

**METROPOLITAN COUNCIL**  
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**DATE:** May 31, 2007 (**contains correction to Tables 1-A, B and C**)

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

**FROM:** Arne Stefferud, Planning Analyst-Parks (651-602-1360)

**SUBJECT:** (2007- 186) Distributing State Fiscal Year 2008 appropriations for Metropolitan Regional Parks System operations and maintenance

**INTRODUCTION**

The Legislature has appropriated \$8,620,000 for operations and maintenance funding for the Regional Parks System for State Fiscal Year 2008. The fiscal year starts July 1, 2007. The appropriation includes \$4,050,000 in General Funds and an estimated \$4,570,000 in Lottery-in-Lieu of Sales Tax revenue.

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;
- 40 percent based on each agency's proportion of total regional system operation and maintenance expenditures in the previous calendar year; and,
- 20 percent based on each agency's proportion of total regional system acreage, with park reserve resource management lands divided by four.

TABLE 1-A shows the result of calculations made to distribute the \$8,620,000 appropriated for FY 2008. The far right-hand column displays the grant amount for each agency. **(Unweighted park acreage for Three Rivers Park District and Washington County were incorrectly used in tables in the May 29 memorandum. Weighted acreage for those agencies was used in corrected tables and thus it changes the results for all park agencies)**

TABLES 1-B and 1-C illustrate the General Fund and Lottery Revenue portions of each agency's grant respectively. The Lottery revenue portion of the grant 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.

**BACKGROUND**

The enabling legislation 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 below indicates that 9.7 % will be financed in 2007/(FY 2008). The table also illustrates previous appropriations, the park implementing agencies' total operations and maintenance costs, and the percent covered by the State's grant from 1985 to 2007.

**Regional Park Operations and Maintenance (O & M) Grant Appropriations—1985 to 2007**

<b>Calendar Year/ (State Fiscal Year)</b>	<b>O &amp; M Grant Appropriation</b>	<b>Park Agency's O &amp; M Actual Costs (1985- 2006) and Budgeted Costs 2007/(FY 2008)</b>	<b>Percent of O &amp; M Costs Covered by State Grant</b>
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	12.9%
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	\$ 89,238,754	9.7%
<b>Totals /Average Percent</b>	<b>\$102,119,678</b>	<b>\$1,081,205,539</b>	<b>9.4%</b>

**ANALYSIS**

Regional park implementing agencies were asked to supply data on their 2006 actual expenditures, 2007 budget and projected 2008 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. Use data is based on the most recent data available systemwide—the 2006 use figures as shown in the Annual Use Estimate of the Metropolitan Regional Park System for 2006 (Publication number 78-07-037). This annual use estimate report is presented as a separate item for the June 5, 2007 MPOSC meeting. Use measurements are based on entries to parks or trails, with the exception that each camper-day is counted as one visit.

State law requires Regional Park System implementing agencies to submit their actual operations and maintenance expenditures from the previous calendar year. In staff's opinion, the expenditures in 2006 and the 2007 budget shown in Tables 1A, 1B, 1C and 2 are reasonable and in accordance with the definition of eligible expenses contained in State law.

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 system unit as of May 24, 2007. Additional lands for Columbia Parkway, Ridgeway Parkway and Stinson Parkway (Mpls. Park & Rec. Board) must also be considered in this calculation as required in 2005 Laws of MN, Chapter 20, Sec.19, Subd. 6.

Minnesota Statute 473.351 Subd. 6 include a condition 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 2008 operation and maintenance grants, each agency will be reminded that the condition applies to 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 (2006) 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 \$8,620,000 available for FY 2007, no agency receives 40 percent of its 2007 budget. As shown in TABLE 2, 9.66% of the 2007 budgeted O & M expenditures will be covered with the FY 2008 O & M grants. The average amount State funds have financed of park agency operations and maintenance expenditures per year since 1985 is 9.4%.

The General Fund appropriation has been made directly to the Metropolitan Council through the Minnesota Department of Finance. This permits time for the Council to distribute the appropriation by August 1, 2007 as required by the enabling legislation. The Lottery Revenue will be distributed on a monthly basis as it is collected. The Lottery 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 TABLE 1-A is complete for the purpose of calculating each regional park implementing agency's share of FY 2008 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 : 2007 Calculations for FY 2008 Regional Park O & M Grants financed with \$4.05 million General Fund and \$4.57 million Lottery in Lieu of Sales Tax Revenue**

40 percent based on proportion of 2006 regional system use [visits] (A)

40 percent based on proportion of 2006 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of May 23, 2007 (C)

Park Agency Name	2006 Visits (1,000's)	% Of Use	2006 O&M Expenditures	% Of Expenditures	2007 Acres (Weighted)	% Of Acres	40% Proptl. Use	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	FY 2008 O&M Grant Amount
Anoka Co.	2,479.4	7.51%	\$ 5,827,824	7.26%	6,334.63	17.43%	0.0301	0.0290	0.0349	9.39	\$ 809,724
Bloomington	561.4	1.70%	\$ 737,192	0.92%	115.56	0.32%	0.0068	0.0037	0.0006	1.11	\$ 95,792
Carver Co.	251.5	0.76%	\$ 802,432	1.00%	618.00	1.70%	0.0030	0.0040	0.0034	1.04	\$ 90,045
Dakota Co.	830.8	2.52%	\$ 5,203,145	6.48%	3,488.30	9.60%	0.0101	0.0259	0.0192	5.52	\$ 475,618
Minneapolis Park Bd.	13,881.9	42.08%	\$ 15,150,616	18.86%	2,733.48	7.52%	0.1683	0.0754	0.0150	25.88	\$ 2,230,750
Ramsey Co.	2,866.1	8.69%	\$ 5,072,094	6.31%	4,706.08	12.95%	0.0347	0.0253	0.0259	8.59	\$ 740,462
St. Paul	5,858.1	17.76%	\$ 17,522,771	21.81%	2,705.16	7.44%	0.0710	0.0873	0.0149	17.32	\$ 1,492,681
Scott County	65.9	0.20%	\$ 811,484	1.01%	820.73	2.26%	0.0008	0.0040	0.0045	0.94	\$ 80,644
Three Rivers Park District - Hennepin	5,014.9	15.20%	\$ 25,604,186	31.88%	10,135.19	27.88%	0.0608	0.1275	0.0558	24.41	\$ 2,103,865
Three Rivers Park District - Scott Co.	233.9	0.71%	\$ 1,251,494	1.56%	2,020.67	5.56%	0.0028	0.0062	0.0111	2.02	\$ 174,003
Washington Co.	949.3	2.88%	\$ 2,342,790	2.92%	2,670.20	7.35%	0.0115	0.0117	0.0147	3.79	\$ 326,417
<b>TOTALS</b>	<b>32,993.0</b>	<b>100.00%</b>	<b>\$ 80,326,028</b>	<b>100.00%</b>	<b>36,348.00</b>	<b>100%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 8,620,000</b>

(A) 2006 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2003 through 2006 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2006 regional operations and maintenance expenditures reported by park agencies.

(C) 2007 acreage verified by park agencies. It is weighted by dividing the 80% natural resource land in park reserves by 4 as required by MN Statutes 473.351

**TABLE 1-B: 2007 Calculations for FY 2008 Regional Park O & M Grants Financed Only with \$4,050,000 General Fund Appropriation**

40 percent based on proportion of 2006 regional system use [visits] (A)

40 percent based on proportion of 2006 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of May 23, 2007 (C)

Park Agency Name	2006 Visits (1,000's)	% Of Use	2006 O&M Expenditures	% Of Expenditures	2007 Acres (Weighted)	% Of Acres	40% Proptl. Use	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	FY 2008 O&M Grant Amount
Anoka Co.	2,479.4	7.51%	\$ 5,827,824	7.26%	6,334.63	17.43%	0.0301	0.0290	0.0349	9.39	\$ 380,439
Bloomington	561.4	1.70%	\$ 737,192	0.92%	115.56	0.32%	0.0068	0.0037	0.0006	1.11	\$ 45,007
Carver Co.	251.5	0.76%	\$ 802,432	1.00%	618.00	1.70%	0.0030	0.0040	0.0034	1.04	\$ 42,306
Dakota Co.	830.8	2.52%	\$ 5,203,145	6.48%	3,488.30	9.60%	0.0101	0.0259	0.0192	5.52	\$ 223,463
Minneapolis Park Bd.	13,881.9	42.08%	\$ 15,150,616	18.86%	2,733.48	7.52%	0.1683	0.0754	0.0150	25.88	\$ 1,048,090
Ramsey Co.	2,866.1	8.69%	\$ 5,072,094	6.31%	4,706.08	12.95%	0.0347	0.0253	0.0259	8.59	\$ 347,897
St. Paul	5,858.1	17.76%	\$ 17,522,771	21.81%	2,705.16	7.44%	0.0710	0.0873	0.0149	17.32	\$ 701,318
Scott County	65.9	0.20%	\$ 811,484	1.01%	820.73	2.26%	0.0008	0.0040	0.0045	0.94	\$ 37,890
Three Rivers Park District - Hennepin	5,014.9	15.20%	\$ 25,604,186	31.88%	10,135.19	27.88%	0.0608	0.1275	0.0558	24.41	\$ 988,475
Three Rivers Park District - Scott Co.	233.9	0.71%	\$ 1,251,494	1.56%	2,020.67	5.56%	0.0028	0.0062	0.0111	2.02	\$ 81,753
Washington Co.	949.3	2.88%	\$ 2,342,790	2.92%	2,670.20	7.35%	0.0115	0.0117	0.0147	3.79	\$ 153,363
<b>TOTALS</b>	<b>32,993.0</b>	<b>100.00%</b>	<b>\$ 80,326,028</b>	<b>100.00%</b>	<b>49,597.89</b>	<b>100.00%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 4,050,000</b>

(A) 2006 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2003 through 2006 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2006 regional operations and maintenance expenditures reported by park agencies.

(C) 2007 acreage verified by park agencies. It is weighted by dividing the 80% natural resource land in park reserves by 4 as required by MN Statutes 473.351

**TABLE 1-C: 2007 Calculations for FY 2008 Regional Park O & M Grants Financed Only with \$4,570,000 Lottery-in-Lieu Appropriation**

40 percent based on proportion of 2006 regional system use [visits] (A)

40 percent based on proportion of 2006 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of May 23, 2007 (C)

Park Agency Name	2006 Visits (1,000's)	% Of Use	2006 O&M Expenditures	% Of Expenditures	2007 Acres (Weighted)	% Of Acres	40% Proptl. Use	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	FY 2008 O&M Grant Amount
Anoka Co.	2,479.4	7.51%	\$ 5,827,824	7.26%	6,334.63	17.43%	0.0301	0.0290	0.0349	9.39	\$ 429,285
Bloomington	561.4	1.70%	\$ 737,192	0.92%	115.56	0.32%	0.0068	0.0037	0.0006	1.11	\$ 50,785
Carver Co.	251.5	0.76%	\$ 802,432	1.00%	618.00	1.70%	0.0030	0.0040	0.0034	1.04	\$ 47,738
Dakota Co.	830.8	2.52%	\$ 5,203,145	6.48%	3,488.30	9.60%	0.0101	0.0259	0.0192	5.52	\$ 252,155
Minneapolis Park Bd.	13,881.9	42.08%	\$ 15,150,616	18.86%	2,733.48	7.52%	0.1683	0.0754	0.0150	25.88	\$ 1,182,660
Ramsey Co.	2,866.1	8.69%	\$ 5,072,094	6.31%	4,706.08	12.95%	0.0347	0.0253	0.0259	8.59	\$ 392,565
St. Paul	5,858.1	17.76%	\$ 17,522,771	21.81%	2,705.16	7.44%	0.0710	0.0873	0.0149	17.32	\$ 791,363
Scott County	65.9	0.20%	\$ 811,484	1.01%	820.73	2.26%	0.0008	0.0040	0.0045	0.94	\$ 42,754
Three Rivers Park District - Hennepin	5,014.9	15.20%	\$ 25,604,186	31.88%	10,135.19	27.88%	0.0608	0.1275	0.0558	24.41	\$ 1,115,390
Three Rivers Park District - Scott Co.	233.9	0.71%	\$ 1,251,494	1.56%	2,020.67	5.56%	0.0028	0.0062	0.0111	2.02	\$ 92,250
Washington Co.	949.3	2.88%	\$ 2,342,790	2.92%	2,670.20	7.35%	0.0115	0.0117	0.0147	3.79	\$ 173,054
<b>TOTALS</b>	<b>32,993.0</b>	<b>100.00%</b>	<b>\$ 80,326,028</b>	<b>100.00%</b>	<b>36,348.00</b>	<b>100%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 4,570,000</b>

(A) 2006 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2003 through 2006 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2006 regional operations and maintenance expenditures reported by park agencies.

(C) 2007 acreage verified by park agencies. It is weighted by dividing the 80% natural resource land in park reserves by 4 as required by MN Statutes 473.351

**TABLE 2: 2007 Calculation of Percent State FY 2008 Metro Regional Parks Operations and Maintenance (O&M) Grant will finance Park Agency's 2007 O&M Budget**

<b>Park Agency Name</b>	<b>2007 O&amp;M Budget</b>	<b>FY 2008 O&amp;M Grant</b>	<b>% Grant Financed Budget</b>
Anoka Co.	\$ 5,955,869	\$ 729,459	12.25%
Bloomington	\$ 921,433	\$ 94,328	10.24%
Carver Co.	\$ 1,002,801	\$ 82,214	8.20%
Dakota Co.	\$ 5,661,042	\$ 431,418	7.62%
Minneapolis Park Bd.	\$ 15,290,388	\$ 2,196,114	14.36%
Ramsey Co.	\$ 5,288,642	\$ 680,832	12.87%
St. Paul	\$ 18,901,473	\$ 1,458,404	7.72%
Scott County	\$ 976,287	\$ 70,245	7.20%
Three Rivers Park District - Hennepin	\$ 30,861,775	\$ 2,330,266	7.55%
Three Rivers Park District - Scott Co.	\$ 1,889,382	\$ 199,223	10.54%
Washington Co.	\$ 2,489,662	\$ 347,497	13.96%
<b>TOTALS</b>	<b>\$ 89,238,754</b>	<b>\$ 8,620,000</b>	<b>9.66%</b>