

**METROPOLITAN COUNCIL**  
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**DATE:** July 24, 2008

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

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

**SUBJECT:** (Information Item) Distributing State Fiscal Year 2009 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 2007;
- 40 percent based on each agency's proportion of total regional system operation and maintenance expenditures in the previous calendar year (2007); and,
- 20 percent based on each agency's proportion of total regional system acreage (as of July 1, 2008), with park reserve resource management lands divided by four.

This memorandum illustrates that \$8,620,000 of State funds was appropriated for the period July 1, 2008 to June 30, 2009 (State Fiscal Year 2009); how much each park agency will receive from that appropriation based on the statutory formula; and the percentage of each agency's 2008 operations and maintenance budget that would be financed with the State funds.

**ANALYSIS**

The Legislature has appropriated \$8,620,000 for operations and maintenance funding for the Regional Parks System for State Fiscal Year 2009. The fiscal year starts July 1, 2008 and ends June 30, 2009. The appropriation includes \$3,750,000 in General Funds and an estimated \$4,870,000 in Lottery-in-Lieu of Sales Tax revenue. [Laws of MN 2008, Chap. 363, Article 5, Subd. 6].

TABLE 1-A shows the result of calculations made to distribute the \$8,620,000 appropriated for FY 2009. The far right-hand column displays the grant amount for each agency. 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.

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 below indicates that 8.96% will be financed in 2008/(FY 2009) assuming that the budgeted amount will be the actual expenditures. The table also illustrates previous appropriations, the park implementing agencies' total operations and maintenance costs, and the percent covered of actual costs by the State's grant from 1985 to 2007 plus the amount the State's FY 2009 grant covers of the park agencies' budgeted amount for 2008.

**Regional Park Operations and Maintenance (O & M) Grant Appropriations—1985 to 2008**

<b>Calendar Year/ (State Fiscal Year)</b>	<b>O &amp; M Grant Appropriation</b>	<b>Park Agency's O &amp; M Actual Costs (1985- 2007) and Budgeted Costs 2008/(FY 2009)</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	\$ 85,009,472	10.1%
2008/(2009)	\$8,620,000	\$ 96,244,842	8.96%
<b>Totals /Average Percent</b>	<b>\$110,739,678</b>	<b>\$1,173,221,099</b>	<b>9.4%</b>

**ANALYSIS**

Regional park implementing agencies were asked to supply data on their 2007 actual expenditures, 2008 budget and projected 2009 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.

State law requires Regional Park System implementing agencies to submit their actual operations and maintenance expenditures from the previous calendar year. The 2007 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 system unit as of July 1, 2008. 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.

Use data is based on the most recent data available systemwide—the 2007 use figures as shown in the Annual Use Estimate of the Metropolitan Regional Park System for 2007 (Publication number 78-08-040). This annual use estimate report is presented as a separate item for the August 5, 2008 MPOSC meeting. Use measurements are based on entries to parks or trails, with the exception that each camper-day is counted as one visit.

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 2009 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 (2008) 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 2009, no agency receives 40 percent of its 2008 budget. As shown in TABLE 2, 8.96% of the 2008 budgeted O & M expenditures will be covered with the FY 2009 O & M grants assuming that the budget expenditures are actual expenditures. The average amount State funds have financed of park agency operations and maintenance expenditures per year since 1985 is 9.4%, which is unchanged from last year.

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, 2008 as required by MN Statute 473.351. 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 TABLES 1-A, 1-B and 1-C is complete for the purpose of calculating each regional park implementing agency's share of FY 2009 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 : 2008 Calculations for FY 2009 Regional Park O & M Grants financed with \$3.75 million General Fund and \$4.87 million Lottery in Lieu of Sales Tax Revenue:**

40 percent based on proportion of 2007 regional system use [visits] (A)

40 percent based on proportion of 2007 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2008 (C)

Park Agency Name	2007 Visits (1,000's)	% Of Use	2007 O&M Expenditures	% Of Expenditures	2008 Acres (Weighted)	% Of Acres	40% Proptl. Use	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	FY 2009 O&M Grant Amount
Anoka Co.	2,593.7	7.89%	\$ 5,429,891	6.39%	6,334.63	16.94%	0.0316	0.0255	0.0339	9.10	\$ 784,377
Bloomington	415.0	1.26%	\$ 846,153	1.00%	115.79	0.31%	0.0051	0.0040	0.0006	0.97	\$ 83,195
Carver Co.	237.5	0.72%	\$ 990,043	1.16%	819.61	2.19%	0.0029	0.0047	0.0044	1.19	\$ 102,858
Dakota Co.	756.4	2.30%	\$ 5,367,907	6.31%	4,060.90	10.86%	0.0092	0.0253	0.0217	5.62	\$ 484,294
Minneapolis Park Bd.	13,065.3	39.75%	\$ 16,892,833	19.87%	2,744.98	7.34%	0.1590	0.0795	0.0147	25.32	\$ 2,182,356
Ramsey Co.	2,883.9	8.77%	\$ 5,948,970	7.00%	4,708.22	12.59%	0.0351	0.0280	0.0252	8.83	\$ 760,888
St. Paul	6,330.7	19.26%	\$ 18,195,826	21.40%	2,706.57	7.24%	0.0770	0.0856	0.0145	17.71	\$ 1,526,937
Scott County	98.3	0.30%	\$ 845,038	0.99%	1,045.56	2.80%	0.0012	0.0040	0.0056	1.08	\$ 92,786
Three Rivers Park District - Hennepin	5,233.8	15.92%	\$ 25,488,458	29.98%	10,144.18	27.13%	0.0637	0.1199	0.0543	23.79	\$ 2,050,539
Three Rivers Park District - Scott Co.	260.0	0.79%	\$ 2,403,250	2.83%	2,020.67	5.40%	0.0032	0.0113	0.0108	2.53	\$ 217,912
Washington Co.	992.8	3.02%	\$ 2,601,103	3.06%	2,694.19	7.20%	0.0121	0.0122	0.0144	3.87	\$ 333,859
<b>TOTALS</b>	<b>32,867.4</b>	<b>100.00%</b>	<b>\$ 85,009,472</b>	<b>100.00%</b>	<b>37,395.29</b>	<b>100.00%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 8,620,000</b>
			\$ 8,620,000	10.1%							

(A) 2007 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2004 through 2007 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2007 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

(C) 2008 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 4

**TABLE 1-B: 2008 Calculations for FY 2009 Regional Park O & M Grants Financed Only with \$3,750,000 General Fund Appropriation:**

40 percent based on proportion of 2007 regional system use [visits] (A)

40 percent based on proportion of 2007 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2008 (C)

Park Agency Name	2007 Visits (1,000's)	% Of Use	2007 O&M Expenditures	% Of Expenditures	2008 Acres (Weighted)	% Of Acres	40% Proptl. Use	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	FY 2009 O&M Grant Amount
Anoka Co.	2,593.7	7.89%	\$ 5,429,891	6.39%	6,334.63	16.94%	0.0316	0.0255	0.0339	9.10	\$ 341,231
Bloomington	415.0	1.26%	\$ 846,153	1.00%	115.79	0.31%	0.0051	0.0040	0.0006	0.97	\$ 36,193
Carver Co.	237.5	0.72%	\$ 990,043	1.16%	819.61	2.19%	0.0029	0.0047	0.0044	1.19	\$ 44,747
Dakota Co.	756.4	2.30%	\$ 5,367,907	6.31%	4,060.90	10.86%	0.0092	0.0253	0.0217	5.62	\$ 210,685
Minneapolis Park Bd.	13,065.3	39.75%	\$ 16,892,833	19.87%	2,744.98	7.34%	0.1590	0.0795	0.0147	25.32	\$ 949,401
Ramsey Co.	2,883.9	8.77%	\$ 5,948,970	7.00%	4,708.22	12.59%	0.0351	0.0280	0.0252	8.83	\$ 331,013
St. Paul	6,330.7	19.26%	\$ 18,195,826	21.40%	2,706.57	7.24%	0.0770	0.0856	0.0145	17.71	\$ 664,271
Scott County	98.3	0.30%	\$ 845,038	0.99%	1,045.56	2.80%	0.0012	0.0040	0.0056	1.08	\$ 40,365
Three Rivers Park District - Hennepin	5,233.8	15.92%	\$ 25,488,458	29.98%	10,144.18	27.13%	0.0637	0.1199	0.0543	23.79	\$ 892,056
Three Rivers Park District - Scott Co.	260.0	0.79%	\$ 2,403,250	2.83%	2,020.67	5.40%	0.0032	0.0113	0.0108	2.53	\$ 94,799
Washington Co.	992.8	3.02%	\$ 2,601,103	3.06%	2,694.19	7.20%	0.0121	0.0122	0.0144	3.87	\$ 145,240
<b>TOTALS</b>	<b>32,867.4</b>	<b>100.00%</b>	<b>\$ 85,009,472</b>	<b>100.00%</b>	<b>37,395.29</b>	<b>100.00%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 3,750,000</b>

(A) 2007 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2004 through 2007 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

Evaluation & Audit Department to be consistent with requirements in MN Statute 473.351 and applicable reporting rules for operations and maintenance expenditures.

(C) 2008 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 4

**TABLE 1-C: 2008 Calculations for FY 2009 Regional Park O & M Grants Financed Only with \$4,870,000 Lottery-in-Lieu Appropriation**

40 percent based on proportion of 2007 regional system use [visits] (A)

40 percent based on proportion of 2007 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2008 (C)

	2007 Visits (1,000's)	% Of Use	2007 O&M Expenditures	% Of Expenditures	2008 Acres (Weighted)	% Of Acres	40% Proptl. Use	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	FY 2009 O&M Grant Amount
<b>Anoka Co.</b>	2,593.7	7.89%	\$ 5,429,891	6.39%	6,334.63	16.94%	0.0316	0.0255	0.0339	9.10	\$ 443,146
<b>Bloomington</b>	415.0	1.26%	\$ 846,153	1.00%	115.79	0.31%	0.0051	0.0040	0.0006	0.97	\$ 47,003
<b>Carver Co.</b>	237.5	0.72%	\$ 990,043	1.16%	819.61	2.19%	0.0029	0.0047	0.0044	1.19	\$ 58,111
<b>Dakota Co.</b>	756.4	2.30%	\$ 5,367,907	6.31%	4,060.90	10.86%	0.0092	0.0253	0.0217	5.62	\$ 273,609
<b>Minneapolis Park Bd.</b>	13,065.3	39.75%	\$ 16,892,833	19.87%	2,744.98	7.34%	0.1590	0.0795	0.0147	25.32	\$ 1,232,955
<b>Ramsey Co.</b>	2,883.9	8.77%	\$ 5,948,970	7.00%	4,708.22	12.59%	0.0351	0.0280	0.0252	8.83	\$ 429,875
<b>St. Paul</b>	6,330.7	19.26%	\$ 18,195,826	21.40%	2,706.57	7.24%	0.0770	0.0856	0.0145	17.71	\$ 862,666
<b>Scott County</b>	98.3	0.30%	\$ 845,038	0.99%	1,045.56	2.80%	0.0012	0.0040	0.0056	1.08	\$ 52,421
<b>Three Rivers Park District - Hennepin</b>	5,233.8	15.92%	\$ 25,488,458	29.98%	10,144.18	27.13%	0.0637	0.1199	0.0543	23.79	\$ 1,158,483
<b>Three Rivers Park District - Scott Co.</b>	260.0	0.79%	\$ 2,403,250	2.83%	2,020.67	5.40%	0.0032	0.0113	0.0108	2.53	\$ 123,113
<b>Washington Co.</b>	992.8	3.02%	\$ 2,601,103	3.06%	2,694.19	7.20%	0.0121	0.0122	0.0144	3.87	\$ 188,618
<b>TOTALS</b>	<b>32,867.4</b>	<b>100.00%</b>	<b>\$ 85,009,472</b>	<b>100.00%</b>	<b>37,395.29</b>	<b>100.00%</b>	<b>0.4000</b>	<b>0.4000</b>	<b>0.2000</b>	<b>100.00</b>	<b>\$ 4,870,000</b>

(A) 2007 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2004 through 2007 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

Evaluation & Audit Department to be consistent with requirements in MN Statute 473.351 and applicable reporting rules for operations and maintenance expenditures.

(C) 2008 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 4

**Operations and Maintenance (O&M) Grant will finance Park Agency's 2008 O&M Budget**

<b>Park Agency Name</b>	<b>2008 Agency's O&amp;M Budget (A)</b>	<b>FY 2009 State Grant for O&amp;M</b>	<b>Percent of Agency's 2008 O&amp;M Budget Financed with State funds</b>
<b>Anoka Co.</b>	\$ 5,896,675	\$ 784,377	<b>13.30%</b>
<b>Bloomington</b>	\$ 1,051,369	\$ 83,195	<b>7.91%</b>
<b>Carver Co.</b>	\$ 1,087,200	\$ 102,858	<b>9.46%</b>
<b>Dakota Co.</b>	\$ 7,467,062	\$ 484,294	<b>6.49%</b>
<b>Minneapolis Park Bd.</b>	\$ 17,519,886	\$ 2,182,356	<b>12.46%</b>
<b>Ramsey Co.</b>	\$ 6,233,713	\$ 760,888	<b>12.21%</b>
<b>St. Paul</b>	\$ 22,744,337	\$ 1,526,937	<b>6.71%</b>
<b>Scott County</b>	\$ 877,954	\$ 92,786	<b>10.57%</b>
<b>Three Rivers Park District - Hennepin</b>	\$ 27,908,353	\$ 2,050,539	<b>7.35%</b>
<b>Three Rivers Park District - Scott Co.</b>	\$ 2,299,417	\$ 217,912	<b>9.48%</b>
<b>Washington Co.</b>	\$ 3,158,846	\$ 333,859	<b>10.57%</b>
<b>TOTALS</b>	<b>\$ 96,244,812</b>	<b>\$ 8,620,000</b>	<b>8.96%</b>

(A) 2008 Agency operations and maintenance budgets submitted by regional park agencies.