

METROPOLITAN COUNCIL
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DATE: July 23, 2009

TO: Metropolitan Parks and Open Space Commission

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

SUBJECT: (Information Item) Distributing State Fiscal Year 2010 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 2008;
- 40 percent based on each agency's proportion of total regional system operation and maintenance expenditures in the previous calendar year (2008); and,
- 20 percent based on each agency's proportion of total regional system acreage (as of July 1, 2009), with park reserve resource management lands divided by four.

This memorandum illustrates that \$8,794,000 of State funds was appropriated for the period July 1, 2009 to June 30, 2010 (State Fiscal Year 2010); how much each park agency will receive from that appropriation based on the statutory formula; and the percentage of each agency's 2009 operations and maintenance budget that would be financed with the State funds.

ANALYSIS

The Legislature has appropriated \$8,794,000 for operations and maintenance funding for the Regional Parks System for State Fiscal Year 2010. The fiscal year starts July 1, 2009 and ends June 30, 2010. The appropriation includes \$3,724,000 in General Funds and an estimated \$5,070,000 in Lottery-in-Lieu of Sales Tax revenue. [Laws of MN 2009, Chap. 37 and 2.25% Governor's unallotment to General Fund appropriation].

TABLE 1-A shows the result of calculations made to distribute the \$8,794,000 appropriated for FY 2010. The far right-hand column displays the grant 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 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 9.45% of the total 2009 budgeted amount of \$93,105,808 would be financed with the FY 2010 State appropriation of \$8,794,000 assuming that the budgeted amount will be the actual expenditure. 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 2008 plus the amount the State's FY 2010 grant covers of the park agencies' budgeted amount for 2009.

Regional Park Operations and Maintenance (O & M) Grant Appropriations—1985 to 2009

Calendar Year/ (State Fiscal Year)	O & M Grant Appropriation	Park Agency's O & M Actual Costs (1985- 2008) and Budgeted Costs 2009/(FY 2010)	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	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	\$ 85,230,866	10.1%
2009/(2010)	\$8,794,000	\$ 93,105,808	9.45%
Totals /Average Percent	\$119,463,678	\$1,255,312,931	9.52%

ANALYSIS

Regional park implementing agencies were asked to supply data on their 2008 actual expenditures, 2009 budget and projected 2010 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 2008.

State law requires Regional Park System implementing agencies to submit their actual operations and maintenance expenditures from the previous calendar year. The 2008 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, 2009.

Use data is based on the most recent data available systemwide. The 2008 use figures are derived from the Annual Use Estimate of the Metropolitan Regional Park System for 2008 (Publication number 78-09-0403), which was presented at the July 7, 2009 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 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 2010 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 (2009) 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 \$8,794,000 available for FY 2010, no agency receives 40 percent of its 2009 budget. As shown in TABLE 2, 9.45% of the 2009 budgeted O & M expenditures will be covered with the FY 2010 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 9.52%, which is better than the 9.4% reported last year.

The General Fund appropriation has been made directly to the Metropolitan Council through the Minnesota Management and Budget Department. This permits time for the Council to distribute the appropriation by August 1, 2009 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 2010 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 : 2009 Calculations for FY 2010 Regional Park O & M Grants financed with \$3.724 million General Fund and \$5.07 million Lottery in Lieu of Sales Tax Revenue:

40 percent based on proportion of 2008 regional system use [visits] (A)

40 percent based on proportion of 2008 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2009 (C)

Park Agency Name	2008 Visits (1,000's)	% Of Use	2008 O&M Expenditures	% Of Expenditure	2009 Acres (Weighted)	% Of Acres	40% Proptl. Use	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	FY 2010 O&M Grant Amount
Anoka Co.	2,820.5	7.86%	\$ 5,249,051	6.16%	6,339.97	16.44%	0.0315	0.0246	0.0329	8.90	\$ 782,416
Bloomington	708.0	1.97%	\$ 934,234	1.10%	116.02	0.30%	0.0079	0.0044	0.0006	1.29	\$ 113,291
Carver Co.	305.3	0.85%	\$ 1,064,199	1.25%	822.55	2.13%	0.0034	0.0050	0.0043	1.27	\$ 111,374
Dakota Co.	873.7	2.44%	\$ 5,651,593	6.63%	4,060.90	10.53%	0.0097	0.0265	0.0211	5.73	\$ 504,145
Minneapolis Park Bd.	13,868.6	38.67%	\$16,434,941	19.28%	2,747.26	7.12%	0.1547	0.0771	0.0142	24.61	\$ 2,163,820
Ramsey Co.	3,400.3	9.48%	\$ 6,206,072	7.28%	4,708.22	12.21%	0.0379	0.0291	0.0244	9.15	\$ 804,355
St. Paul	6,874.4	19.17%	\$17,966,727	21.08%	3,776.18	9.79%	0.0767	0.0843	0.0196	18.06	\$ 1,587,970
Scott County	59.6	0.17%	\$ 895,138	1.05%	1,095.56	2.84%	0.0007	0.0042	0.0057	1.05	\$ 92,751
Three Rivers Park District - Hennepin	5,520.8	15.39%	\$25,497,169	29.92%	10,175.69	26.39%	0.0616	0.1197	0.0528	23.40	\$ 2,057,857
Three Rivers Park District - Scott Co.	296.7	0.83%	\$ 2,401,338	2.82%	2,020.67	5.24%	0.0033	0.0113	0.0105	2.51	\$ 220,359
Washington Co.	1,136.8	3.17%	\$ 2,930,403	3.44%	2,701.79	7.01%	0.0127	0.0138	0.0140	4.04	\$ 355,661
TOTALS	35,864.6	100.00%	\$85,230,866	100.00%	38,564.79	100.00%	0.4000	0.4000	0.2000	100.00	\$ 8,794,000

(A) 2008 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2005 through 2008 by the park agencies under a schedule prepared by the Metropolitan council. The data analysis was done by the Metropolitan Council

(B) 2008 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) 2009 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

TABLE 1-B: 2009 Calculations for FY 2010 Regional Park O & M Grants Financed Only with \$3,724,000 General Fund Appropriation:

40 percent based on proportion of 2008 regional system use [visits] (A)

40 percent based on proportion of 2008 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2009 (C)

Park Agency Name	2008 Visits (1,000's)	% Of Use	2008 O&M Expenditures	% Of Expenditures	2009 Acres (Weighted)	% Of Acres	40% Proptl. Use	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	FY 2010 O&M Grant Amount
Anoka Co.	2,820.5	7.86%	\$ 5,249,051	6.16%	6,339.97	16.44%	0.0315	0.0246	0.0329	8.90	\$ 331,330
Bloomington	708.0	1.97%	\$ 934,234	1.10%	116.02	0.30%	0.0079	0.0044	0.0006	1.29	\$ 47,976
Carver Co.	305.3	0.85%	\$ 1,064,199	1.25%	822.55	2.13%	0.0034	0.0050	0.0043	1.27	\$ 47,164
Dakota Co.	873.7	2.44%	\$ 5,651,593	6.63%	4,060.90	10.53%	0.0097	0.0265	0.0211	5.73	\$ 213,491
Minneapolis Park Bd.	13,868.6	38.67%	\$ 16,434,941	19.28%	2,747.26	7.12%	0.1547	0.0771	0.0142	24.61	\$ 916,314
Ramsey Co.	3,400.3	9.48%	\$ 6,206,072	7.28%	4,708.22	12.21%	0.0379	0.0291	0.0244	9.15	\$ 340,621
St. Paul	6,874.4	19.17%	\$ 17,966,727	21.08%	3,776.18	9.79%	0.0767	0.0843	0.0196	18.06	\$ 672,459
Scott County	59.6	0.17%	\$ 895,138	1.05%	1,095.56	2.84%	0.0007	0.0042	0.0057	1.05	\$ 39,277
Three Rivers Park District - Hennepin	5,520.8	15.39%	\$ 25,497,169	29.92%	10,175.69	26.39%	0.0616	0.1197	0.0528	23.40	\$ 871,442
Three Rivers Park District - Scott Co.	296.7	0.83%	\$ 2,401,338	2.82%	2,020.67	5.24%	0.0033	0.0113	0.0105	2.51	\$ 93,316
Washington Co.	1,136.8	3.17%	\$ 2,930,403	3.44%	2,701.79	7.01%	0.0127	0.0138	0.0140	4.04	\$ 150,612
TOTALS	35,864.6	100.00%	\$ 85,230,866	100.00%	38,564.79	100.00%	0.4000	0.4000	0.2000	100.00	\$ 3,724,000

(A) 2008 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2005 through 2008 by the park agencies under a schedule prepared by the Metropolitan council. The data analysis was done by the Metropolitan Council

(B) 2008 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) 2009 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

TABLE 1-C: 2009 Calculations for FY 2010 Regional Park O & M Grants Financed Only with \$5,070,000 Lottery-in-Lieu Appropriation

40 percent based on proportion of 2008 regional system use [visits] (A)

40 percent based on proportion of 2008 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2009 (C)

	2008 Visits (1,000's)	% Of Use	2008 O&M Expenditures	% Of Expenditures	2009 Acres (Weighted)	% Of Acres	40% Proptl. Use	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	FY 2010 O&M Grant Amount
Anoka Co.	2,820.5	7.86%	\$ 5,249,051	6.16%	6,339.97	16.44%	0.0315	0.0246	0.0329	8.90	\$ 451,086
Bloomington	708.0	1.97%	\$ 934,234	1.10%	116.02	0.30%	0.0079	0.0044	0.0006	1.29	\$ 65,316
Carver Co.	305.3	0.85%	\$ 1,064,199	1.25%	822.55	2.13%	0.0034	0.0050	0.0043	1.27	\$ 64,210
Dakota Co.	873.7	2.44%	\$ 5,651,593	6.63%	4,060.90	10.53%	0.0097	0.0265	0.0211	5.73	\$ 290,654
Minneapolis Park Bd.	13,868.6	38.67%	\$ 16,434,941	19.28%	2,747.26	7.12%	0.1547	0.0771	0.0142	24.61	\$ 1,247,506
Ramsey Co.	3,400.3	9.48%	\$ 6,206,072	7.28%	4,708.22	12.21%	0.0379	0.0291	0.0244	9.15	\$ 463,735
St. Paul	6,874.4	19.17%	\$ 17,966,727	21.08%	3,776.18	9.79%	0.0767	0.0843	0.0196	18.06	\$ 915,512
Scott County	59.6	0.17%	\$ 895,138	1.05%	1,095.56	2.84%	0.0007	0.0042	0.0057	1.05	\$ 53,474
Three Rivers Park District - Hennepin	5,520.8	15.39%	\$ 25,497,169	29.92%	10,175.69	26.39%	0.0616	0.1197	0.0528	23.40	\$ 1,186,415
Three Rivers Park District - Scott Co.	296.7	0.83%	\$ 2,401,338	2.82%	2,020.67	5.24%	0.0033	0.0113	0.0105	2.51	\$ 127,043
Washington Co.	1,136.8	3.17%	\$ 2,930,403	3.44%	2,701.79	7.01%	0.0127	0.0138	0.0140	4.04	\$ 205,049
TOTALS	35,864.6	100.00%	\$ 85,230,866	100.00%	38,564.79	100.00%	0.4000	0.4000	0.2000	100.00	\$ 5,070,000

(A) 2008 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2005 through 2008 by the park agencies under a schedule prepared by the Metropolitan council. The data analysis was done by the Metropolitan Council

(B) 2008 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) 2009 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

TABLE 2: 2009 Calculation of Percent State FY 2010 Metro Regional Parks Operations and Maintenance (O&M) Grant will finance Park Agency's 2009 O&M Budget

Park Agency Name	2009 Agency's O&M Budget (A)	FY 2010 State Grant for O&M	Percent of Agency's 2009 O&M Budget Financed with State Funds
Anoka Co.	\$ 5,657,689	\$ 782,416	13.83%
Bloomington	\$ 1,013,830	\$ 113,291	11.17%
Carver Co.	\$ 1,152,594	\$ 111,374	9.66%
Dakota Co.	\$ 6,653,080	\$ 504,145	7.58%
Minneapolis Park Bd.	\$ 17,846,525	\$ 2,163,820	12.12%
Ramsey Co.	\$ 6,307,927	\$ 804,355	12.75%
St. Paul	\$ 19,565,801	\$ 1,587,970	8.12%
Scott County	\$ 868,123	\$ 92,751	10.68%
Three Rivers Park District - Hennepin	\$ 28,236,219	\$ 2,057,857	7.29%
Three Rivers Park District - Scott Co.	\$ 2,862,526	\$ 220,359	7.70%
Washington Co.	\$ 2,941,494	\$ 355,661	12.09%
TOTALS	\$ 93,105,808	\$ 8,794,000	9.45%

(A) 2009 Agency operations and maintenance budgets submitted by regional park agencies.