

**METROPOLITAN COUNCIL**

390 North Robert Street, St. Paul, MN 55101  
Phone (651) 602-1000 TDD (651) 291-0904

**DATE:** July 30, 2013

**TO:** Metropolitan Parks and Open Space Commission

**FROM:** Arne Stefferud, Manager--Regional Parks and Natural Resources Unit (651-602-1360)

**SUBJECT:** (Information Item) Distributing State Fiscal Year 2014 appropriations for Metropolitan Regional Parks System operations and maintenance

**INTRODUCTION**

Minnesota Statute 473.351 enacted in 1985 calls for the State to partially finance the operations and maintenance of the Regional Park System.

Minnesota Statutes 473.351 requires that the Metropolitan Council distribute operation and maintenance grants 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 2012;
- 40 percent based on each agency's proportion of total regional system operation and maintenance expenditures in the previous calendar year (2012); and,
- 20 percent based on each agency's proportion of total regional system acreage (as of July 1, 2013), with park reserve resource management lands divided by four.

This memorandum illustrates that \$8,540,000 of State funds was appropriated for the period July 1, 2013 to June 30, 2014 (State Fiscal Year 2014); how much each park agency will receive from that appropriation based on the statutory formula; and the percentage of each agency's 2013 operations and maintenance budget that would be financed with the State funds.

**SUMMARY**

The Legislature has appropriated \$8,540,000 for operations and maintenance funding to the Metropolitan Regional Parks System for State Fiscal Year 2014. The fiscal year starts July 1, 2013 and ends June 30, 2014. The appropriation includes \$2,870,000 in General Funds and an estimated \$5,670,000 in Lottery-in-Lieu of Sales Tax revenue.

TABLE 1-A shows the result of calculations made to distribute the \$8,540,000 appropriated for FY 2014. The far right-hand column displays the payment amount for each agency. TABLES 1-B and 1-C illustrate the General Fund and Natural Resources (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 actual receipts to the State Lottery. These funds will be distributed on a monthly basis—not at the beginning of the fiscal year.

The payment amount to each park agency was adjusted to correct an error in calculating the disbursement of the FY 2013 appropriation. The error was that the 2011 visits for the FY 2013 disbursement did not include visits to Twin Lakes Regional Trail, which is owned/managed by Three Rivers Park District. This resulted in an under-payment of \$11,781 to Three Rivers Park District and consequently overpayments to the other park implementing agencies that totaled \$11,781. This error was found in December 2012 after the General Fund appropriation had been disbursed in August 2012 and part way through the distribution of the Lottery in Lieu of Sales Tax Revenue appropriation. The adjustments to correct the error are shown in Tables 1-A, 1-B and 1-C.

The enabling legislation (MN Statute 473.351) proposes that the State finance at least 40 percent of the costs to operate and maintain the Regional Park System. The most that the State appropriations have financed is 17.7%. The table on the following page indicates that 8.4% of the total 2013 budgeted amount of \$101,691,465 would be financed with the FY 2014 State appropriation of \$8,540,000 assuming that the budgeted amount will be the actual expenditure. The table also illustrates previous appropriations, the park implementing agencies' annual operations and maintenance costs, and the percent covered of actual costs by the State's payments from 1985 to 2012 plus the amount the State's FY 2014 payment covers of the park agencies' budgeted amount for 2013. The average share of regional parks system operations and maintenance costs that State funds have financed is 9.5% during the 1985-2013 period.

**Regional Park Operations and Maintenance (O & M) Payment  
Appropriations—1985 to 2013**

	O & M Grant Appropriation	Park Agency's O & M Actual Costs (1985- 2012) and Budgeted Costs 2013/(FY 2014)	Percent of O & M Costs Covered by State Grant
1985/(1986)	\$ 2,000,000	\$ 19,091,548	10.5%
1986/(1987)	\$ 2,000,000	\$ 22,656,187	8.8%
1987/(1988)	\$ 2,000,000	\$ 24,595,929	8.1%
1988/(1989)	\$ 2,000,000	\$ 26,461,148	7.6%
1989/(1990)	\$ 2,000,000	\$ 29,294,759	6.8%
1990/(1991)	\$ 2,817,000	\$ 31,107,785	9.1%
1991/(1992)	\$ 2,759,000	\$ 32,076,220	8.6%
1992/(1993)	\$ 2,356,000	\$ 33,453,546	7.0%
1993/(1994)	\$ 2,238,000	\$ 35,646,465	6.3%
1994/(1995)	\$ 2,238,000	\$ 37,928,496	5.9%
1995/(1996)	\$ 2,238,000	\$ 40,158,254	5.6%
1996/(1997)	\$ 2,238,000	\$ 41,322,602	5.4%
1997/(1998)	\$ 3,000,000	\$ 44,338,618	6.8%
1998/(1999)	\$ 3,000,000	\$ 49,242,255	6.1%
1999/(2000)	\$ 4,500,000	\$ 50,748,152	8.9%
2000/(2001)	\$ 9,695,105	\$ 54,801,219	17.7%
2001/(2002)	\$ 7,865,716	\$ 60,595,484	13.0%
2002/(2003)	\$ 8,009,857	\$ 63,587,498	12.6%
2003/(2004)	\$ 7,452,000	\$ 66,825,266	11.2%
2004/(2005)	\$ 7,353,000	\$ 70,124,610	10.5%
2005/(2006)	\$ 7,870,000	\$ 77,584,716	10.1%
2006/(2007)	\$ 7,870,000	\$ 80,326,028	9.8%
2007/(2008)	\$ 8,620,000	\$ 85,009,472	10.1%
2008/(2009)	\$ 8,620,000	\$ 85,230,866	10.1%
2009/(2010)	\$ 8,794,000	\$ 86,239,884	10.2%
2010/ (2011)	\$ 8,854,000	\$ 88,223,782	10.0%
2011/ (2012)	\$ 8,540,000	\$ 95,286,344	9.0%
2012/ (2013)	\$ 8,540,000	\$ 95,988,444	8.9%
2013/ (2014)	\$ 8,540,000	\$ 101,691,465	8.4%
<b>Totals /Average Percent</b>	<b>\$ 154,007,678</b>	<b>\$ 1,629,637,042</b>	<b>9.5%</b>

## **ANALYSIS**

Regional park implementing agencies were asked to supply data on their 2012 actual expenditures, 2013 budget and projected 2014 budget, plus 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 2012.

State law requires Regional Park System implementing agencies to submit their actual operations and maintenance expenditures from the previous calendar year. The 2012 regional operations and maintenance expenditures reported by park agencies were 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.

Park acreage data is based on agency updates from the previous year including additions and/or deletions to land controlled through fee title acquisition, easements or leases within the approved master plan boundaries of each regional park system unit as of July 1, 2013. Metro Council staff also checked these acreages with Geographic Information System data and made adjustments to correct any errors.

Use data is based on the most recent visit data available system-wide. The 2012 use figures are derived from the Annual Use Estimate of the Metropolitan Regional Park System for 2012 (Publication number 78-13-021).

Use measurements are based on visits to parks or trails, with the exception that each camper-day is counted as one visit.

Minnesota Statute 473.351 Subd. 6 include the following conditions for receiving the funds:

A Metropolitan Area regional park agency receiving grant money for maintenance and operation costs must agree:

1. To sell or promote licenses, passes or registrations required to engage in recreational activities appropriate to the park or the site of the park when a building in the park site is staffed and open to the public; and
2. To provide drinking water supplies adequate for the recreational use of the park. Each implementing agency must consult with groups representing users of its parks to determine adequacy of drinking water supplies.

When the Council distributes the FY 2014 operation and maintenance grants, each agency will be reminded that these conditions apply to receiving these funds.

The enabling legislation for regional park operations and maintenance grants states that no agency is to receive less than 40 percent of its current calendar year (2013) expenditures. If the operation and maintenance funds are less than required to accomplish this objective, the agencies are to share the available funds proportionately, according to the formula described in the introduction to this memorandum. With \$8,540,000 available for FY 2014, no agency receives 40 percent of its 2013 budget. As shown in TABLE 2, 8.4% of the 2013 budgeted O & M expenditures will be covered with the FY 2014 O & M payments assuming that the budgeted expenditures are actual expenditures. The average amount State funds have financed of park agency operations and maintenance expenditures per year since 1985 is 9.5%.

The General Fund appropriation has been made directly to the Metropolitan Council through the Minnesota Management and Budget Department. The Metropolitan Council must distribute the General Fund appropriation by August 1, 2013 as required by MN Statute 473.351. The Natural Resources Fund (Lottery in Lieu of Sales Tax Revenue) appropriation will be distributed on a monthly basis as it is collected. The Natural Resources Fund 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.

## **CONCLUSIONS**

The information in TABLES 1-A, 1-B and 1-C is complete for the purpose of calculating each regional park implementing agency's share of FY 2014 operation and maintenance funds as appropriated by the Legislature and distributed under MN Statutes 473.351.

## **RECOMMENDATION**

This is an information item because no policy recommendation is required by the Metropolitan Parks and Open Space Commission, nor policy action needed by the Metropolitan Council.

**TABLE 1-A : 2013 Calculations for FY 2014 Regional Park O & M Payments financed with \$2.87 million General Fund and \$5.67 million Lottery in Lieu of Sales Tax Revenue:**

40 percent based on proportion of 2012 regional system use [visits] (A)

40 percent based on proportion of 2012 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2013 (C)

Park Agency Name	2012 Visits (1,000's)	% Of Visits	2012 O&M Expenditures	% Of Expenditures	2013 Acres (Weighted)	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	Agency Amount Based on Formula	Agency Adjustment Correcting Visits Error Found in Dec.	Agency Amount Based on Formula and Correction for Error	Park Agency Name
Anoka Co.	3,152.0	6.90%	\$ 5,114,265	5.33%	6,699.88	17.78%	0.0276	0.0213	0.0356	8.45	\$ 721,464	\$ (1,123)	\$ 720,341	Anoka Co.
Bloomington	715.1	1.57%	\$ 1,001,081	1.04%	161.66	0.43%	0.0063	0.0042	0.0009	1.13	\$ 96,433	\$ (262)	\$ 96,171	Bloomington
Carver Co.	582.6	1.28%	\$ 1,012,580	1.05%	869.30	2.31%	0.0051	0.0042	0.0046	1.39	\$ 119,014	\$ (147)	\$ 118,867	Carver Co.
Dakota Co.	1,034.0	2.26%	\$ 5,352,485	5.58%	3,832.55	10.17%	0.0091	0.0223	0.0203	5.17	\$ 441,558	\$ (347)	\$ 441,211	Dakota Co.
Minneapolis Park Bd.	15,223.9	33.33%	\$ 17,414,412	18.14%	2,776.52	7.37%	0.1333	0.0726	0.0147	22.06	\$ 1,884,116	\$ (5,012)	\$ 1,879,104	Minneapolis Park Bd.
Ramsey Co.	4,291.5	9.40%	\$ 6,200,813	6.46%	4,711.32	12.51%	0.0376	0.0258	0.0250	8.84	\$ 755,196	\$ (1,332)	\$ 753,865	Ramsey Co.
St. Paul	9,710.5	21.26%	\$ 21,050,822	21.93%	2,843.86	7.55%	0.0850	0.0877	0.0151	18.79	\$ 1,604,266	\$ (2,840)	\$ 1,601,426	St. Paul
Scott County	290.0	0.63%	\$ 902,280	0.94%	1,155.10	3.07%	0.0025	0.0038	0.0061	1.24	\$ 106,164	\$ (106)	\$ 106,058	Scott County
Three Rivers Park District - Hennepin	8,829.4	19.33%	\$ 32,817,643	34.19%	9,860.55	26.17%	0.0773	0.1368	0.0523	26.64	\$ 2,275,229	\$ 11,781	\$ 2,287,010	Three Rivers Park District - Hennepin
Three Rivers Park District - Scott Co.	328.5	0.72%	\$ 2,473,110	2.58%	2,001.05	5.31%	0.0029	0.0103	0.0106	2.38	\$ 203,297	\$ (116)	\$ 203,181	Three Rivers Park District - Scott Co.
Washington Co.	1,520.7	3.33%	\$ 2,648,953	2.76%	2,763.19	7.33%	0.0133	0.0110	0.0147	3.90	\$ 333,264	\$ (498)	\$ 332,766	Washington Co.
<b>TOTALS</b>	<b>45,678.2</b>	<b>100.00%</b>	<b>\$ 95,988,444</b>	<b>100.00%</b>	<b>37,674.97</b>	<b>100.00%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 8,540,000</b>	<b>\$ 0</b>	<b>\$ 8,540,000</b>	<b>TOTALS</b>

(A) 2012 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2009 through 2012 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2012 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) 2013 acreage verified by park agencies. It is weighted by dividing the 80% natural resource land in park reserves by 4 as required by MN Statute 473.351

Prepared 7-29-13

**TABLE 1-B: 2013 Calculations for FY 2014 Regional Park O & M Payments Financed Only with \$2,870,000 General Fund Appropriation:**

40 percent based on proportion of 2012 regional system use [visits] (A)

40 percent based on proportion of 2012 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2013 (C)

Park Agency Name	2012 Visits (1,000's)	% Of Visits	2012 O&M Expenditures	% Of Expenditures	2013 Acres (Weighted)	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	Agency Amount Based on Formula	Agency Adjustment Correcting Visits Error Found in Dec. 2012	Agency Amount Based on Formula and Correction for Error	Park Agency Name
Anoka Co.	3,152.0	6.90%	5,114,265.4	5.33%	6,699.9	17.78%	0.0276	0.0213	0.0356	8.45	\$ 242,459	\$ (377)	\$ 242,082	Anoka Co.
Bloomington	715.1	1.57%	1,001,080.5	1.04%	161.7	0.43%	0.0063	0.0042	0.0009	1.13	\$ 32,408	\$ (88)	\$ 32,320	Bloomington
Carver Co.	582.6	1.28%	1,012,580.0	1.05%	869.3	2.31%	0.0051	0.0042	0.0046	1.39	\$ 39,997	\$ (50)	\$ 39,947	Carver Co.
Dakota Co.	1,034.0	2.26%	5,352,484.8	5.58%	3,832.6	10.17%	0.0091	0.0223	0.0203	5.17	\$ 148,392	\$ (117)	\$ 148,276	Dakota Co.
Minneapolis Park Bd.	15,223.9	33.33%	17,414,412.1	18.14%	2,776.5	7.37%	0.1333	0.0726	0.0147	22.06	\$ 633,186	\$ (1,684)	\$ 631,502	Minneapolis Park Bd.
Ramsey Co.	4,291.5	9.40%	6,200,813.0	6.46%	4,711.3	12.51%	0.0376	0.0258	0.0250	8.84	\$ 253,796	\$ (448)	\$ 253,349	Ramsey Co.
St. Paul	9,710.5	21.26%	21,050,822.0	21.93%	2,843.9	7.55%	0.0850	0.0877	0.0151	18.79	\$ 539,138	\$ (954)	\$ 538,184	St. Paul
Scott County	290.0	0.63%	902,280.0	0.94%	1,155.1	3.07%	0.0025	0.0038	0.0061	1.24	\$ 35,678	\$ (36)	\$ 35,642	Scott County
Three Rivers Park District - Hennepin	8,829.4	19.33%	32,817,643.0	34.19%	9,860.5	26.17%	0.0773	0.1368	0.0523	26.64	\$ 764,626	\$ 3,959	\$ 768,585	Three Rivers Park District - Hennepin
Three Rivers Park District - Scott Co.	328.5	0.72%	2,473,110.4	2.58%	2,001.1	5.31%	0.0029	0.0103	0.0106	2.38	\$ 68,321	\$ (39)	\$ 68,282	Three Rivers Park District - Scott Co.
Washington Co.	1,520.7	3.33%	2,648,953.0	2.76%	2,763.2	7.33%	0.0133	0.0110	0.0147	3.90	\$ 111,998	\$ (167)	\$ 111,831	Washington Co.
<b>TOTALS</b>	<b>45,678.2</b>	<b>100.00%</b>	<b>\$ 95,988,444</b>	<b>100.00%</b>	<b>37,674.97</b>	<b>100.00%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 2,870,001</b>	<b>\$ 0</b>	<b>\$ 2,870,000</b>	<b>TOTALS</b>

(A) 2012 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2009 through 2012 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2012 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) 2013 acreage verified by park agencies. It is weighted by dividing the 80% natural resource land in park reserves by 4 as required by MN Statute 473.351

Prepared 7-29-13

**TABLE 1-C: 2012 Calculations for FY 2013 Regional Park O & M Payments Financed Only with \$5,670,000 Lottery-in-Lieu Appropriation**

40 percent based on proportion of 2012 regional system use [visits] (A)

40 percent based on proportion of 2012 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2013 (C)

Park Agency Name	2012 Visits (1,000's)	% Of Visits	2012 O&M Expenditures	% Of Expenditures	2013 Acres (Weighted)	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	Agency Amount Based on Formula	Agency Adjustment Correcting Visits Error Found in Dec. 2012	Agency Amount Based on Formula and Correction for Error	Park Agency Name
Anoka Co.	3,152.0	6.90%	5,114,265.4	5.33%	6,699.9	17.78%	0.0276	0.0213	0.0356	8.45	\$ 479,005	\$ (746)	\$ 478,259	Anoka Co.
Bloomington	715.1	1.57%	1,001,080.5	1.04%	161.7	0.43%	0.0063	0.0042	0.0009	1.13	\$ 64,025	\$ (174)	\$ 63,851	Bloomington
Carver Co.	582.6	1.28%	1,012,580.0	1.05%	869.3	2.31%	0.0051	0.0042	0.0046	1.39	\$ 79,018	\$ (98)	\$ 78,920	Carver Co.
Dakota Co.	1,034.0	2.26%	5,352,484.8	5.58%	3,832.6	10.17%	0.0091	0.0223	0.0203	5.17	\$ 293,166	\$ (231)	\$ 292,935	Dakota Co.
Minneapolis Park Bd.	15,223.9	33.33%	17,414,412.1	18.14%	2,776.5	7.37%	0.1333	0.0726	0.0147	22.06	\$ 1,250,929	\$ (3,328)	\$ 1,247,602	Minneapolis Park Bd.
Ramsey Co.	4,291.5	9.40%	6,200,813.0	6.46%	4,711.3	12.51%	0.0376	0.0258	0.0250	8.84	\$ 501,401	\$ (885)	\$ 500,516	Ramsey Co.
St. Paul	9,710.5	21.26%	21,050,822.0	21.93%	2,843.9	7.55%	0.0850	0.0877	0.0151	18.79	\$ 1,065,127	\$ (1,885)	\$ 1,063,242	St. Paul
Scott County	290.0	0.63%	902,280.0	0.94%	1,155.1	3.07%	0.0025	0.0038	0.0061	1.24	\$ 70,486	\$ (70)	\$ 70,416	Scott County
Three Rivers Park District - Hennepin	8,829.4	19.33%	32,817,643.0	34.19%	9,860.5	26.17%	0.0773	0.1368	0.0523	26.64	\$ 1,510,603	\$ 7,822	\$ 1,518,425	Three Rivers Park District - Hennepin
Three Rivers Park District - Scott Co.	328.5	0.72%	2,473,110.4	2.58%	2,001.1	5.31%	0.0029	0.0103	0.0106	2.38	\$ 134,976	\$ (76)	\$ 134,899	Three Rivers Park District - Scott Co.
Washington Co.	1,520.7	3.33%	2,648,953.0	2.76%	2,763.2	7.33%	0.0133	0.0110	0.0147	3.90	\$ 221,265	\$ (330)	\$ 220,935	Washington Co.
<b>TOTALS</b>	<b>45,678.2</b>	<b>100.00%</b>	<b>\$ 95,988,444</b>	<b>100.00%</b>	<b>37,674.97</b>	<b>100.00%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 5,670,000</b>	<b>\$ (0)</b>	<b>\$ 5,670,000</b>	<b>TOTALS</b>

(A) 2012 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2009 through 2012 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2012 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) 2013 acreage verified by park agencies. It is weighted by dividing the 80% natural resource land in park reserves by 4 as required by MN Statute 473.351

Prepared 7-29-13



**TABLE 2: 2013 Calculation of Percent State FY 2014 Metro Regional Parks Operations and Maintenance (O&M) Payment will finance Park Agency's 2013 O&M Budget**

Park Agency Name	2013 Agency's O&M Budget (A)	FY 2014 State Grant for O&M	Percent of Agency's 2013 O&M Budget Financed with State Funds
Anoka Co.	\$ 5,419,932	\$ 720,341	13.29%
Bloomington	\$ 1,032,993	\$ 96,171	9.31%
Carver Co.	\$ 1,097,600	\$ 118,867	10.83%
Dakota Co.	\$ 5,855,837	\$ 441,211	7.53%
Minneapolis Park Bd.	\$ 19,336,622	\$ 1,879,104	9.72%
Ramsey Co.	\$ 6,301,542	\$ 753,865	11.96%
St. Paul	\$ 24,241,997	\$ 1,601,426	6.61%
Scott County	\$ 1,099,022	\$ 106,058	9.65%
Three Rivers Park District - Hennepin Co.	\$ 32,067,643	\$ 2,287,010	7.13%
Three Rivers Park District - Scott Co.	\$ 2,538,277	\$ 203,181	8.00%
Washington Co.	\$ 2,700,000	\$ 332,766	12.32%
<b>TOTALS</b>	<b>\$ 101,691,465</b>	<b>\$ 8,540,000</b>	<b>8.40%</b>