Winter Recreation remain in Enterprise Fund while not currently self supporting
 - One element of the Sculpture Garden reconstruction project is for the Cowles Conservatory to operate as a revenue generating facility to allow the Sculpture Garden to function as a self supporting operation
 - Winter Recreation continues to be evaluated as an enterprise facility as the Welcome Center comes to fruition

Enterprise Fund Department Initiatives and Changes for 2016

❖ Customer Service

- Continues alignment of revenues to expenditures between General Fund and Enterprise Fund activities
- Update police administration fee to cover full costs of park police services for permitted special events
- Parking fee increases to fund new parking signage system wide and pay station replacements



Enterprise Fund Department Initiatives and Changes for 2016

❖ Golf Operations

- Projections presume restoring Meadowbrook and Hiawatha courses to full operational capacity
 - However Hiawatha future unknown while MPRB awaits engineering data on groundwater conditions; budget includes 9 holes of play at Hiawatha in 2016
 - Meadowbrook under construction in 2016; budget includes small maintenance crew
- Pricing and operational strategies include
 - Tiered fees based upon course quality, location and customer base
 - New point of sale/tee time reservation system for 2016 season



Stabilization of Internal Services Fund

- ❖ Continue efforts to fully stabilize Equipment Fund and Information Technology to meet annual operating and capital replacement needs



Internal Service Fund Department Initiatives and Changes for 2016

❖ Information Technology Services

- Continue increased investment in MPRB technology services and network infrastructure to provide necessary tools for field staff to do work and improve operating efficiencies
- Continue phased rate model increases for technical support staff, equipment/software operating costs and capital replacement costs to meet operational needs
- Implementation of asset management system, forestry technology improvements, intranet assessment, and continued business solutions for departments

❖ Asset Management – Equipment Services

- Continue phased approach to stabilize equipment fund and return it to a fully funded operation by 2019

❖ Finance – Self Insurance

- Increase in self insurance rates based on most recent 5 year historical average

Superintendent's Recommended 2016 Budget

- ❖ Support the Board approved 2007-2020 Comprehensive Plan and 2014-2018 Strategic Direction
- ❖ Sound financial management and fiscal responsibility
- ❖ Address the increase in park usage as well as the increase in demands for programs and services
- ❖ Address needs for park system to evolve and be responsive to changing demographics and needs of the community
- ❖ Commitment to providing excellent services and maintaining an extraordinary park system within available resources



Superintendent's Recommended 2016 Budget





Superintendent's Recommended 2016 Budget
www.minneapolisparcs.org/budget

- ❑ Budget Highlights section contains detailed information regarding the development of the Superintendent's Recommended 2016 Budget
 - Board Direction
 - General Fund Operating and Tree Preservation & Reforestation Levies
 - Factors Impacting 2016 Budget
 - Basis of Superintendent's Recommended 2016 Budget
 - Organizational Performance Project Initiatives
 - General Fund Department Initiatives and Changes for 2016
 - Other Initiatives and Changes for 2016
 - Stabilization of Enterprise Fund
 - Stabilization of Internal Services Funds

What we do

Strategic Direction A: Create and implement sustainable and equitable development and maintenance plans for the built infrastructure.

Strategic Direction B: Assess and deliver programs, services, and facilities that equitably meet the community's park and recreation needs, leveraging relationships with partners.

Strategic Direction C: Develop and implement a strategic, sustainable, and equitable approach to the management and protection of the system's land, air and water resources.

How we do our work

Strategic Direction 1: Address equity and access issues within the organization and across the park and recreation system.

Strategic Direction 2: Be measurable and accountable; ensure organization decisions are data driven and customer focused.

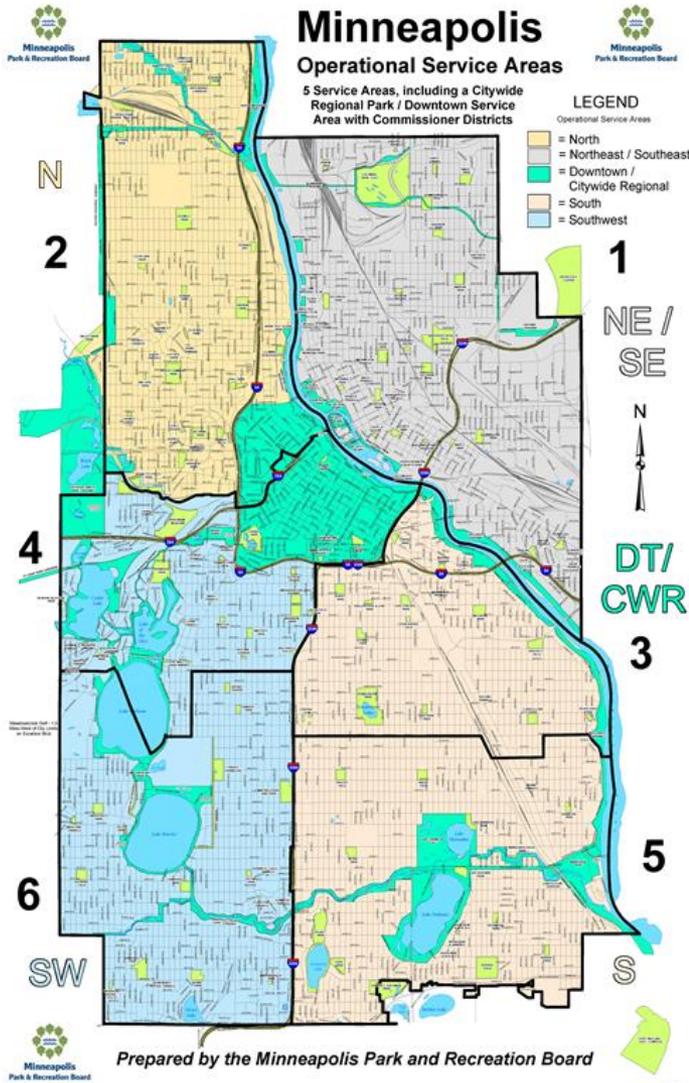
Strategic Direction 3: Engage all users. Communicate well and often. Listen and empower.

Strategic Direction 4: Build capacity – financial, staffing, partnerships, volunteers - to achieve MPRB's mission, vision, and goals.

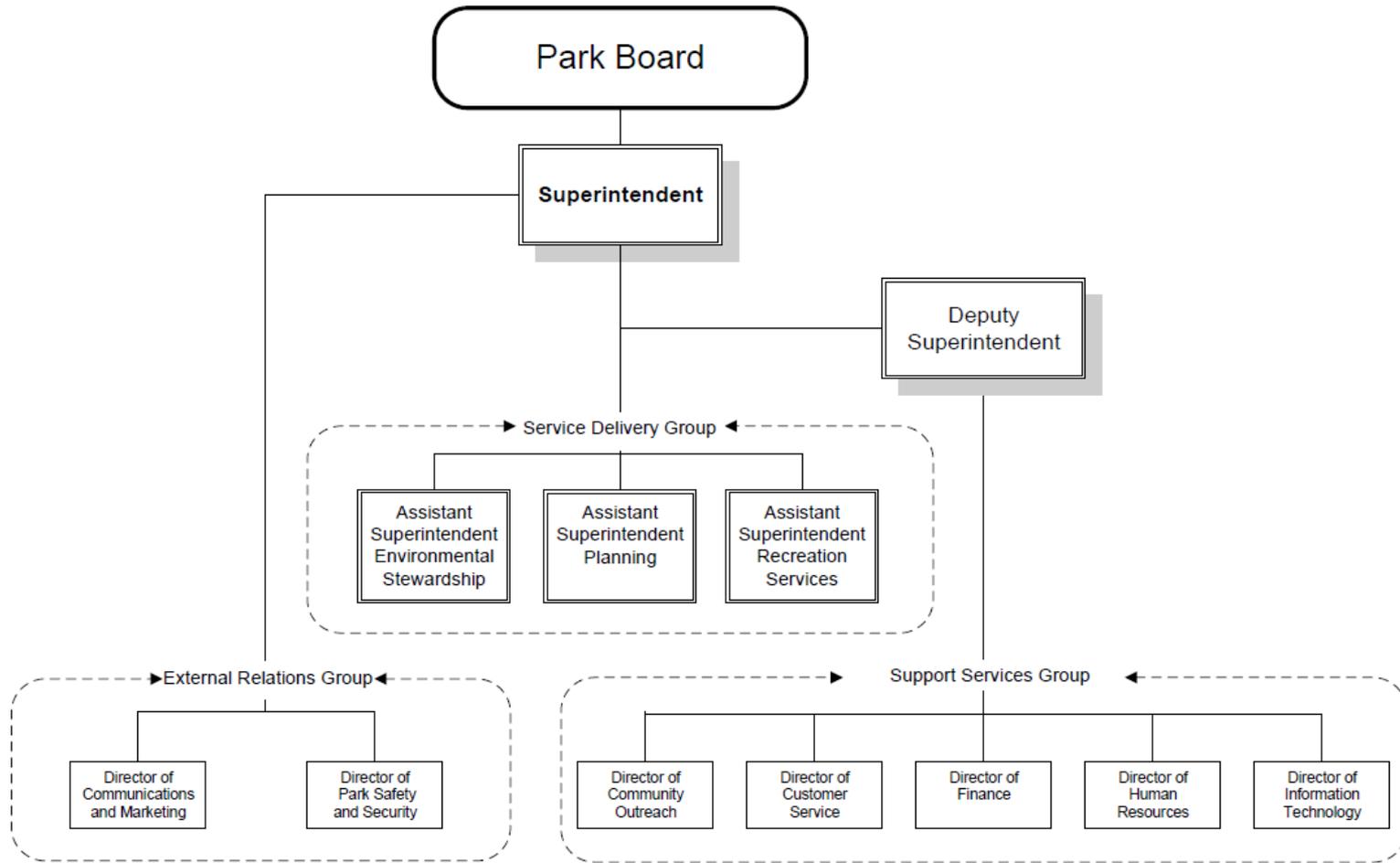
Customer Service Goals & Performance Measures

Goal	Comp Plan Goal	Strategic Direction
Develop and implement Customer Service Standards for the organization which will provide a framework for training opportunities and serve as a baseline for measurement of service delivery.	Easily accessible information supports enjoyment and use of the park and recreation system.	1, 2, 3, 4
Performance Measures		Target Date
Complete research on best practices in Customer Service both in the field of parks and recreation and in general.		2/28/2016
Develop Customer Service Standards for the organization, and present them to the Superintendent's Leadership team for approval.		4/1/2016
As a part of summer staff orientations, train staff on customer service expectations based on Customer Service Standards, to be implemented immediately.		6/1/2016
Develop an evaluation process that will provide a process of tracking organization-wide accountability to the recommended standards.		6/15/2016
Implement an organization -wide evaluation of the recommended standards and make necessary corrections and/or updates		12/31/2016





Organization Chart





Minneapolis

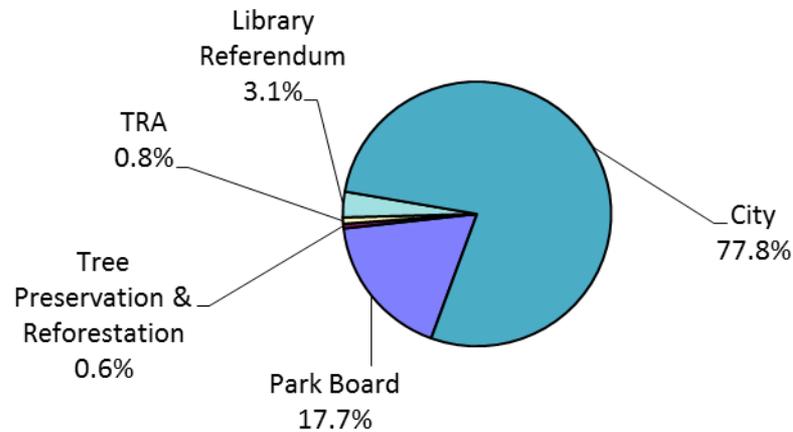
Park & Recreation Board

Property Tax & Local Government Aid



2016 Property Tax

	2015	2016	Change	% Change
Total City of Minneapolis	223,995,000	231,536,000	7,541,000	3.4%
Minneapolis Park Board	50,560,000	52,583,000	2,023,000	4.0%
Tree Preservation & Reforestation	1,475,000	1,732,000	257,000	17.4%
Park Board Total	52,035,000	54,315,000	2,280,000	4.4%
Library (Referendum)	9,300,000	9,300,000	0	0.0%
Teachers Retirement Association	2,300,000	2,300,000	0	0.0%
Total	287,630,000	297,451,000	9,821,000	3.4%



Estimated 2016 Property Taxes paid by Minneapolis Residents

Parks 8¢

City 35¢

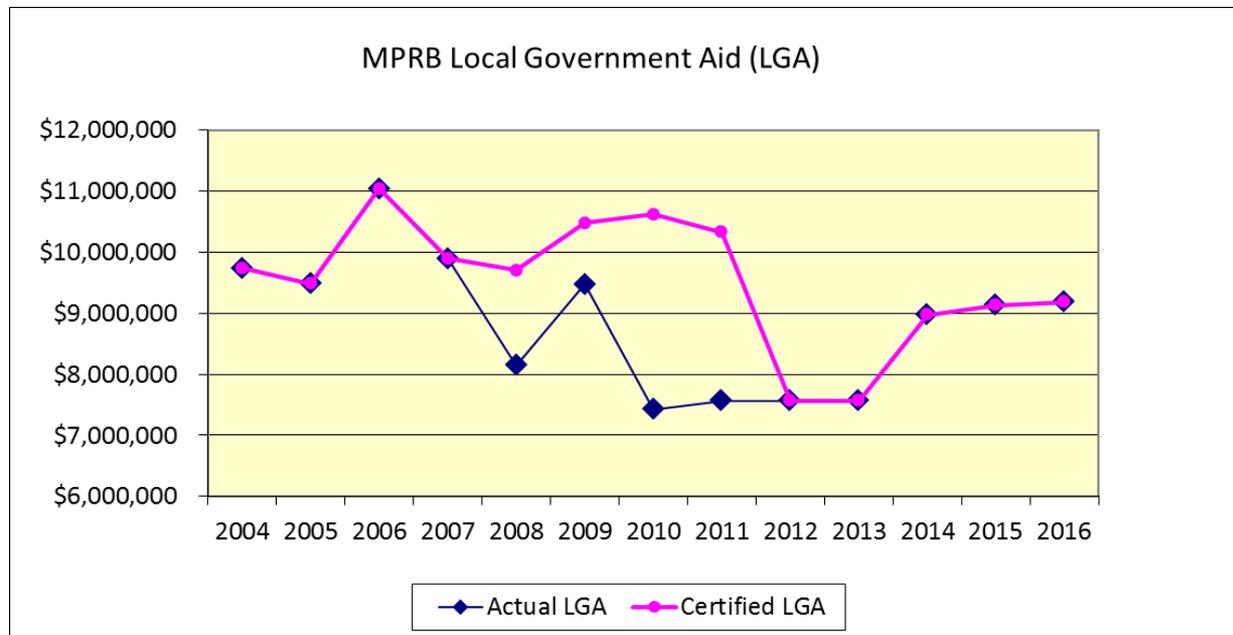
Schools 26¢

County 28¢

Other 3¢



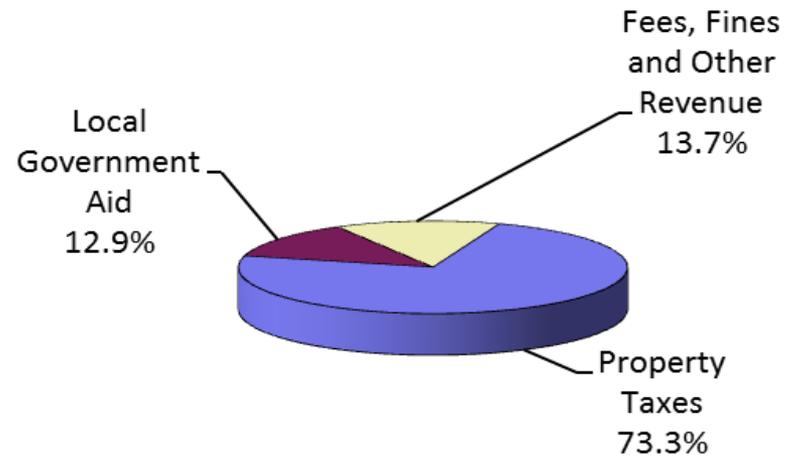
- ❑ Actions taken by the State to balance the State budget from 2008 - 2011, resulted in a loss of \$8.5 million in certified state aids to the MPRB General Fund. MPRB LGA funding stabilized in 2012, with the certified amount substantially lower than past years.
- ❑ In 2016 statewide LGA will increase by \$2.5million. The MPRB expects to see an increase of \$49,000 in 2016 LGA, for a total of \$9.2 million.





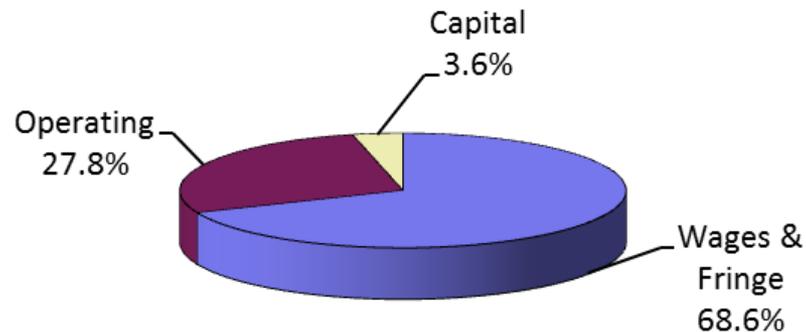
Revenue by Major Sources

	2015	2016		%
	Approved	Recommended	Change	Change
Current Property Taxes	50,054,400	52,057,170	2,002,770	4.0%
Local Government Aid (LGA)	9,133,360	9,182,581	49,221	0.5%
Fees, Fines and Other Revenues	9,053,247	9,733,254	680,007	7.5%
Total Revenue	68,241,007	70,973,005	2,731,998	4.0%



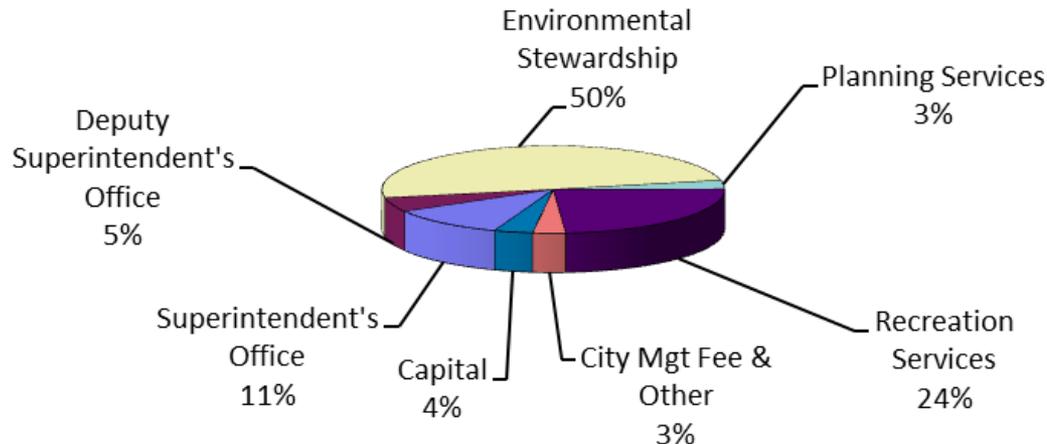
Expenditures by Major Categories

	2015	2016		%
	Approved	Recommended	Change	Change
Wages & Fringe	46,519,353	48,690,828	2,171,475	4.7%
Operating	19,192,283	19,702,177	509,894	2.7%
Capital	2,529,371	2,580,000	50,629	2.0%
Total Expenditures	68,241,007	70,973,005	2,731,998	4.0%



Expenditures by Division

	2015	2016		%
	Approved	Recommended	Change	Change
Superintendent's Office	7,683,258	7,845,446	162,188	2.1%
Deputy Superintendent's Office	3,599,894	3,784,023	184,129	5.1%
Environmental Stewardship	34,384,275	35,263,928	879,653	2.6%
Planning Services	2,213,185	2,290,803	77,618	3.5%
Recreation Services	15,542,695	17,022,797	1,480,102	9.5%
City Mgmt Fee, Contributions & Other	2,288,329	2,186,008	(102,321)	-4.5%
Capital	2,529,371	2,580,000	50,629	2.0%
Total General Fund	68,241,007	70,973,005	2,731,998	4.0%



Special Revenue Funds



Special Revenue Funds by Major Categories

	2015	2016		%
	Approved	Recommended	Change	Change
Current Property Taxes - Tree Preservation & Reforestation	1,445,500	1,714,503	269,003	18.6%
Fund Balance (Tree Preservation)		28,739	28,739	
State Grants & Other Local Government	1,337,000	1,337,000	0	0.0%
Grants & Donation	30,600	30,600	0	0.0%
Total Revenue	2,813,100	3,110,842	297,742	10.6%
Wages & Fringe	511,518	524,261	12,743	2.5%
Operating & Equipment	2,301,582	2,586,581	284,999	12.4%
Total Expenditures	2,813,100	3,110,842	297,742	10.6%
Balance	0	0		

Balance by Unit

	2016	2016	
Division/Department/Unit	Revenue	Expenditures	Balance
Environmental Stewardship Division			
Forestry - Tree Preservation & Reforestation	1,743,242	1,743,242	0
Superintendent's Office			
Park Grant & Dedicated Revenue	1,367,600	1,367,600	0
Total	3,110,842	3,110,842	0



Enterprise Fund by Major Categories

	2015	2016		%
	Approved	Recommended	Change	Change
Charges For Service	6,346,452	5,844,430	(502,022)	-7.9%
Parking Lots and Meters	1,568,453	1,724,953	156,500	10.0%
Commissions and Rents	1,390,050	2,526,913	1,136,863	81.8%
Total Revenue	9,304,955	10,096,296	791,341	8.5%
Wages & Fringe	4,262,467	4,600,808	338,341	7.9%
Operating	3,596,382	3,674,168	77,786	2.2%
Total Operating Expenses	7,858,849	8,274,976	416,127	5.3%
Improvements	0	463,583	463,583	
Transfers to Debt Service	1,213,537	730,137	(483,400)	-39.8%
Total Improvements & Transfers	1,213,537	1,193,720	(19,817)	-1.6%
Net Income	232,569	627,600	395,031	169.9%

Operating Income by Unit

Division/Department/Unit	2016 Revenue	2016 Expenses	Operating Income (Loss)
Deputy Superintendent Office			
Customer Service - Parking	1,724,953	450,582	1,274,371
Customer Service - Use & Event Permitting	1,100,000	697,424	402,576
Customer Service - Vendor Agreements/Concessions	1,499,500	196,781	1,302,719
Environmental Stewardship Division			
Environmental Management - Sculpture Garden/Cowles Conservatory	0	74,784	(74,784)
Recreation Services Division			
Athletics & Aquatics - Ice Arenas	854,779	830,213	24,566
Golf	4,580,891	5,191,883	(610,992)
Recreation Centers & Programs - Winter Recreation	336,173	833,309	(497,136)
Total	10,096,296	8,274,976	1,821,320



Internal Service Funds by Major Categories

	2015	2016		%
	Approved	Recommended	Change	Change
Equipment Rental	4,985,233	5,242,504	257,271	5.2%
Sale of Fixed Assets	33,000	33,000	0	0.0%
ITS Services	1,551,080	1,718,122	167,042	10.8%
Insurance & Workers Comp Premiums	2,087,802	2,163,359	75,557	3.6%
Total Revenue	8,657,115	9,156,985	499,870	5.8%
Wages & Fringe	4,453,438	4,455,747	2,309	0.1%
Operating	2,650,359	2,650,124	(235)	0.0%
Total Expenses	7,103,797	7,105,871	2,074	0.0%
Mobile Equipment Replacement	1,665,808	1,795,911	130,103	7.8%
Info Tech Equipment Replacement	141,290	175,203	33,913	24.0%
Total Equipment Replacement	1,807,098	1,971,114	164,016	9.1%
Excess Revenues Over/(Under) Expenses	(253,780)	80,000		

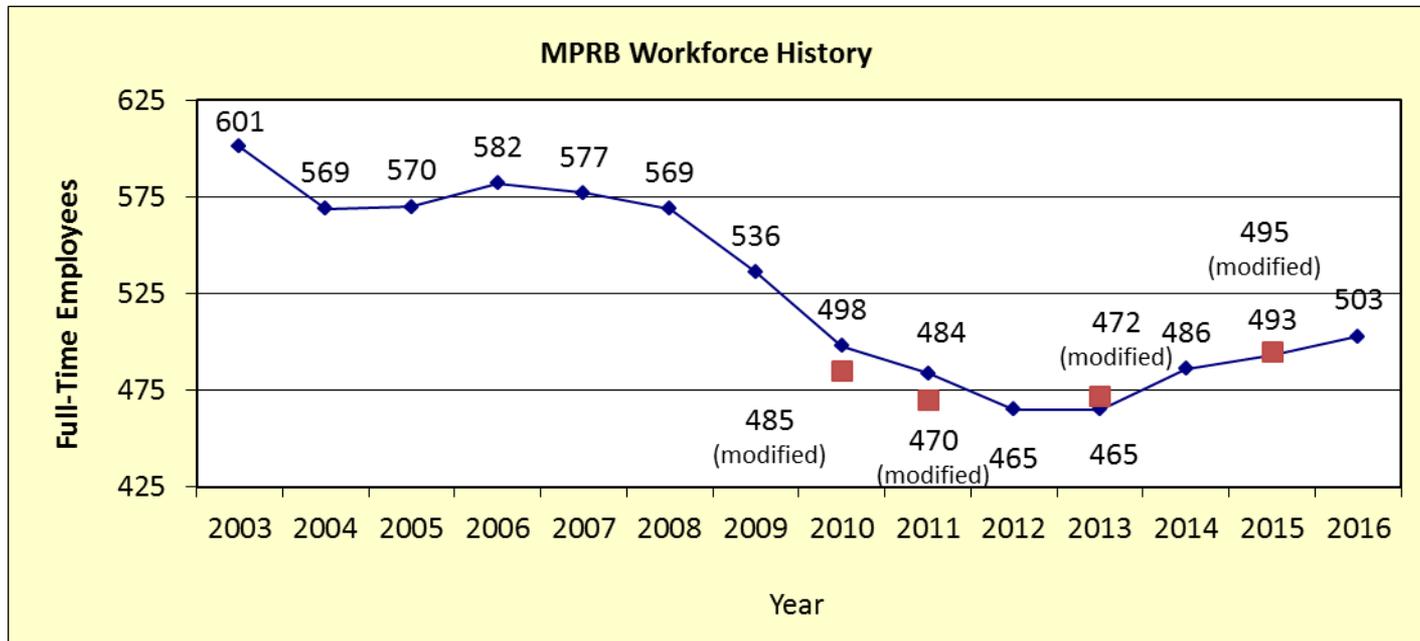
Balance by Unit

	2016	2016	
Division/Department/Unit	Revenue	Expenses	Balance
Deputy Superintendent Office			
Information Technology Services	1,718,122	1,658,122	60,000
Finance - Self Insurance	2,163,359	2,163,359	0
Environmental Stewardship Division			
Asset Management - Equipment	5,275,504	5,255,504	20,000
Total	9,156,985	9,076,985	80,000

Personnel Summary



- ❑ 117 full-time positions, 20 percent of the workforce was eliminated between 2006 - 2012
- ❑ Since 2012, the workforce has been increased by 38 full-time positions





Capital Project Funds



Capital Program Overview

Projected Neighborhood Park Funding Source (in millions)	2016	2017	2018	2019	2020	2021
Net Debt Bonds	\$2.50	\$2.50	\$1.50	\$4.50	\$3.00	\$3.00
Pay as You Go - Capital Levy	1.50	1.50	1.50	1.50	1.50	1.50
Pay as You Go - Additional	0.78	0.68	1.08	1.08	1.08	1.08
Park Dedication (allocated)	0.01	0.02	0.00	0.00	0.00	0.00
Other Outside Funding	3.26					
Total	\$8.05	\$4.68	\$4.08	\$7.08	\$5.58	\$5.58

*Recommended 2016 General Fund Pay As You Go Capital Rehabilitation Budget-\$2.28 million

\$700,000 over two years shifted to General Fund for acquisition

Capital Program Overview

Projected Regional Park Funding Source (in millions)	2016	2017	2018	2019	2020	2021
Met Council/Regional Parks	\$0.45	\$4.17	\$0.00	\$3.72	\$0.00	\$3.72
Parks and Trails - Legacy	3.29	3.46	3.25	3.25	3.25	3.25
Lottery In Lieu (O and M)	1.30	1.30	1.30	1.30	1.30	1.30
Other Outside Funding	8.15					
Total	\$13.19	\$8.93	\$4.55	\$8.27	\$4.55	\$8.27

Reflects elimination of
North Mississippi Funding

Projected Operations Facilities Funding Source (in millions)	2016	2017	2018	2019	2020	2021
Pay as You Go - Capital Levy	\$0.35					
General Fund Transfer	0.46	0.23	0.23	0.23	0.23	0.23
Total	\$0.81	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23

2016 Capital Improvement Program, Enterprise Fund

The Enterprise Fund Capital Improvement Program will be updated as long term strategies are made for each golf course. In 2016, focused work will be on the reconstruction of Hiawatha and Meadowbrook golf courses.

Capital Program Overview

EXAMPLE: Matthews Park Playground and Site Improvements

Park	2016	Revised 2016	2017	Revised 2017	Previous Total 2016-2020	Revised Total	Funding Source	District	Comment (2016)
Matthews Playground and Site Improvements	189,000	0			189,000	0	Capital Levy	3	Funding moved to Phillips Pool, project pushed to 2017; 5% escalation added; source shift to rectify fund source totals
				197,500	0	197,500	Net Debt Bonds	3	
				12,900	0	12,900	Park Dedication	3	
Sub-Total	189,000	0	0	210,400	189,000	210,400			

5% increase

EXAMPLE: Nieman Fields

Park	2016	Rev. 2016	Rev. 2017	Rev. 2018	Rev. 2019	Rev. 2020	Prev. Total 2016- 2020	Rev. Total	Source
Nieman Fields Renovation Debt Service	0	559,000	636,400	245,450	636,750	643,750	0	2,721,350	Capital Levy
	0	68,600	0	399,000	0	0	0	467,600	Add'l Pay As You Go Capital
Sub-Total	0	627,600	636,400	644,450	636,750	643,750	0	3,188,950	

EXAMPLE: Service Centers / Operations Facilities

The operations centers in North and Northeast service areas need extensive renovations and modifications to meet current codes and future operational needs. The allocation of funds will allow for design options and programming needs. During this time the MPRB may also explore other options partner organizations to meeting the operational needs for both in a combined facility.

Park	2016	Rev. 2016	Rev. 2017	Rev. 2018	Rev. 2019	Rev. 2020	Rev. 2021	Prev. Total 2016- 2020	Revised Total	Funding Source
North and Northeast Service Centers	0	460,000	230,000	230,000	230,000	230,000	230,000	0	1,610,000	General Fund Transfer
Forestry Wood Processing Site	0	350,000 *						0	350,000	Capital Levy
Sub-Total								0		

* Remaining \$200,000 of project total funded with existing Operations Center rehab Fund balance

- ❑ November 4, 2015 – Administration & Finance Committee
 - Public Comment on Superintendent’s Recommended 2016 Budget
 - Commissioner Review/Comment on Superintendent’s Recommended 2016 Budget

- ❑ November 18, 2015 – Full Board
 - Public Comment on Superintendent’s Recommended 2016 Budget
 - Commissioner Review/Comment on Superintendent’s Recommended 2016 Budget

- December 2, 2015– Administration & Finance Committee
 - Approve 2016 Annual Budget

- December 9, 2015 – Public Hearing on Tax Levy and Adoption of 2016 Annual Budget, City Hall

- To assist staff in preparing for the budget sessions, questions or comments should be emailed to the Superintendent or Finance Director in advance of the meetings.
 - November 4 Board Meeting - questions due by October 28
 - November 18 Board Meeting - questions due by November 10
 - December 2 Board Meeting - questions due by November 23