

## Metropolitan Parks and Open Space Commission Report

For the Community Development Committee meeting of July 15, 2019

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

### Proposed Action

That the Metropolitan Council accept the Regional Parks System state fiscal year 2020 operation and maintenance report, as shown in Table 1.

### Summary of Committee Discussion/Questions

Abdiwahab Ali, Financial Analyst, presented this item at the July 9, 2019 Metropolitan Parks and Open Space Commission meeting. Prior to the meeting, one of the funding formula inputs was updated, which changed the allocation amounts for all agencies slightly. Council staff distributed updated information during the meeting, reflecting the updated amounts included below in REVISED Table 1.

REVISED Table 1 – State Fiscal Year 2020 O&M Distribution

Agency	Reported actual 2018 O&M	Estimated distribution amount
Anoka County	\$6,400,250.86	\$808,156.03
Bloomington Parks	\$938,544.58	\$97,520.17
Carver County	\$1,443,790.72	\$136,315.43
Dakota County	\$6,928,911.73	\$533,611.04
Minneapolis Park & Recreation Board	\$29,410,366.77	\$2,355,208.00
Ramsey County	\$7,373,353.04	\$743,998.37
Saint Paul Parks	\$18,448,041.34	\$1,386,589.92
Scott County	\$1,550,203.47	\$139,829.12
Three Rivers Park District - Hennepin & Scott	\$37,901,559.81	\$2,571,339.08
Washington County	\$4,125,152.94	\$367,432.84
<b>Total</b>	<b>\$114,520,175.26</b>	<b>\$9,140,000.00</b>

The Metropolitan Parks and Open Space Commission voted unanimously to recommend the proposed action.

## Metropolitan Parks and Open Space Commission

For the meeting of July 9, 2019

For the Community Development Committee meeting of July 15, 2019

For the Metropolitan Council meeting of July 24, 2019

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

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

**Policy/Legal Reference:** Minn. Stats. §§ 473.351 and 297A.94(e)(3); Minnesota Laws 2017, chapter 93, article 1, section 5; *2040 Regional Parks Policy Plan*, Chapter 5

**Staff Prepared/Presented:** Abdiwahab Ali, Financial Analyst 651-602-1823

**Division/Department:** Community Development / Finance and Administration

### Proposed Action

That Metropolitan Council accept the Regional Parks System state fiscal year 2020 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 ten Regional Park Implementing Agencies for operation and maintenance costs.

[Minn. Stat. § 473.351](#) requires that by July 15 of each year, the Metropolitan Parks and Open Space Commission (the Metropolitan MPOSC) reports to 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. Each agency’s total count of visitors comes from the 2018 Regional Parks System Annual Use Estimate produced by 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 2018 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 2018 acreage as reported to the Council by each Agency.

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

### Rationale

The State legislature funds a portion of the expenses necessary to run the Regional Parks System because the System draws a significant percentage of its visits from outside the Twin Cities metropolitan area. 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.

## 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, which moreover advances Thrive’s Livability outcome by increasing access to nature and outdoor recreation, thereby enhancing the region’s quality of life.

## Funding

The Legislature appropriated \$9,140,000 for O&M funding for the Regional Parks System for state fiscal year 2020, which began on July 1, 2019. The appropriation included \$2,540,000 from the state General Fund and an estimated \$6,600,000 in lottery-in-lieu of sales tax revenue (LIL). The Council will distribute the General Fund appropriation as a lump sum on August 1, 2020 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. LIL funding may vary from the original estimate because the LIL funding depends upon the sales of lottery tickets. The monthly distribution of O&M funds will vary commensurately with lottery revenue variations.

Table 1 below shows the Agencies’ requests for O&M funding for state fiscal year 2020, as based on their reported actual expenditures.

Table 1 – State Fiscal Year 2020 O&M Distribution

Agency	Reported actual 2018 O&M	Estimated distribution amount
Anoka County	\$6,400,250.86	\$807,742.66
Bloomington Parks	\$938,544.58	\$97,433.91
Carver County	\$1,443,790.72	\$136,248.40
Dakota County	\$6,928,911.73	\$533,428.42
Minneapolis Park & Recreation Board	\$29,410,366.77	\$2,353,357.56
Ramsey County	\$7,373,353.04	\$743,571.06
Saint Paul Parks	\$18,448,041.34	\$1,385,611.50
Scott County	\$1,550,203.47	\$139,802.70
Three Rivers Park District - Hennepin & Scott	\$37,901,559.81	\$2,575,520.67
Washington County	\$4,125,152.94	\$367,283.12
<b>Total</b>	<b>\$114,520,175.26</b>	<b>\$9,140,000.00</b>

## Known Support / Opposition

There is no known support or opposition.

Table 2. O&M Calculations by Agency, SFY 2020

Agency	Weighted Regional Park Acreage	Acres %	Regional Park Visits	Visits %	Regional Park Expenditures	Expenditure %	Funding %	FY20 General Fund Lump Sum	FY20 Lottery-in-Lieu Estimate	Projected total SFY 2020 distribution
Anoka	6,507.93	17.400%	4,650,635	7.805%	\$6,400,250.86	5.589%	8.837447%	\$224,471.16	\$583,271.51	\$807,742.66
Bloomington	162.25	0.434%	970,442	1.629%	\$938,544.58	0.820%	1.066016%	\$27,076.82	\$70,357.09	\$97,433.91
Carver	897.90	2.401%	754,150	1.266%	\$1,443,790.72	1.261%	1.490683%	\$37,863.34	\$98,385.06	\$136,248.40
Dakota	3,809.03	10.184%	2,054,571	3.448%	\$6,928,911.73	6.050%	5.836197%	\$148,239.41	\$385,189.01	\$533,428.42
MPRB	2,805.70	7.502%	20,818,514	34.938%	\$29,410,366.77	25.681%	25.747894%	\$653,996.52	\$1,699,361.04	\$2,353,357.56
Ramsey	4,362.45	11.664%	4,807,499	8.068%	\$7,373,353.04	6.438%	8.135351%	\$206,637.91	\$536,933.15	\$743,571.06
Saint Paul	2,481.53	6.635%	11,007,788	18.473%	\$18,448,041.34	16.109%	15.159863%	\$385,060.53	\$1,000,550.97	\$1,385,611.50
Scott	1,474.80	3.943%	297,149	0.499%	\$1,550,203.47	1.354%	1.529570%	\$38,851.08	\$100,951.62	\$139,802.70
TRPD/Scott County	2,001.05	5.350%	480,206	0.806%	\$2,442,341.84	2.133%	2.245470%	\$57,034.94	\$148,201.01	\$205,235.95
TRPD/Hennepin Co	10,192.73	27.252%	12,062,480	20.243%	\$35,459,217.97	30.963%	25.933093%	\$658,700.55	\$1,711,584.16	\$2,370,284.72
Washington	2,705.72	7.234%	1,684,400	2.827%	\$4,125,152.94	3.602%	4.018415%	\$102,067.74	\$265,215.38	\$367,283.12
<b>Totals</b>	<b>37,401.09</b>	<b>100.00%</b>	<b>59,587,834</b>	<b>100.00%</b>	<b>\$114,520,175.26</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$2,540,000.00</b>	<b>\$6,600,000.00</b>	<b>\$9,140,000.00</b>

\* The \$6.6 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 2018 **plus** 40% of each agency's share of the eligible 2018 expenditures for operation and maintenance.