

**METROPOLITAN COUNCIL**

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**DATE:** July 30, 2012

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

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

**SUBJECT:** (Information Item) Distributing State Fiscal Year 2013 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 2011;
- 40 percent based on each agency's proportion of total regional system operation and maintenance expenditures in the previous calendar year (2011); and,
- 20 percent based on each agency's proportion of total regional system acreage (as of July 1, 2012), 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, 2012 to June 30, 2013 (State Fiscal Year 2013); how much each park agency will receive from that appropriation based on the statutory formula; and the percentage of each agency's 2012 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 for the Regional Parks System for State Fiscal Year 2013. The fiscal year starts July 1, 2012 and ends June 30, 2013. 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 2013. 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 9.4% of the total 2012 budgeted amount of \$90,403,974 would be financed with the FY 2012 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' total operations and maintenance costs, and the percent covered of actual costs by the State's grant from 1985 to 2010 plus the amount the State's FY 2012 grant covers of the park agencies' budgeted amount for 2011.

**Regional Park Operations and Maintenance (O & M) Grant Appropriations—  
1985 to 2012**

<b>Calendar Year/ (State Fiscal Year)</b>	<b>O &amp; M Grant Appropriation</b>	<b>Park Agency's O &amp; M Actual Costs (1985-2011) and Budgeted Costs 2012/(FY 2013)</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	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	\$ 90,774,899	9.4%
<b>Totals /Average Percent</b>	<b>\$ 145,467,678</b>	<b>\$ 1,522,732,032</b>	<b>9.6%</b>

## ANALYSIS

Regional park implementing agencies were asked to supply data on their 2011 actual expenditures, 2012 budget and projected 2013 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 2011.

State law requires Regional Park System implementing agencies to submit their actual operations and maintenance expenditures from the previous calendar year. The 2011 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, 2012.

Use data is based on the most recent data available system-wide. The 2011 use figures are derived from the Annual Use Estimate of the Metropolitan Regional Park System for 2011 (Publication number 78-12-018), which was presented at the July 10, 2012 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 2013 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 (2012) 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 2013, no agency receives 40 percent of its 2012 budget. As shown in TABLE 2, 9.4% of the 2012 budgeted O & M expenditures will be covered with the FY 2013 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 9.6%, which is the same average as 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, 2012 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 2013 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 : 2012 Calculations for FY 2013 Regional Park O & M Grants financed with \$2.87 million General Fund and \$5.67 million Lottery in Lieu of Sales Tax Revenue:**

40 percent based on proportion of 2011 regional system use [visits] (A)

40 percent based on proportion of 2011 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2012 (C)

Park Agency Name	2011 Visits (1,000's)	% Of Visits	2011 O&M Expenditures	% Of Expenditures	2012 Acres (Weighted)	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	Agency Amount Based on Formula
Anoka Co.	3,380.8	7.73%	\$ 5,195,276	5.45%	6,670.71	17.39%	0.0309	0.0218	0.0348	8.75	\$ 747,311
Bloomington	789.4	1.80%	\$ 1,043,605	1.10%	161.66	0.42%	0.0072	0.0044	0.0008	1.24	\$ 106,246
Carver Co.	443.9	1.01%	\$ 1,062,826	1.12%	849.12	2.21%	0.0041	0.0045	0.0044	1.29	\$ 110,581
Dakota Co.	1,047.8	2.39%	\$ 5,289,293	5.55%	3,828.05	9.98%	0.0096	0.0222	0.0200	5.17	\$ 441,920
Minneapolis Park Bd.	15,098.8	34.51%	\$ 16,591,553	17.41%	2,758.54	7.19%	0.1380	0.0696	0.0144	22.21	\$ 1,896,567
Ramsey Co.	4,014.7	9.18%	\$ 6,488,501	6.81%	4,711.32	12.28%	0.0367	0.0272	0.0246	8.85	\$ 755,902
St. Paul	8,552.6	19.55%	\$ 19,643,777	20.62%	3,739.13	9.75%	0.0782	0.0825	0.0195	18.02	\$ 1,538,534
Scott County	319.6	0.73%	\$ 965,116	1.01%	1,122.18	2.93%	0.0029	0.0041	0.0059	1.28	\$ 109,533
Three Rivers Park District - Hennepin	8,258.5	18.88%	\$ 33,615,615	35.28%	9,747.56	25.42%	0.0755	0.1411	0.0508	26.75	\$ 2,284,057
Three Rivers Park District - Scott Co.	345.5	0.79%	\$ 2,648,626	2.78%	2,001.05	5.22%	0.0032	0.0111	0.0104	2.47	\$ 211,047
Washington Co.	1,498.8	3.43%	\$ 2,742,156	2.88%	2,761.10	7.20%	0.0137	0.0115	0.0144	3.96	\$ 338,302
<b>TOTALS</b>	<b>43,750.4</b>	<b>100.00%</b>	<b>\$ 95,286,344</b>	<b>100.00%</b>	<b>38,350.41</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>

(A) 2011 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2008 through 2011 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2011 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) 2012 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: 2012 Calculations for FY 2013 Regional Park O & M Grants Financed Only with \$2,870,000 General Fund Appropriation:**

40 percent based on proportion of 2011 regional system use [visits] (A)

40 percent based on proportion of 2011 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2012 (C)

Park Agency Name	2011 Visits (1,000's)	% Of Visits	2011 O&M Expenditures	% Of Expenditures	2012 Acres (Weighted)	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	Agency Amount Based on Formula
Anoka Co.	3,380.8	7.73%	\$ 5,195,276	5.45%	6,670.71	17.39%	0.0309	0.0218	0.0348	8.75	\$ 251,145
Bloomington	789.4	1.80%	\$ 1,043,605	1.10%	161.66	0.42%	0.0072	0.0044	0.0008	1.24	\$ 35,706
Carver Co.	443.9	1.01%	\$ 1,062,826	1.12%	849.12	2.21%	0.0041	0.0045	0.0044	1.29	\$ 37,162
Dakota Co.	1,047.8	2.39%	\$ 5,289,293	5.55%	3,828.05	9.98%	0.0096	0.0222	0.0200	5.17	\$ 148,514
Minneapolis Park Bd.	15,098.8	34.51%	\$ 16,591,553	17.41%	2,758.54	7.19%	0.1380	0.0696	0.0144	22.21	\$ 637,371
Ramsey Co.	4,014.7	9.18%	\$ 6,488,501	6.81%	4,711.32	12.28%	0.0367	0.0272	0.0246	8.85	\$ 254,033
St. Paul	8,552.6	19.55%	\$ 19,643,777	20.62%	3,739.13	9.75%	0.0782	0.0825	0.0195	18.02	\$ 517,048
Scott County	319.6	0.73%	\$ 965,116	1.01%	1,122.18	2.93%	0.0029	0.0041	0.0059	1.28	\$ 36,810
Three Rivers Park District - Hennepin	8,258.5	18.88%	\$ 33,615,615	35.28%	9,747.56	25.42%	0.0755	0.1411	0.0508	26.75	\$ 767,593
Three Rivers Park District - Scott Co.	345.5	0.79%	\$ 2,648,626	2.78%	2,001.05	5.22%	0.0032	0.0111	0.0104	2.47	\$ 70,926
Washington Co.	1,498.8	3.43%	\$ 2,742,156	2.88%	2,761.10	7.20%	0.0137	0.0115	0.0144	3.96	\$ 113,692
<b>TOTALS</b>	<b>43,750.4</b>	<b>100.00%</b>	<b>\$ 95,286,344</b>	<b>100.00%</b>	<b>38,350.41</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</b>

(A) 2011 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2008 through 2011 by the park agencies under a schedule prepared by the Metropolitan Council. Data analysis was done by the Metropolitan Council.

(B) 2011 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) 2012 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: 2012 Calculations for FY 2013 Regional Park O & M Grants Financed Only with \$5,670,000 Lottery-in-Lieu Appropriation**

40 percent based on proportion of 2011 regional system use [visits] (A)

40 percent based on proportion of 2011 regional system O & M expenditures (B)

20 percent based on proportion of weighted regional system land acreage as of July 1, 2012 (C)

Park Agency Name	2011 Visits (1,000's)	% Of Visits	2011 O&M Expenditures	% Of Expenditures	2012 Acres (Weighted)	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	Agency Amount Based on Formula
Anoka Co.	3,380.8	7.73%	\$ 5,195,276	5.45%	6,670.71	17.39%	0.0309	0.0218	0.0348	8.75	\$ 496,165
Bloomington	789.4	1.80%	\$ 1,043,605	1.10%	161.66	0.42%	0.0072	0.0044	0.0008	1.24	\$ 70,540
Carver Co.	443.9	1.01%	\$ 1,062,826	1.12%	849.12	2.21%	0.0041	0.0045	0.0044	1.29	\$ 73,418
Dakota Co.	1,047.8	2.39%	\$ 5,289,293	5.55%	3,828.05	9.98%	0.0096	0.0222	0.0200	5.17	\$ 293,406
Minneapolis Park Bd.	15,098.8	34.51%	\$ 16,591,553	17.41%	2,758.54	7.19%	0.1380	0.0696	0.0144	22.21	\$ 1,259,196
Ramsey Co.	4,014.7	9.18%	\$ 6,488,501	6.81%	4,711.32	12.28%	0.0367	0.0272	0.0246	8.85	\$ 501,869
St. Paul	8,552.6	19.55%	\$ 19,643,777	20.62%	3,739.13	9.75%	0.0782	0.0825	0.0195	18.02	\$ 1,021,486
Scott County	319.6	0.73%	\$ 965,116	1.01%	1,122.18	2.93%	0.0029	0.0041	0.0059	1.28	\$ 72,723
Three Rivers Park District - Hennepin	8,258.5	18.88%	\$ 33,615,615	35.28%	9,747.56	25.42%	0.0755	0.1411	0.0508	26.75	\$ 1,516,464
Three Rivers Park District - Scott Co.	345.5	0.79%	\$ 2,648,626	2.78%	2,001.05	5.22%	0.0032	0.0111	0.0104	2.47	\$ 140,122
Washington Co.	1,498.8	3.43%	\$ 2,742,156	2.88%	2,761.10	7.20%	0.0137	0.0115	0.0144	3.96	\$ 224,610
<b>TOTALS</b>	<b>43,750.4</b>	<b>100.00%</b>	<b>\$ 95,286,344</b>	<b>100.00%</b>	<b>38,350.41</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>

(A) 2010 annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 2007 through 2010 by the park agencies under a schedule prepared by the Metropolitan Council. Analysis of the data and estimated visits prepared by the Metropolitan Council.

(B) 2010 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) 2011 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: 2011 Calculation of Percent State FY 2012 Metro Regional Parks Operations and Maintenance (O&M) Grant will finance Park Agency's 2011 O&M Budget**

Park Agency Name	2012 Agency's O&M Budget (A)	FY 2013 State Grant for O&M	Percent of Agency's 2012 O&M Budget Financed with State Funds
Anoka Co.	\$ 5,394,000	\$ 747,311	13.85%
Bloomington	\$ 1,069,695	\$ 106,246	9.93%
Carver Co.	\$ 954,000	\$ 110,581	11.59%
Dakota Co.	\$ 5,731,917	\$ 441,920	7.71%
Minneapolis Park Bd.	\$ 16,675,470	\$ 1,896,567	11.37%
Ramsey Co.	\$ 6,594,932	\$ 755,902	11.46%
St. Paul	\$ 17,947,284	\$ 1,538,534	8.57%
Scott County	\$ 969,970	\$ 109,533	11.29%
Three Rivers Park District - Hennepin	\$ 30,423,648	\$ 2,284,057	7.51%
Three Rivers Park District - Scott Co.	\$ 2,263,983	\$ 211,047	9.32%
Washington Co.	\$ 2,750,000	\$ 338,302	12.30%
<b>TOTALS</b>	<b>\$ 90,774,899</b>	<b>\$ 8,540,000</b>	<b>9.41%</b>

(A) 2012 Agency operations and maintenance budgets submitted by regional park agencies.