

Committee Report

Community Development Committee



Community Development Committee Meeting: June 17, 2024

For the Metropolitan Council: July 10, 2024

Business Item: 2024-149

Annual Metropolitan Regional Parks and Trails Operations & Maintenance Allocation

Proposed Action

That the Metropolitan Council accept the Regional Parks and Trails System state fiscal year 2025 operations and maintenance report, as shown in Table 1.

Table 1. State Fiscal Year 2025 O&M Distribution

Agency	Reported Actual 2023 O&M Expenses	Estimated Distribution Amount
Anoka County	\$8,297,155	\$959,379
Bloomington Parks	\$801,773	\$98,402
Carver County	\$1,682,755	\$223,567
Dakota County	\$8,794,999	\$712,299
Minneapolis Park & Recreation Board (MPRB)	\$27,798,327	\$2,883,846
Ramsey County	\$8,663,249	\$1,092,403
Saint Paul Parks	\$21,086,124	\$1,454,730
Scott County	\$1,985,961	\$189,929
Three Rivers Park District (TRPD) - Hennepin & Scott	\$48,666,853	\$3,388,617
Washington County	\$5,408,723	\$486,828
TOTAL	\$133,185,919	\$11,490,000

Table 2. O&M Funding Distribution by Agency, SFY 2025 including SFY 2024 Correction

Agency	SFY 2024 Balances Underpaid/ (Overpaid)	SFY 2025 Distributions (with SFY 2024 Corrections)
Anoka	\$9,996	\$969,375
Bloomington	\$1,056	\$99,458
Carver	\$2,231	\$225,798
Dakota	\$12,231	\$724,530
MPRB	\$(39,311)	\$2,844,535
Ramsey	\$10,128	\$1,102,531
Saint Paul	\$26,455	\$1,481,185
Scott	\$2,648	\$192,577
Three Rivers Park District (TRPD) - Hennepin & Scott	\$(32,783)	\$3,355,834
Washington	\$7,349	\$494,177
Totals	\$0	\$11,490,000

Summary of Community Development Committee Discussion/Questions

Aimee Junget, Budget Analyst, presented the staff report to the Community Development Committee on June 17, 2024.

Councilmember Judy Johnson asked for clarification on the nature of the errors that occurred in state fiscal year 2024. Aimee Junget, Budget Analyst, clarified that the errors were discovered in the data reported by implementing agencies that is used as an input for the O&M allocation formula. Council staff made a correction within the biennium by applying the underpaid/overpaid balances to the state fiscal year 2025 allocations.

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



Committee Report

Metropolitan Parks and Open Space Commission



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Summary of Metropolitan Parks and Open Space Commission Discussion/Questions

Aimee Junget, Budget Analyst, presented the staff report to the Metropolitan Parks and Open Space Commission on June 6, 2024.

Commissioner David Yakes asked what was done before the lottery. Chair Tony Yarusso and Emmett Mullin, Parks Unit Manager, acknowledged that the lottery has been in existence in Minnesota since 1988.

Commissioner Cecily Harris asked what other kinds of reporting agencies do beyond reporting for expenditures, acreage, and visits. Aimee Junget, Budget Analyst, noted that this is the only type of reporting specific to O&M that agencies are required to submit for funding passed through the Council. Nicole Clapp, Grants Manager, acknowledged that the reporting agencies submit to the Council for O&M is a rigorous submission and review process to verify expenditures, acreage, and visitation. Chair Tony Yarusso commented that occasionally there are reports required by the legislature for those that receive funding. Nicole Clapp, Grants Manager, responded that there are not any reports related to O&M for individual agencies to submit to the legislature, however Met Council staff submit an annual report to the legislature for O&M each year.

Emmett Mullin, Parks Unit Manager, offered that statute states 40% of operating costs will be paid for by the state legislature unless decided otherwise. This year, the appropriation is closer to about 10%. Nicole Clapp, Grants Manager, offered that O&M is a reimbursement for what agencies have already spent on operations and maintenance for just a small percent of what they expended in the previous year. Aimee Junget, Budget Analyst, confirmed that this year's appropriation covers about 8.5-9% of the total \$133M expenditures reported.

Chair Tony Yarusso commented that the business item is a condensed version of these numbers, but staff could provide more details upon request.

Commissioner Monica Dillenburg asked how operations and maintenance funding compensates for inflation. Nicole Clapp, Grants Manager, noted that we are confined by the amount we are appropriated and that is the amount the Council allocates to agencies. Commissioner Amanda Duerr commented that operations and maintenance has been a larger conversation at the legislature regarding what it costs to keep the parks and trails systems running.

Chair Tony Yarusso asked how the errors were fixed within the biennium and how future errors discovered outside the current biennium would be addressed. Aimee Junget, Budget Analyst, described that it would depend on the situation. The approach this year followed precedence from the process that has been used to correct errors within the biennium in the past.

Motion by Commissioner Robert Moeller, seconded by Commissioner David Yakes. Motion carried unanimously.



Business Item

Metropolitan Parks and Open Space Commission



Committee Meeting Date: June 17, 2024

For the Metropolitan Council: July 10, 2024

Business Item: 2024-149

Annual Metropolitan Regional Parks Operation & Maintenance Allocation

District(s), Member(s):	All
Policy/Legal Reference:	Minn. Stats. §§ 473.351 and 297A.94(e)(3); 2040 Regional Parks Policy Plan, Chapter 5
Staff Prepared/Presented:	Nicole Clapp, Grants Manager (651-602-1723); Aimee Junget, Budget Analyst (651-602-1823)
Division/Department:	Community Development / Finance and Administration

Proposed Action

That the Metropolitan Parks and Open Space Commission reports to the Metropolitan Council the Regional Parks and Trails System state fiscal year (SFY) 2025 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 conduct 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 Parks and Trails System. Each agency’s total count of visitors comes from the 2023 Regional Parks and Trails 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 and Trails System. These numbers were determined following the eligibility review of 2023 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 and Trails System. The numbers are based on 2023 acreage as reported to the Council by each Agency.

The analysis this year will program \$11,490,000 appropriated by the State Legislature for state fiscal year 2025. The appropriation includes \$2,540,000 from the state General Fund and an estimated \$8,950,000 in lottery-in-lieu of sales tax revenue (LIL).

Table 1 below shows the Agencies' estimated distribution amounts for O&M funding for SFY 2025, as based on their reported actual eligible expenditures. The calculations underlying this year's distribution are attached in Table 2.

During the development of this SFY 2025 O&M business item, staff discovered two reporting errors in last year's SFY 2024 O&M allocation. First, there was an error in the expenditures reported by Three Rivers Park District and the Three Rivers Park District - Hennepin & Scott partnership. Second, there was an error in the local acreage reported by Minneapolis Park and Recreation Board that impacted their regional-local parkland ratio for enterprise-wide expenditures. Table 3 (below) outlines the fund distribution adjustments needed to correct the previous year's reporting errors.

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Rationale

The State Legislature funds a portion of the expenses necessary to run the Regional Parks and Trails System because the System draws a significant percentage of its visits from people that live outside of the political jurisdiction of the park or trail, including outside of the Twin Cities metropolitan area and the State of Minnesota. 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 helping the ten Regional Park Implementing Agencies care for existing infrastructure within the Twin Cities' world-class Regional Parks and Trails System.

The Thrive outcome of livability is supported by investing in the 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 for SFY 2025. Final passthrough amounts will be based upon actual revenues received.

Table 2. O&M Calculations by Agency, SFY 2025

Agency	Weighted Regional Park Acreage	Acres %	Regional Park Visits	Visits %	Regional Park Expenditures	Expenditure %	Funding %	FY25 General Fund Lump Sum	FY25 Lottery-in-Lieu Estimate	Projected total FY2025 distribution
Anoka	6,151.60	16.06%	4,579,000	6.61%	\$8,297,155	6.23%	8.35%	\$212,082	\$747,297	\$959,379
Bloomington	165.55	0.43%	916,000	1.32%	\$801,773	0.60%	0.86%	\$21,753	\$76,649	\$98,402
Carver	993.74	2.59%	1,595,000	2.30%	\$1,682,755	1.26%	1.95%	\$49,422	\$174,145	\$223,567
Dakota	3,833.85	10.01%	2,693,000	3.89%	\$8,794,999	6.60%	6.20%	\$157,462	\$554,837	\$712,299
MPRB	2,921.79	7.63%	26,354,000	38.06%	\$27,798,327	20.87%	25.10%	\$637,508	\$2,246,338	\$2,883,846
Ramsey	5,034.13	13.15%	7,403,000	10.69%	\$8,663,249	6.50%	9.51%	\$241,489	\$850,914	\$1,092,403
Saint Paul	2,482.42	6.48%	8,710,000	12.58%	\$21,086,124	15.83%	12.66%	\$321,585	\$1,133,145	\$1,454,730
Scott	1,503.23	3.93%	470,000	0.68%	\$1,985,961	1.49%	1.65%	\$41,986	\$147,943	\$189,929
TRPD/Scott County	1,998.93	5.22%	601,000	0.87%	\$3,244,048	2.44%	2.37%	\$60,081	\$211,703	\$271,784
TRPD/Hennepin Co	10,286.24	26.86%	14,043,600	20.28%	\$45,422,805	34.10%	27.13%	\$689,013	\$2,427,820	\$3,116,833
Washington	2,925.25	7.64%	1,878,000	2.71%	\$5,408,723	4.06%	4.24%	\$107,619	\$379,209	\$486,828
Totals	38,296.73	100.00%	69,242,600	100.00%	\$133,185,919	100.00%	100.00%	\$2,540,000	\$8,950,000	\$11,490,000

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