

## Metropolitan Parks and Open Space Commission

Meeting date: August 5, 2014

**Subject:** Distributing State Fiscal Year 2015 appropriations for Metropolitan Regional Parks System operations and maintenance

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

**Policy/Legal Reference:** MN Statute 473.351

**Staff Prepared/Presented:** Arne Stefferud, Manager-Regional Parks and Natural Resources  
(651-602-1360)

**Division/Department:** Community Development/Regional Parks and Natural Resources

### Proposed Action

Discussion item only. No action required.

### Background

Minnesota Statute 473.351 enacted in 1985 calls for the State to partially finance the operations and maintenance of the Regional Parks System. The law requires that the Metropolitan Council distribute operation and maintenance funds to the regional park implementing agencies according to the following formula:

- 40 percent based on each agency's proportion of total regional system use or visits in 2013;
- 40 percent based on each agency's proportion of total regional system operation and maintenance expenditures in the previous calendar year (2013); and,
- 20 percent based on each agency's proportion of total regional system acreage (as of July 1, 2014), with park reserve resource management lands divided by four.

This memorandum illustrates how much each park agency will receive from \$8,990,000 appropriated for State Fiscal Year 2015 based on the statutory formula and the percentage of each agency's 2014 operations and maintenance budget that would be financed with the State funds.

### Rationale

Minnesota Statute 473.351 calls for reporting the calculation and subsequent distribution of the appropriation to the Metropolitan Parks and Open Space Commission.

### Funding

The Legislature appropriated \$8,990,000 for operations and maintenance funding to the Metropolitan Regional Parks System for State Fiscal Year 2015. The fiscal year started July 1, 2014 and ends June 30, 2015. The appropriation includes \$2,870,000 in General Funds and an estimated \$6,120,000 in Lottery-in-Lieu of Sales Tax revenue.

TABLE 1-A shows the result of calculations made to distribute the appropriations. TABLES 1-B and 1-C illustrate the General Fund and Lottery in Lieu of Sales Tax Revenue portions of each agency's payment respectively. The Lottery revenue portion of the payment is a projection--the actual amount will depend on receipts to the State

Lottery. These funds will be distributed on a monthly basis—not at the beginning of the fiscal year.

Minnesota Statute 473.351 proposes that the State finance at least 40 percent of the costs to operate and maintain the Regional Parks System. With \$8,990,000 appropriated for FY 2015, no agency receives 40 percent of its 2014 budget. As shown in TABLE 2 at the end of this memorandum, 9.05% of the 2014 budgeted O & M expenditures will be covered with the FY 2015 O & M payments assuming that the budgeted expenditures are actual expenditures.

The table on the following page illustrates previous State appropriations for Regional Parks System operations and maintenance, and the percent of Regional Park System costs covered by those appropriations. State appropriations have financed 9.47% of Regional Park System operations and maintenance costs during the 1985-2014 period.

Regional Park Operations and Maintenance (O&M) Payment Appropriations—1985-2014

	O & M Appropriation	Park Agency's O & M Actual Costs (1985- 2013) and 2014 Budget	Percent of O & M Costs Covered by State Appropriation
1985/(1986)	\$ 2,000,000	\$ 19,091,548	10.48%
1986/(1987)	\$ 2,000,000	\$ 22,656,187	8.83%
1987/(1988)	\$ 2,000,000	\$ 24,595,929	8.13%
1988/(1989)	\$ 2,000,000	\$ 26,461,148	7.56%
1989/(1990)	\$ 2,000,000	\$ 29,294,759	6.83%
1990/(1991)	\$ 2,817,000	\$ 31,107,785	9.06%
1991/(1992)	\$ 2,759,000	\$ 32,076,220	8.60%
1992/(1993)	\$ 2,356,000	\$ 33,453,546	7.04%
1993/(1994)	\$ 2,238,000	\$ 35,646,465	6.28%
1994/(1995)	\$ 2,238,000	\$ 37,928,496	5.90%
1995/(1996)	\$ 2,238,000	\$ 40,158,254	5.57%
1996/(1997)	\$ 2,238,000	\$ 41,322,602	5.42%
1997/(1998)	\$ 3,000,000	\$ 44,338,618	6.77%
1998/(1999)	\$ 3,000,000	\$ 49,242,255	6.09%
1999/(2000)	\$ 4,500,000	\$ 50,748,152	8.87%
2000/(2001)	\$ 9,695,105	\$ 54,801,219	17.69%
2001/(2002)	\$ 7,865,716	\$ 60,595,484	12.98%
2002/(2003)	\$ 8,009,857	\$ 63,587,498	12.60%
2003/(2004)	\$ 7,452,000	\$ 66,825,266	11.15%
2004/(2005)	\$ 7,353,000	\$ 70,124,610	10.49%
2005/(2006)	\$ 7,870,000	\$ 77,584,716	10.14%
2006/(2007)	\$ 7,870,000	\$ 80,326,028	9.80%
2007/(2008)	\$ 8,620,000	\$ 85,009,472	10.14%
2008/(2009)	\$ 8,620,000	\$ 85,230,866	10.11%
2009/(2010)	\$ 8,794,000	\$ 86,239,884	10.20%
2010/ (2011)	\$ 8,854,000	\$ 88,223,782	10.04%
2011/ (2012)	\$ 8,540,000	\$ 95,286,344	8.96%
2012/ (2013)	\$ 8,540,000	\$ 95,988,444	8.90%
2013/ (2014)	\$ 8,540,000	\$ 94,485,576	9.04%
2014/ (2015)	\$ 8,990,000	\$ 99,344,419	9.05%
<b>Totals /Average Percent</b>	<b>\$ 162,997,678</b>	<b>\$ 1,721,775,572</b>	<b>9.47%</b>

Regional park implementing agencies were asked to supply data on their Regional Parks System operations and maintenance 2013 actual expenses, plus their 2014 budget and 2015 projected budget. They also submitted updated acreage additions/deletions to the system units under their jurisdiction. Council staff provided the third component of the formula—use or visits of the regional park system in 2013.

The 2013 regional operations and maintenance expenses reported by park agencies were reviewed and adjusted by the Metro Council's Program Evaluation & Audit Department to be consistent with requirements in MN Statute 473.351 and applicable reporting rules for operations and maintenance expenditures.

Park acreage data is based on agency updates from the previous year including additions and/or deletions to land the park agencies operate and maintain within the approved master plan boundaries of each regional park system unit as of July 1, 2014. Metro Council staff checked these acreages with Geographic Information System data and made adjustments to correct errors.

Use data is based on the most recent visit data available system-wide. The 2013 use figures are derived from the Annual Use Estimate of the Metropolitan Regional Park System for 2013.

The Metropolitan Council will distribute the General Fund appropriation of \$2,870,000 by August 1, 2014 as required by MN Statute 473.351. The Lottery in Lieu of Sales Tax Revenue appropriation of \$6,120,000 will be distributed on a monthly basis as it is collected. This appropriation is a projected amount, and is dependent on lottery ticket sales that generate this level of funding. If fewer tickets are sold than projected, then the amount agencies receive will be less than the appropriation. If more tickets are sold, the amount agencies receive will be no more than the appropriated amount.

### **Known Support / Opposition**

N/A

**TABLE 1-A : 2014 Calculations for FY 2015 Regional Park O & M Grants financed with \$2.87 million General Fund and \$6.12 million Lottery in Lieu of Sales Tax Revenue:**

40 percent based on proportion of 2013 regional system use [visits] (A)

40 percent based on proportion of 2013 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2014 (C)

Park Agency Name	2013 Visits	% Of Visits	2013 O&M Expenditures	% Of Expenditures	2014 Acres (Weighted)	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	Agency Amount	Park Agency Name
Anoka Co.	3,178,225	6.74%	\$ 5,343,928	5.66%	6,686.83	17.75%	0.0270	0.0226	0.0355	8.51	\$ 765,100.75	Anoka Co.
Bloomington	742,180	1.57%	\$ 1,023,908	1.08%	162.25	0.43%	0.0063	0.0043	0.0009	1.15	\$ 103,344.17	Bloomington
Carver Co.	614,696	1.30%	\$ 1,059,754	1.12%	869.30	2.31%	0.0052	0.0045	0.0046	1.43	\$ 128,733.78	Carver Co.
Dakota Co.	1,037,990	2.20%	\$ 5,065,653	5.36%	3,855.90	10.24%	0.0088	0.0214	0.0205	5.07	\$ 456,063.69	Dakota Co.
Minneapolis Park Bd.	15,976,565	33.90%	\$ 16,704,550	17.68%	2,777.04	7.37%	0.1356	0.0707	0.0147	22.11	\$ 1,987,372.98	Minneapolis Park Bd.
Ramsey Co.	4,657,168	9.88%	\$ 6,505,284	6.88%	4,712.34	12.51%	0.0395	0.0275	0.0250	9.21	\$ 827,890.57	Ramsey Co.
St. Paul	9,455,556	20.06%	\$ 19,526,817	20.67%	2,481.53	6.59%	0.0803	0.0827	0.0132	17.61	\$ 1,583,109.31	St. Paul
Scott County	358,878	0.76%	\$ 1,084,699	1.15%	1,437.93	3.82%	0.0030	0.0046	0.0076	1.53	\$ 137,308.45	Scott County
Three Rivers Park District - Hennepin	9,213,760	19.55%	\$ 32,849,583	34.77%	9,916.48	26.33%	0.0782	0.1391	0.0527	26.99	\$ 2,426,631.52	Three Rivers Park District - Hennepin
Three Rivers Park District - Scott Co.	325,640	0.69%	\$ 2,372,470	2.51%	2,001.05	5.31%	0.0028	0.0100	0.0106	2.34	\$ 210,665.04	Three Rivers Park District - Scott Co.
Washington Co.	1,567,581	3.33%	\$ 2,948,930	3.12%	2,763.81	7.34%	0.0133	0.0125	0.0147	4.05	\$ 363,779.75	Washington Co.
<b>TOTALS</b>	<b>47,128,239</b>	<b>100.00%</b>	<b>\$ 94,485,576</b>	<b>100.00%</b>	<b>37,664.45</b>	<b>100.00%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 8,990,000.00</b>	<b>TOTALS</b>

(A) 2013 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2010 through 2013 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2013 regional operations and maintenance expenditures reported by park agencies and reviewed and adjusted by Metro Council's Program Evaluation & Audit Department to be consistent with requirements in MN Statute 473.351 and applicable reporting rules for operations and maintenance expenditures.

(C) 2014 acreage verified by park agencies and audited by Metro Council. It is weighted by dividing the 80% natural resource land in park reserves by 4 as required by MN Statute 473.351

Calculated 7-27-2014

**TABLE 1-B: 2014 Calculations for FY 2014 Regional Park O & M Grants Financed Only with \$2,870,000 General Fund Appropriation:**

40 percent based on proportion of 2013 regional system use [visits] (A)

40 percent based on proportion of 2013 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2014 (C)

Park Agency Name	2013 Visits	% Of Visits	2013 O&M Expenditures	% Of Expenditures	2014 Acres (Weighted)	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	Agency Amount	Park Agency Name
Anoka Co.	3,178,225	6.74%	5,343,928.0	5.66%	6,686.8	17.75%	0.0270	0.0226	0.0355	8.51	\$ 244,253.52	Anoka Co.
Bloomington	742,180	1.57%	1,023,908.0	1.08%	162.3	0.43%	0.0063	0.0043	0.0009	1.15	\$ 32,991.97	Bloomington
Carver Co.	614,696	1.30%	1,059,754.0	1.12%	869.3	2.31%	0.0052	0.0045	0.0046	1.43	\$ 41,097.44	Carver Co.
Dakota Co.	1,037,990	2.20%	5,065,653.0	5.36%	3,855.9	10.24%	0.0088	0.0214	0.0205	5.07	\$ 145,595.42	Dakota Co.
Minneapolis Park Bd.	15,976,565	33.90%	16,704,550.0	17.68%	2,777.0	7.37%	0.1356	0.0707	0.0147	22.11	\$ 634,456.11	Minneapolis Park Bd.
Ramsey Co.	4,657,168	9.88%	6,505,284.0	6.88%	4,712.3	12.51%	0.0395	0.0275	0.0250	9.21	\$ 264,298.77	Ramsey Co.
St. Paul	9,455,556	20.06%	19,526,817.0	20.67%	2,481.5	6.59%	0.0803	0.0827	0.0132	17.61	\$ 505,397.52	St. Paul
Scott County	358,878	0.76%	1,084,699.0	1.15%	1,437.9	3.82%	0.0030	0.0046	0.0076	1.53	\$ 43,834.84	Scott County
Three Rivers Park District - Hennepin	9,213,760	19.55%	32,849,583.0	34.77%	9,916.5	26.33%	0.0782	0.1391	0.0527	26.99	\$ 774,686.59	Three Rivers Park District - Hennepin
Three Rivers Park District - Scott Co.	325,640	0.69%	2,372,470.0	2.51%	2,001.1	5.31%	0.0028	0.0100	0.0106	2.34	\$ 67,253.47	Three Rivers Park District - Scott Co.
Washington Co.	1,567,581	3.33%	2,948,930.0	3.12%	2,763.8	7.34%	0.0133	0.0125	0.0147	4.05	\$ 116,134.36	Washington Co.
<b>TOTALS</b>	<b>47,128,239</b>	<b>100.00%</b>	<b>\$ 94,485,576</b>	<b>100.00%</b>	<b>37,664.45</b>	<b>100.00%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 2,870,000.00</b>	<b>TOTALS</b>

(A) 2013 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2010 through 2013 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2013 regional operations and maintenance expenditures reported by park agencies and reviewed and adjusted by Metro Council's Program Evaluation & Audit Department to be consistent with requirements in MN Statute 473.351 and applicable reporting rules for operations and maintenance expenditures.

(C) 2014 acreage verified by park agencies and audited by Metro Council. It is weighted by dividing the 80% natural resource land in park reserves by 4 as required by MN Statute 473.351

Calculated 7-27-2014

**TABLE 1-C: 2014 Calculations for FY 2015 Regional Park O & M Grants Financed Only with \$6,120,000 Lottery-in-Lieu Appropriation**

40 percent based on proportion of 2013 regional system use [visits] (A)

40 percent based on proportion of 2013 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2014 (C)

Park Agency Name	2013 Visits	% Of Visits	2013 O&M Expenditures	% Of Expenditures	2014 Acres (Weighted)	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	Agency Amount	Park Agency Name
Anoka Co.	3,178.225	6.74%	5,343,928.0	5.66%	6,686.8	17.75%	0.0270	0.0226	0.0355	8.51	\$ 520,847.23	Anoka Co.
Bloomington	742.180	1.57%	1,023,908.0	1.08%	162.3	0.43%	0.0063	0.0043	0.0009	1.15	\$ 70,352.21	Bloomington
Carver Co.	614.696	1.30%	1,059,754.0	1.12%	869.3	2.31%	0.0052	0.0045	0.0046	1.43	\$ 87,636.34	Carver Co.
Dakota Co.	1,037.990	2.20%	5,065,653.0	5.36%	3,855.9	10.24%	0.0088	0.0214	0.0205	5.07	\$ 310,468.27	Dakota Co.
Minneapolis Park Bd.	15,976.565	33.90%	16,704,550.0	17.68%	2,777.0	7.37%	0.1356	0.0707	0.0147	22.11	\$ 1,352,916.87	Minneapolis Park Bd.
Ramsey Co.	4,657.168	9.88%	6,505,284.0	6.88%	4,712.3	12.51%	0.0395	0.0275	0.0250	9.21	\$ 563,591.80	Ramsey Co.
St. Paul	9,455.556	20.06%	19,526,817.0	20.67%	2,481.5	6.59%	0.0803	0.0827	0.0132	17.61	\$ 1,077,711.79	St. Paul
Scott County	358.878	0.76%	1,084,699.0	1.15%	1,437.9	3.82%	0.0030	0.0046	0.0076	1.53	\$ 93,473.60	Scott County
Three Rivers Park District - Hennepin	9,213.760	19.55%	32,849,583.0	34.77%	9,916.5	26.33%	0.0782	0.1391	0.0527	26.99	\$ 1,651,944.93	Three Rivers Park District - Hennepin
Three Rivers Park District - Scott Co.	325.640	0.69%	2,372,470.0	2.51%	2,001.1	5.31%	0.0028	0.0100	0.0106	2.34	\$ 143,411.57	Three Rivers Park District - Scott Co.
Washington Co.	1,567.581	3.33%	2,948,930.0	3.12%	2,763.8	7.34%	0.0133	0.0125	0.0147	4.05	\$ 247,645.39	Washington Co.
<b>TOTALS</b>	<b>47,128.239</b>	<b>100.00%</b>	<b>\$ 94,485,576</b>	<b>100.00%</b>	<b>37,664.45</b>	<b>100.00%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 6,120,000.00</b>	<b>TOTALS</b>

(A) 2013 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2010 through 2013 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2013 regional operations and maintenance expenditures reported by park agencies and reviewed and adjusted by Metro Council's Program Evaluation & Audit Department to be consistent with requirements in MN Statute 473.351 and applicable reporting rules for operations and maintenance expenditures.

(C) 2014 acreage verified by park agencies and audited by Metro Council. It is weighted by dividing the 80% natural resource land in park reserves by 4 as required by MN Statute 473.351

Calculated 7-27-2014

**TABLE 2: 2014 Calculation of Percent State FY 2015 Metro Regional Parks Operations and Maintenance (O&M) Appropriations will finance Park Agency's 2014 O&M Budget**

<b>Park Agency Name</b>	<b>2014 Agency's O&amp;M Budget (A)</b>	<b>FY 2015 State Funds for O&amp;M</b>	<b>Percent of Agency's 2014 O&amp;M Budget Financed with State Funds</b>
<b>Anoka Co.</b>	\$ 5,349,219	\$ 765,100.75	<b>14.30%</b>
<b>Bloomington</b>	\$ 1,054,625	\$ 103,344.17	<b>9.80%</b>
<b>Carver Co.</b>	\$ 1,133,747	\$ 128,733.78	<b>11.35%</b>
<b>Dakota Co.</b>	\$ 5,653,113	\$ 456,063.69	<b>8.07%</b>
<b>Minneapolis Park Bd.</b>	\$ 19,494,830	\$ 1,987,372.98	<b>10.19%</b>
<b>Ramsey Co.</b>	\$ 6,733,147	\$ 827,890.57	<b>12.30%</b>
<b>St. Paul</b>	\$ 20,298,499	\$ 1,583,109.31	<b>7.80%</b>
<b>Scott County</b>	\$ 1,213,875	\$ 137,308.45	<b>11.31%</b>
<b>Three Rivers Park District - Hennepin</b>	\$ 33,174,674	\$ 2,426,631.52	<b>7.31%</b>
<b>Three Rivers Park District - Scott Co.</b>	\$ 2,238,690	\$ 210,665.04	<b>9.41%</b>
<b>Washington Co.</b>	\$ 3,000,000	\$ 363,779.75	<b>12.13%</b>
<b>TOTALS</b>	<b>\$ 99,344,419</b>	<b>\$ 8,990,000.00</b>	<b>9.05%</b>

(A) 2014 Agency operations and maintenance budgets submitted by regional park agencies.