

## Community Development Committee

For the Community Development Committee meeting of July 16, 2018

For the Metropolitan Council meeting of July 25, 2018

**Subject:** Annual Metropolitan Regional Parks Operation and Maintenance Allocation

**District(s), Member(s):** All

**Policy/Legal Reference:** Minnesota Statutes, sections 473.351 and 297A.94 (e)(3); Minnesota Laws 2017 Chapter 93, Article 1, Sec. 5; 2040 Regional Parks Policy Plan, Chapter 5

**Staff Prepared/Presented:** Deb Streets Jensen, Senior Parks Finance Planner 651-602-1554

**Division/Department:** Community Development Division / Regional Planning

### Proposed Action

That Metropolitan Council accept the Regional Parks System state fiscal year 2019 operation and maintenance report, as shown in Table 1.

### Background

**Statutory requirements.** By law, the Council serves as the fiscal agent to distribute state funds to the Regional Park Implementing Agencies (Agencies) for operation and maintenance costs.

Minnesota Statute §473.351 requires that by July 15<sup>th</sup> of each year, the Metropolitan Parks and Open Space Commission (MPOSC) reports to the Metropolitan Council “the funding requests from the implementing agencies based on the actual expenditures made” in the previous year.

Staff conducts a review of the Agencies’ operation and maintenance (O&M) submittals to determine eligibility of claimed costs and the appropriate dollar distribution. The statute provides that the distribution is based on three factors:

- 40% is based on the *use* that each Agency’s regional parks and trails has in proportion to the total use of the Regional Parks System. Usage is determined through 2017 visit count data provided by the Agencies to the Council.
- 40% is based on the O&M *expenditures* made by each Agency in proportion to the total O&M expenditures for the entire Regional Parks System. These numbers were determined following the eligibility review of 2017 calendar year Agency submittals.
- 20% is based on the *acreage* for each Agency’s regional parks and trails, in proportion to the acreage of the entire Regional Parks System. The numbers are based on 2017 acreage as reported to the Council by each Agency.

The calculations underlying this year’s distribution are attached as Table 2.

### Rationale

Because the Regional Parks System draws a significant percentage of its visits from outside the Twin Cities metropolitan area, the state legislature funds a portion of the expenses necessary to run the System. The O&M appropriation comes from the State in its entirety; the Council neither matches the funds nor withholds any for administrative costs. The law requires the Council to review the claims presented by each Agency for eligibility and MPOSC to report the claimed costs to the Council so the amounts are paid appropriately. That is the purpose of this business item.

## Thrive Lens Analysis

This item is consistent with Thrive’s Stewardship outcome as this funding helps the ten Regional Park Implementing Agencies take care of existing infrastructure for the Twin Cities’ world-class Regional Parks System. O&M funding is done on a reimbursement basis for money actually spent on operating and maintaining the System.

## Funding

The Legislature appropriated \$8,540,000 for O&M funding for the Regional Parks System for state fiscal year 2019, which began on July 1, 2018. The appropriation included \$2,540,000 from the state General Fund and an estimated \$6,000,000 in lottery-in-lieu of sales tax revenue (LIL). The Council will distribute the General Fund appropriation as a lump sum on August 1, 2018 or as soon thereafter as the Council receives the funds from the state. The State pays the Council 1/12<sup>th</sup> of the estimated LIL amount each month throughout the fiscal year, and the Council in turn pays each Agency their share on a monthly basis. Because the LIL funding depends upon the sales of lottery tickets, it may vary from the original estimate. If the lottery revenue varies, the monthly distribution of O&M funds will vary commensurately.

Table 1, below, shows the Agencies’ initial requests for O&M funding for state fiscal year 2019, as based on their reported actual expenditures.

**Table 1 – State Fiscal Year 2019 O&M Distribution**

<b>Agency</b>	<b>Reported actual 2017 O&amp;M</b>	<b>Estimated distribution amount</b>
Anoka County	\$5,886,728	\$728,165.95
Bloomington Parks	1,248,169	96,398.48
Carver County	1,334,570	123,785.46
Dakota County	5,952,034	462,575.58
Minneapolis Park Board	29,091,937	2,221,985.85
Ramsey County	7,337,683	687,538.50
Saint Paul Parks	16,800,270	1,321,481.65
Scott County	1,527,109	135,717.58
Three Rivers Park District - Hennepin & Scott	37,462,992	2,423,799.55
Washington County	3,981,073	338,551.40
<b>Total</b>	<b>\$110,622,565</b>	<b>\$8,540,000.00</b>

## Known Support / Opposition

There is no known opposition. The Metropolitan Parks and Open Space Commission approved the recommendation at its meeting on July 12, 2018 unanimously.

## Metropolitan Parks and Open Space Commission

For the meeting of July 12, 2018

For the Community Development Committee meeting of July 16, 2018

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Washington County	3,981,073	338,551.40
Total	\$110,622,565	\$8,540,000.00

**Known Support / Opposition**

There is no known support or opposition.

**Table 2 – O&M Calculations**

Agency	Weighted Regional Park Acreage	Acres %	Regional Park Visits (1,000s)	Visits %	Regional Park Expenditures	Expenditure %	Funding %	FY19 Gen Fund Lump sum	FY19 Lottery-in-Lieu Estimate	Projected total SFY 2019 distribution
Anoka	6,681.97	17.7809%	4,128.164	7.10%	\$5,886,728	5.32%	8.526533%	\$216,573.95	\$42,633	\$728,165.95
Bloomington	162.25	0.4318%	858.692	1.48%	\$1,248,169	1.13%	1.128788%	\$28,671.21	\$5,644	\$96,398.48
Carver	897.90	2.3893%	710.421	1.22%	\$1,334,570	1.21%	1.449478%	\$36,816.75	\$7,247	\$123,785.46
Dakota	3,809.03	10.1359%	1,797.239	3.09%	\$5,952,034	5.38%	5.416576%	\$137,581.03	\$27,083	\$462,575.58
MPRB	2,805.24	7.4648%	20,346.484	35.02%	\$29,091,937	26.30%	26.018570%	\$660,871.67	\$130,093	\$2,221,985.85
Ramsey	4,415.19	11.7489%	4,427.428	7.62%	\$7,337,683	6.63%	8.050802%	\$204,490.37	\$40,254	\$687,538.50
Saint Paul	2,481.53	6.6034%	11,735.452	20.20%	\$16,800,270	15.19%	15.474024%	\$393,040.21	\$77,370	\$1,321,481.65
Scott	1,509.53	4.0169%	339.391	0.58%	\$1,527,109	1.38%	1.589199%	\$40,365.65	\$7,946	\$135,717.58
TRPD/Scott County	2,001.05	5.3248%	495.173	0.85%	\$2,627,438	2.38%	2.355894%	\$59,839.72	\$11,779	\$201,193.38
TRPD/Hennepin Co	10,118.23	26.9249%	11,686.27	20.11%	\$34,835,554	31.49%	26.025833%	\$661,056.17	\$130,129	\$2,222,606.16
Washington	2,697.59	7.1784%	1,582.127	2.72%	\$3,981,073	3.60%	3.964302%	\$100,693.27	\$19,822	\$338,551.40
<b>Totals</b>	<b>37,579.51</b>	<b>100.0000%</b>	<b>58,106.841</b>	<b>100.0%</b>	<b>\$110,622,565</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$2,540,000.00</b>	<b>\$500,000</b>	<b>\$8,540,000.00</b>

\* The \$6 million appropriation from Lottery-in-Lieu of Taxes is an estimate only; actual amounts distributed will be determined by lottery ticket revenues. If lottery ticket sales fall short of projections, the monthly distributions will be reduced commensurately.

The formula used to determine the distribution per agency is: 20% of each agency's share of acreage in the System **plus** 40% of each agency's share of the visits in 2017 **plus** 40% of each agency's share of the eligible 2017 expenditures for operation and maintenance.