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MEMORANDUM

TO: Charter Commission
FROM: Minneapolis Park and Recreation Board President Liz Wielinski
and Superintendent Jayne Miller
DATE: March 2, 2016
RE: Request for Charter Amendment

Closing the Gap: Investing in Neighborhood Parks (Closing the Gap) is an initiative of the Minneapolis Park and Recreation Board (MPRB) 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 157 neighborhood parks in Minneapolis.

The Closing the Gap initiative gathered 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 of 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 needed \$14.3 million, in 2015 dollars, plus inflation each year thereafter to meet capital investment needs. The MPRB currently has \$4-5 million per year to invest in these assets. In 2015 the annual capital gap was \$9.3 million and grows each year based on inflationary cost increases. 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. The 2015 operational gap was a minimum of \$3 million and grows each year based on inflationary cost increases.

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

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Superintendent
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funding solutions to the Board. All *Closing the Gap* materials, including these reports, are available at www.minneapolisparcs.org/closingthegap.

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. On February 16, 2016, the Board of Commissioners directed the Superintendent to pursue all four options within the bounds of the law – City Council, Charter Commission, State Legislature, Citizen Petition Drive – to find a solution to address the funding gap for annual maintenance and repairs and capital investments for Minneapolis neighborhood parks. In April 2016, the Superintendent will present specifics for the Programs and Initiatives: First Five Years to the MPRB Board of Commissioners.

The proposed ballot language has been vetted with various finance staff and attorneys who specialize in Minnesota tax law and was developed based on their input and review. The ballot language approved by the Board of Commissioners and the overarching implementation plan, The Programs and Initiatives: First Five Years Plan, are attached.

Below are the estimated costs to homeowners, based on the 2016 levy amount, for the proposed referendum:

| | |
|------------------------------|----------|
| Cost/Year for \$100,000 home | \$ 27.76 |
| Cost/Year for \$190,000 home | \$ 65.68 |
| Cost/Year for \$300,000 home | \$112.04 |
| Cost/Year for \$450,000 home | \$173.97 |

The Superintendent also provided the Board of Commissioners with information on the requirements for the four options available to place a referendum on the ballot as depicted below. As directed by the Board of Commissioners, and the President and Superintendent are pursuing all four avenues for the question to be placed on the November 2016 ballot.

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, unless there is a Mayoral veto. If there is a Mayoral veto, then 9 of 13 votes is 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

Consistent with the Board's direction, the President and Superintendent are pursuing all four avenues for a question to be placed on the November 2016 ballot. To that end, the President and Superintendent are proposing a Charter Amendment that would result in a ballot question on the November 2016 election.

RECOMMENDATION

The MPRB President and Superintendent are requesting the Charter Commission to authorize this amendment to Minneapolis Charter Chapter 6.5 be placed on the November 2016 ballot. The proposed amendment would add a new subdivision to Minneapolis Charter Chapter 6.5 and would read as follows:

Amending Minneapolis Charter Chapter 6.5 by adding a new subdivision to read:

Section 6.5 Finances

C. Neighborhood Parks Capital and Maintenance Tax Levy. In addition to the taxing powers granted in this Charter to the Minneapolis Park and Recreation Board and notwithstanding any limitations on amounts or purposes of tax levies or the manner of tax imposition under section 9.3 (a)(4) or any other law, beginning for taxes payable in 2018 and continuing for 20 years the Minneapolis Park and Recreation Board has the authority to levy additional property taxes equivalent to .0388 percent of the estimated market value of the city per year 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 protect degraded natural areas. These funds shall not supplant or 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 funds raised and expenditures made under this provision shall be subject to full public disclosure.

Proposed Ballot Language

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.

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