



Resolution 2016-112

Resolution Approving Proposed Ballot Language for a November 2016 Referendum and Elements for an Agreement with the Minneapolis City Council to Address Sustained Current Funding to Provide a Long Term Strategy to Address the Funding Gap for Annual Maintenance, Repairs and Capital Investments for Minneapolis Neighborhood Parks

Whereas, The Minneapolis Park and Recreation Board (MPRB) was created by the Minnesota Legislature with an affirmative vote by Minneapolis voters of the Park Act on April 3, 1883 establishing what has become a primary contributor to the quality of life in all parts of the city;

Whereas, Minneapolis parks encompass the city's defining lakes and the river banks at the core of the city's development;

Whereas, Acquired by purchase and donation, the parks include features of astonishing beauty, historical significance and ecological wonder, all within a thriving urban setting;

Whereas, Historical accounts indicate Minneapolis residents believe the park system is a unique and valuable asset, plays an important role in serving the public, and contributes to the economy;

Whereas, More than this, the parks are imbued with personal meaning—the playgrounds that live in the memories of generations of people, are the soul of our communities;

Whereas, The Minneapolis Park and Recreation Board (MPRB) is an independently elected, semi-autonomous body responsible for governing, maintaining and developing the Minneapolis Park System;

Whereas, The 6,801-acre system consists of neighborhood and regional parks, playgrounds, wading pools, recreation centers, sports fields and courts, golf courses, gardens, biking and walking paths, nature sanctuaries, lakes and a 55-mile parkway system;

Whereas, Minneapolis' neighborhood parks have the greatest number of physical assets that require greater resources to operate, maintain and replace;

Whereas, To sustain the current level of physical assets in the neighborhood park system, based on 2015 costs, the MPRB needs \$14.3 million plus inflation each year to meet capital investment needs and the current annual capital gap is \$9.3 million plus inflation;



Whereas, The neighborhood parks also require annual investments to operate them to industry standards and the current operational gap, based on 2015 costs, is a minimum of \$3 million plus inflation per year;

Whereas, The Superintendent and Commissioners initiated *Closing the Gap: Investing in Neighborhood Parks (Closing the Gap)* in 2015 to share information with Minneapolis residents and partners about the current condition and service level of neighborhood parks;

Whereas, *Closing the Gap* looked at the impacts of the age of the system and deferred maintenance – or delayed regular upkeep past the point of repair – have had on the 160 neighborhood parks in Minneapolis;

Whereas, *Closing the Gap* gathered information from Minneapolis residents and partners about investment priorities for replacement, operating and maintenance of existing neighborhood park assets;

Whereas, Based on the public input gathered, the Superintendent is recommending the following specific actions to address the funding challenges facing Minneapolis neighborhood parks; and

Whereas, This resolution is supported by the MPRB 2007-2020 Comprehensive Plan values of sustainability, responsiveness and innovation and independence and focus;

RESOLVED, That the Board of Commissioners recommend the following ballot language for placement on the November 2016 general election –

MINNEAPOLIS PARK AND RECREATION BOARD
MAINTAINING AND IMPROVING MINNEAPOLIS NEIGHBORHOOD PARKS

Shall the City of Minneapolis be given the authority to levy additional property taxes equivalent to .0388 percent of the estimated market value of the city per year for twenty years for the Minneapolis Park and Recreation Board to maintain, repair, and improve neighborhood parks, including repairing and improving recreational facilities to provide increased opportunities for children to recreate and experience nature outdoors, provide at-risk youth with recreational opportunities, improve access to parks and recreational facilities for people with disabilities, increase park safety, improve neighborhood parks in under-served areas of the city, and enhance natural areas.

BY VOTING 'YES' ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE.

The maximum annual amount of the increased tax levy is limited to .0388 percent of the estimated market value of the City. If this had been in place in 2016, it would have resulted in



an estimated \$15 million levy. The first year of the levy authority will be 2018. These funds shall not replace existing funding sources for the Minneapolis Park and Recreation Board. These funds shall supplement and be in addition to all existing sources of park funding. All expenditures shall be subject to full public disclosure.;

RESOLVED, That the Board of Commissioners direct the Superintendent and legal counsel to work with the City of Minneapolis to develop an agreement that protects current and future funding for the MPRB and covers the following –

1. Hold harmless protections from losing current fund streams
 - a. Property Tax Revenue: Retain authority, as provided in the City Charter and State law, to request annual maximum tax levy for the MPRB to the Board of Estimate and Taxation (BET) with final annual maximum tax levy authority set by the BET and MPRB adoption of annual levy within maximum set by the BET
 - b. LGA – Local Government Aid: Retain receipt of 11.79% that comes to Minneapolis
2. Hold harmless protections from rising administrative fees and charges
 - a. Administrative Fee charged by City: Retain 2016 fee charged for future, until cost allocation method can be established and agreed to by both parties and implemented by City
 - b. Benefit Administration Fee charged by City: Use current methodology whereby the MPRB and City pay the same per employee amount, with total fee based on the number of benefitted employees
3. Hold harmless protections in Capital Project Approval Processes
 - a. Project Reviews through CLIC process: Retain CLIC Project Review Process with Net Debt Bonding for MPRB projects at a minimum of \$2.5M annually that cannot be reduced by CLIC
4. Protect the MPRB's Ability to Address Future Funding Needs for Unanticipated Critical Needs
 - a. Incorporate language that protects the MPRB and allows for the MPRB to address future unanticipated critical needs (i.e. natural disasters, diseases, Acts of God); 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: Jayne Miller, Superintendent

DATE: January 20, 2016

SUBJECT: Resolution Approving Proposed Ballot Language for a November 2016 Referendum and Elements for an Agreement with the Minneapolis City Council to Address Sustained Current Funding to Provide a Long Term Strategy to Address the Funding Gap for Annual Maintenance, Repairs and Capital Investments for Minneapolis Neighborhood Parks

BACKGROUND

Closing the Gap: Investing in Neighborhood Parks (Closing the Gap) is an initiative of the Superintendent and Commissioners that shared information with Minneapolis residents and partners about the current condition and service level of neighborhood parks. Closing the Gap looked at the impacts of the age of the system and deferred maintenance - or delayed regular upkeep past the point of repair - has had on the 160 neighborhood parks in Minneapolis. During extensive *Closing the Gap* community outreach efforts, information was also shared about how the funding and maintenance repair gap grew between 2000-2015, and the proactive steps the MPRB has taken between 2003-2015 to address the funding gap.

Throughout 2015, the *Closing the Gap* initiative gathered ample information from Minneapolis residents and partners about investment priorities for replacement, operating and maintenance of existing neighborhood park assets. A spectrum of community engagement methods, information sharing, and communications tools were used to share and collect information for the *Closing the Gap* initiative since May 2015.

Minneapolis' neighborhood parks have the greatest number of physical assets that require greater resources to operate, maintain and replace. To sustain the current level of physical assets in the park system the MPRB needs \$14.3 million, based on 2015 costs, plus inflation each year to meet replacement and capital investment needs. The MPRB currently has \$4-5 million per year to invest in these assets. Based on 2015 costs, the current annual capital gap is \$9.3 million plus inflation. The neighborhood parks also require annual investments to operate them to industry standards for activities such as mowing, building maintenance, tree pruning, roof repairs, and path repairs. Based on 2015 costs, the current operational gap is a minimum of \$3 million plus inflation per year.



On October 21, 2015, the Superintendent provided the Board of Commissioners the *Investing in Neighborhood Parks - Final Report, Public and Private Funding Strategies for Neighborhood Parks Report* and *Feasibility Report from the Trust for Public Land*. Following the presentation of those reports and Board discussion of those reports, the Board of Commissioners directed the Superintendent to propose funding solutions to the Board.

On January 6, 2016, the Superintendent presented to the Board of Commissioners proposed ballot language for a referendum, an overarching implementation plan for a referendum (Programs and Initiatives: First Five Years), and elements for an agreement with the Minneapolis City Council to address sustained current funding all intended to provide a long term strategy to address the funding gap for annual maintenance and repairs as well as capital investments for Minneapolis neighborhood parks. The Superintendent also indicated that in April 2016, she would present specifics for the Programs and Initiatives: First Five Years to the Board. Based on the discussion following the presentation, the Superintendent was asked to provide additional information on 1) updated numbers if the Park Board's portion of LGA funding were included in the referendum and 2) requirements for the four options available to place a referendum on the ballot.

The proposed ballot language has been vetted with various finance staff and attorneys who specialize in Minnesota tax law and has been updated based on their input and review. The overarching implementation plan, Programs and Initiatives: First Five Years, for a referendum has been updated since originally presented on January 6, 2016. The updated Programs and Initiatives: First Five Years Plan is attached.

Including LGA Funding

If the Park Board's portion of LGA funding, 11.79% of the total amount in Minneapolis and \$9.2M in 2016, were included in the referendum, the amount collected in the first year would need to be a minimum of \$24.2M, collected through additional property taxes equivalent to .0617 percent of the estimated market value of the city per year.

Below are the estimated costs to homeowners, based on the 2016 levy amount, for a referendum that does not factor in LGA funding coverage and a referendum factoring in LGA funding coverage:

	LGA Amount Not Included	LGA Amount Included
Cost/Year for \$100,000 home	\$ 27.76	\$ 44.15
Cost/Year for \$190,000 home	\$ 65.68	\$104.47
Cost/Year for \$300,000 home	\$112.04	\$178.20
Cost/Year for \$450,000 home	\$173.97	\$276.71



Four Avenues Available to Place Referendum on Ballot

There are four avenues by which a referendum can be placed on the ballot: City Council approval, Charter Commission authorization, State Legislature authorization and Citizen Petition Drive. The frameworks of each of these ballot options are depicted below, and each option includes the need to approve elements of an agreement with the City of Minneapolis. It is important to note that August 26, 2016 is the last date to provide Hennepin County with ballot language for the November 2016 general election.

1. City Council
 - a. Need simple majority of Council - 7 of 13 votes needed
 - b. Council approval of ballot language
 - c. Need to approve elements of agreement (ordinance, interlocal agreement, resolution) - ordinance strongly desired

2. Charter Commission
 - a. Commission has to approve amendment to charter to authorize ballot initiative
 - b. Need simple majority of Commission - 8 of 15 votes needed
 - c. Following Charter Commission approval, City Council needs to approve language for the ballot
 - d. Need City Council to approve elements of agreement (ordinance, interlocal agreement, resolution) - ordinance strongly desired

3. State Legislature
 - a. Authorize ballot initiative as part of 2016 legislative session passed by House and Senate
 - b. The Legislature would enact a bill directing the County to place the ballot language question on the ballot for November, 2016
 - c. The Park Board itself could grant approval to the legislation
 - d. Need City Council to approve elements of agreement (ordinance, interlocal agreement, resolution) - ordinance strongly desired
 - i. The Legislature could address the LGA allocation but very likely could not and would not address the existing capital budget allocations through CLIC or the administrative fee charged by the city to the MPRB as those are purely local decisions

4. Citizen Petition Drive
 - a. 6,869 valid signatures of registered Minneapolis voters - need to collect approximately 14,000 signatures to ensure that sufficient valid signatures are collected
 - b. The petition must be submitted to the City Clerk's office between May 8, 2016



- and July 12, 2016 (Signature collection could begin before May 8th)
- c. Develop the Charter language-if the language to be added to the charter is greater than 1,000 words then a summary of the language is prepared and submitted to the Charter Commission for approval prior to the circulation of a petition
 - d. The Charter Commission forwards the language to the City Council
 - e. Following Charter Commission action, City Council has to approve language for the ballot or the City Council could challenge the legality of the Charter amendment as being beyond the authority of the Charter
 - f. Need City Council to approve elements of agreement (ordinance, interlocal agreement, resolution) - ordinance strongly desired

All *Closing the Gap* materials are available at www.minneapolisparcs.org/closingthegap
<<http://www.minneapolisparcs.org/closingthegap>>.

RECOMMENDATION

The Superintendent is recommending the proposed ballot language and elements of an agreement with the City of Minneapolis be supported by the Board of Commissioners to sustain Minneapolis' quality park system that is essential to a good quality of life for Minneapolis residents, helps to address equity of neighborhood parks, and is crucial to the success of our city.

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

Economic Sustainability	Develop short-term and long-term financial stability of the park system.
Equity	Provide residents with the opportunity to improve their quality of life and well-being through outstanding parks and recreation services that are suited to their respective needs.
Responsiveness and Innovation	Anticipate and thoughtfully respond to the diverse needs of the city's communities, continually seeking ways to better deliver park and recreation services.
Independence and Focus	Independence allows the Minneapolis Park and Recreation Board to focus on providing and obtaining the resources necessary to accomplish its mission and form effective, responsible partnerships.



ATTACHMENTS:

- CTG First Five Years 1-15-16 (PDF)

Prepared By: Jayne Miller, Superintendent, Superintendent's Office

Review:

Jayne Miller Completed 01/14/2016 8:27 PM

Minneapolis Park and Recreation Board Pending 01/20/2016 5:00 PM

Updated 1/15/2016

Maintain

\$20,467,000*

Maintaining the System

Implementing best practices for park and park asset maintenance, including environmentally sustainable practices; providing particular focus on maintenance of parks and park assets in under-served areas of city; improving integrity and durability of parks and park assets; enhancing natural areas

	Current service level	Achieved service level
Mowing	Every 14 days	Every 10 days
Tree pruning	Every 10 years	Every 5 years
Playground maintenance	2 times per year	6 times per year
Building maintenance	4,167 hours per year	18,500 hours per year
Sidewalk maintenance and repair	.25 miles per year	1 mile per year
Plumbing start up and shut down	6-8 weeks	3-4 weeks
Roof inspections	0 times per year	2 times per year
Horticulture, formal garden, and natural area maintenance	4,080 hours per year	10,080 hours per year
Parking lot maintenance	0 times per year	Every 10 years
Site amenity replacement	Every 20 years	Every 10 years

Rehabilitate

\$14,016,000*

Enhancing park safety	<ul style="list-style-type: none"> • Upgrading park lighting with more efficient fixtures and systems where necessary and appropriate • Implementing building security improvements, including improved systems and universal locking • Focusing on parks in under-served areas of the city
Fixing it first	<ul style="list-style-type: none"> • Addressing immediate maintenance needs and critical failures that are otherwise unattached to capital investments • Satisfying regulatory requirements and accessibility for people with disabilities (implementing ADA Transition Plan, meeting critical codes) • Implementing maintenance and accessibility projects and accelerating resolution of life safety projects that are otherwise unattached to capital investments or where those investments might be less immediately sequenced • Focusing on parks in under-served areas of the city
Addressing the backlog	<ul style="list-style-type: none"> • Addressing maintenance backlog for buildings and sites and incorporating environmental sustainability where operations and programming would be enhanced... where replacement of park components is required because they have reached the end of their service life • Upgrading systems for energy efficiency, environmental sustainability, comfort (hvac, plumbing) • Improving facilities for maintenance activities that address operational and energy efficiency, environmental sustainability, protection of equipment, suitable working environment for operations and maintenance staff • Focusing on underserved areas of the city

Replace and Invest

\$43,150,000*

Realizing approved plans	<ul style="list-style-type: none"> • Recognizing service life of existing park assets (buildings, fields, playgrounds, pools, etc.) and planning for their replacement according to community developed master plans approved by the Board of Commissioners • Implementing master plans to repair, improve and replace existing assets • Focusing on approved service area master plans and existing parks in under-served areas of city
Supporting programs	<ul style="list-style-type: none"> • Improving parks and facilities where replacements support program delivery according to directives for RecQuest (MPRB's comprehensive recreation center and program assessment to assure facilities, programs and services align with community needs) and the MPRB's goals of increasing accessibility and equity • Focusing on parks in under-served areas of the city
Building the future	<ul style="list-style-type: none"> • Addressing the needs of diverse park users through replacement of existing assets in parks to better reflect changing neighborhoods and their long-term recreation requirements

Estimated* Investment Summary, Years 1-5

	Maintain	Rehabilitate	Invest	Totals
2018	\$3,907,000	\$2,676,000	\$8,237,000	\$14,820,000
2019	\$3,997,000	\$2,737,000	\$8,427,000	\$15,161,000
2020	\$4,089,000	\$2,800,000	\$8,620,000	\$15,509,000
2021	\$4,187,000	\$2,867,000	\$8,827,000	\$15,881,000
2022	\$4,287,000	\$2,936,000	\$9,039,000	\$16,262,000
Totals	\$20,467,000	\$14,016,000	\$43,150,000	\$77,633,000

* investment dollar amounts reflected on this document are estimations and subject to change

Attachment: CTG First Five Years 1-15-16 (2016-112 : Closing the Gap Recommendations)