

# Committee Report

Community Development Committee



Committee Meeting Date: June 21, 2022

For the Metropolitan Council: July 13, 2022

## Business Item: 2022-144

Annual Metropolitan Regional Parks Operation & Maintenance Allocation

### Proposed Action

That the Metropolitan Council accept the Regional Parks System state fiscal year 2023 operation and maintenance report, as shown in Table 1.

Table 1. State Fiscal Year 2023 O&M Distribution (Revised)\*

Agency	Reported Actual 2021 O&M Expenses	Estimated Distribution Amount
Anoka County	\$6,684,803.92	\$842,594.17
Bloomington Parks	\$679,345.74	\$82,554.28
Carver County	\$1,547,576.01	\$160,324.25
Dakota County	\$8,172,431.02	\$620,491.25
Minneapolis Park & Recreation Board (MPRB)	\$26,250,050.47	\$2,514,713.15
Ramsey County	\$7,548,194.19	\$849,153.39
Saint Paul Parks	\$18,500,821.60	\$1,357,125.55
Scott County	\$2,018,400.76	\$172,141.35
Three Rivers Park District (TRPD) - Hennepin & Scott	\$43,680,775.25	\$2,957,249.53
Washington County	\$5,077,548.49	\$433,653.08
<b>TOTAL</b>	<b>\$120,159,947.45</b>	<b>\$9,990,000.00</b>

\*Table 1 has been revised since the MPOSC and CDC presentations to reflect the updated allocation amounts following the completion of the 2021 Visitor Study. These are the final allocation amounts for 2023. Final allocation amounts were presented to MPOSC on July 7, 2022.

### Summary of [name of committee] Discussion/Questions

Heather Giesel, CD/MTS Grants Manager, presented the 2023 O&M allocations to the Community Development Committee

There were no questions from the Committee, however, Councilmember Wulff noted that State law says the Legislature is supposed to cover 40% of the cost for the Regional Parks system and this year's funding is less than 10% of the cost. Councilmember Wulff also noted the percentage being funded has declined during her tenure on the Council after reaching a high point of 17% earlier in her tenure.

Motion by Councilmember Wulff, seconded by Councilmember Lee. Motion carried unanimously.

# Committee Report

Metropolitan Parks and Open Space Commission



Community Development Committee Meeting: June 21, 2022

For the Metropolitan Council: July 13, 2022

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Annual Metropolitan Regional Parks Operation & Maintenance Allocation

### Proposed Action

That the Metropolitan Council accept the Regional Parks System state fiscal year 2023 operation and maintenance report, as shown in Table 1.

Table 1. State Fiscal Year 2023 O&M Distribution

Agency	Reported Actual 2021 O&M Expenses	Estimated Distribution Amount
Anoka County	\$6,684,803.92	\$863,159.43
Bloomington Parks	\$679,345.74	\$96,515.95
Carver County	\$1,547,576.01	\$154,631.98
Dakota County	\$8,172,431.02	\$610,226.68
Minneapolis Park & Recreation Board (MPRB)	\$26,250,050.47	\$2,515,754.75
Ramsey County	\$7,548,194.19	\$845,743.08
Saint Paul Parks	\$18,500,821.60	\$1,357,366.68
Scott County	\$2,018,400.76	\$167,079.54
Three Rivers Park District (TRPD) - Hennepin & Scott	\$43,680,775.25	\$2,937,517.43
Washington County	\$5,077,548.49	\$442,004.48
<b>TOTAL</b>	<b>\$120,159,947.45</b>	<b>\$9,990,000.00</b>

### Summary of Metropolitan Parks and Open Space Commission Discussion/Questions

Heather Giesel, CD/MTS Grants Manager, presented the staff report to the Metropolitan Parks and Open Space Commission on June 2, 2022.

Chair Tony Yarusso asked for clarification on whether the Council has received final amounts from the agencies. Ms. Giesel replied that we have final 2021 expense amounts from the agencies. Further, she explained that the percentage of the allocation distributed to each agency may change following the completion of the use estimate. Chair Yarusso also asked if the delay in completion of the 2021 Visitor Study, which provides the multiplier variables, was related to the Covid-19 pandemic or something else. Emmett Mullin, Regional Parks Manager, responded that the timing of the O&M review process is often difficult. Chair Yarusso then asked if the Council should be asking the Legislature to modify the timeline. Lisa Barajas, Executive Director of Community Development, joined the discussion to respond that the Council did request a policy update to modify the timelines. The policy update received a hearing and was voted out of committee before stalling. Ms. Barajas indicated the policy update was well received and will be revisited in future years.

Motion by Commissioner Monica Dillenburg, seconded by Commissioner Anthony Taylor. Motion carried unanimously.

# Business Item

Metropolitan Parks and Open Space Commission



Committee Meeting Date: June 21, 2022

For the Metropolitan Council: July 13, 2022

## Business Item: 2022-144

Annual Metropolitan Regional Parks Operation & Maintenance Allocation

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Minn. Stats. §§ 473.351 and 297A.94(e)(3); 2040 Regional Parks Policy Plan, Chapter 5
<b>Staff Prepared/Presented:</b>	Heather Giesel, Grants Manager (651-602-1715)
<b>Division/Department:</b>	Community Development / Finance and Administration

### Proposed Action

That the Metropolitan Parks and Open Space Commission:

1. Reports to the Metropolitan Council the Regional Parks System state fiscal year (SFY) 2023 Operations and Maintenance Funding requests.

### Background

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 (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 directs that the funding distribution be 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 Park System. Each agency’s total count of visitors comes from the 2019 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 Park System. These numbers were determined following the eligibility review of 2021 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 2021 acreage as reported to the Council by each Agency.

The analysis this year will program \$9,990,000 appropriated by the legislature for state fiscal year 2023. The appropriation includes \$2,540,000 from the state General Fund and an estimated \$7,540,000 in lottery-in-lieu of sales tax revenue (LIL).

As of the writing of this business item, the 2021 Visitor Study has not been completed. This business item must move forward now to satisfy the July 15 statutory deadline for approval by the

Council. The included tables will use the 2016 visitation study data and 2020 annual use estimate, the most recent data currently available. Shares will be updated and communicated to MPOSC once the 2021 Visitor Study data is available, anticipated late Q2/early Q3 2022.

Table 1 below shows the Agencies' requests for O&M funding for SFY2023, as based on their reported actual eligible expenditures. The calculations underlying this year's distribution are attached as Table 2.

**Table 1. State Fiscal Year 2023 O&M Distribution**

<b>Agency</b>	<b>Reported Actual 2021 O&amp;M Expenses</b>	<b>Estimated Distribution Amount</b>
Anoka County	\$6,684,803.92	\$863,159.43
Bloomington Parks	\$679,345.74	\$96,515.95
Carver County	\$1,547,576.01	\$154,631.98
Dakota County	\$8,172,431.02	\$610,226.68
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Ramsey County	\$7,548,194.19	\$845,743.08
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Three Rivers Park District (TRPD) - Hennepin & Scott	\$43,680,775.25	\$2,937,517.43
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<b>TOTAL</b>	<b>\$120,159,947.45</b>	<b>\$9,990,000.00</b>

### **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 statute 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**

The Thrive outcome of stewardship is supported by the helping the ten Regional Park Implementing Agencies care for existing infrastructure within the Twin Cities' world-class Regional Parks System.

The Thrive outcome of livability is supported by investing in the Regional Park System and providing access to outdoor recreation, enhanced quality of life, and opportunities for increased health and wellness.

### **Funding**

Operations and Maintenance funding has been appropriated by the State of Minnesota. Final passthrough amounts will be based upon actual revenues received.

Table 2. O&M Calculations by Agency, SFY 2023

Agency	Weighted Regional Park Acreage	Acres %	Regional Park Visits	Visits %	Regional Park Expenditures	Expenditure %	Funding %	FY23 General Fund Lump Sum	FY23 Lottery-in-Lieu Estimate	Projected total SFY 2023 distribution
Anoka	6,040.60	16.18%	5,027,725	7.95%	\$6,684,803.92	5.56%	8.64%	\$219,461.95	\$643,697.47	\$863,159.43
Bloomington	165.55	0.44%	1,029,999	1.63%	\$679,345.74	0.57%	0.97%	\$24,539.59	\$71,976.36	\$96,515.95
Carver	993.74	2.66%	791,330	1.25%	\$1,547,576.01	1.29%	1.55%	\$39,315.84	\$115,316.14	\$154,631.98
Dakota	3,818.95	10.23%	2,122,578	3.36%	\$8,172,431.02	6.80%	6.11%	\$155,152.73	\$455,073.95	\$610,226.68
MPRB	2,805.70	7.51%	23,629,200	37.35%	\$26,250,050.47	21.85%	25.18%	\$639,641.35	\$1,876,113.40	\$2,515,754.75
Ramsey	4,362.45	11.68%	5,719,104	9.04%	\$7,548,194.19	6.28%	8.47%	\$215,033.78	\$630,709.30	\$845,743.08
Saint Paul	2,482.42	6.65%	9,644,926	15.25%	\$18,500,821.60	15.40%	13.59%	\$345,116.25	\$1,012,250.43	\$1,357,366.68
Scott	1,497.68	4.01%	313,606	0.50%	\$2,018,400.76	1.68%	1.67%	\$42,480.69	\$124,598.86	\$167,079.54
TRPD/Scott County	2,001.05	5.36%	533,392	0.84%	\$3,106,448.06	2.59%	2.44%	\$62,059.35	\$182,024.48	\$244,083.83
TRPD/Hennepin Co	10,280.93	27.54%	12,568,390	19.87%	\$40,574,327.19	33.77%	26.96%	\$684,816.95	\$2,008,616.65	\$2,693,433.60
Washington	2,887.50	7.73%	1,877,919	2.97%	\$5,077,548.49	4.23%	4.42%	\$112,381.52	\$329,622.96	\$442,004.48
<b>Totals</b>	<b>37,336.58</b>	<b>100.00%</b>	<b>63,258,169</b>	<b>100.00%</b>	<b>\$120,159,947.45</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$2,540,000.00</b>	<b>\$7,450,000.00</b>	<b>\$9,990,000.00</b>

*\*This formula is using the 2016 visitor study and 2020 annual use estimate, the most recent data currently available, and will be updated with 2021 Visitor Study and use estimate data when that work is completed in late Q2/early Q3. These inputs will be updated prior to the first scheduled distribution of FY2023 O&M Funding in August 2022. Final inputs and distributions will be communicated to MPOSC. The chart above utilizes rounding.*