

METROPOLITAN COUNCIL
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DATE: July 27, 2010
TO: Metropolitan Parks and Open Space Commission
FROM: Arne Stefferud, Planning Analyst-Parks (651-602-1360)
SUBJECT: (Information Item) Distributing State Fiscal Year 2011 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 2009;
- 40 percent based on each agency's proportion of total regional system operation and maintenance expenditures in the previous calendar year (2009); and,
- 20 percent based on each agency's proportion of total regional system acreage (as of July 1, 2010), with park reserve resource management lands divided by four.

This memorandum illustrates that \$8,854,000 of State funds was appropriated for the period July 1, 2010 to June 30, 2011 (State Fiscal Year 2011); how much each park agency will receive from that appropriation based on the statutory formula; and the percentage of each agency's 2010 operations and maintenance budget that would be financed with the State funds.

SUMMARY

The Legislature has appropriated \$8,854,000 for operations and maintenance funding for the Regional Parks System for State Fiscal Year 2011. The fiscal year starts July 1, 2010 and ends June 30, 2011. The appropriation includes \$3,484,000 in General Funds and an estimated \$5,370,000 in Lottery-in-Lieu of Sales Tax revenue.

An adjustment was made in disbursing the FY 2011 appropriation by correcting an error in the distribution of the FY 2010 appropriation. The error in the FY 2010 disbursement was due to using incorrect park visitation data. The error and correction is shown on TABLE 1.

TABLE 2-A shows the result of calculations made to distribute the \$8,854,000 appropriated for FY 2011. The far right-hand column displays the grant amount for each agency after making an adjustment to correct the error described above. TABLES 2-B and 2-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 9.8% of the total 2010 budgeted amount of \$90,078,777 would be financed with the FY 2011 State appropriation of \$8,854,000 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 2009 plus the amount the State's FY 2011 grant covers of the park agencies' budgeted amount for 2010.

Regional Park Operations and Maintenance (O & M) Grant Appropriations—1985 to 2010

Calendar Year/ (State Fiscal Year)	O & M Grant Appropriation	Park Agency's O & M Actual Costs (1985- 2009) and Budgeted Costs 2010/(FY 2011)	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	\$ 86,239,884	10.2%
2010/ (2011)	\$8,854,000	\$ 90,078,777	9.8%
Totals /Average Percent	\$128,387,678	\$1,338,525,784	9.6%

ANALYSIS

Regional park implementing agencies were asked to supply data on their 2009 actual expenditures, 2010 budget and projected 2011 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 2009.

State law requires Regional Park System implementing agencies to submit their actual operations and maintenance expenditures from the previous calendar year. The 2009 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, 2010.

Use data is based on the most recent data available systemwide. The 2009 use figures are derived from the Annual Use Estimate of the Metropolitan Regional Park System for 2009 (Publication number 78-10-016), which was presented at the May 24, 2010 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 2011 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 (2010) 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 \$8,854,000 available for FY 2011, no agency receives 40 percent of its 2010 budget. As shown in TABLE 3, 9.83% of the 2010 budgeted O & M expenditures will be covered with the FY 2011 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 better than the 9.52% 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, 2010 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 2-A, 2-B and 2-C is complete for the purpose of calculating each regional park implementing agency's share of FY 2011 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: Correction to 2009 Calculations for FY 2010 Regional Park O & M Grants using 2008 Visits in Published Report

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

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

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

Park Agency Name	Corrected 2008 Visits (1,000's)	Corrected % Of Visits	2008 O&M Expenditures	% Of Expenditures	2009 Acres Weighted	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (%)	Corrected FY 2010 O&M Agency Amount	Actual FY 2010 O&M Agency Amount	Error
Anoka Co.	3,280.7	8.56%	\$ 5,249,051	6.16%	6,339.97	16.44%	0.0342	0.0246	0.0329	9.17	\$ 806,769	\$ 782,416	\$ (24,353)
Bloomington	526.8	1.37%	\$ 934,234	1.10%	116.02	0.30%	0.0055	0.0044	0.0006	1.05	\$ 92,180	\$ 113,291	\$ 21,112
Carver Co.	265.0	0.69%	\$ 1,064,199	1.25%	822.55	2.13%	0.0028	0.0050	0.0043	1.20	\$ 105,747	\$ 111,374	\$ 5,627
Dakota Co.	879.6	2.29%	\$ 5,651,593	6.63%	4,060.90	10.53%	0.0092	0.0265	0.0211	5.68	\$ 499,152	\$ 504,145	\$ 4,993
Minneapolis Park Bd.	15,442.4	40.28%	\$ 16,434,941	19.28%	2,747.26	7.12%	0.1611	0.0771	0.0142	25.25	\$ 2,220,358	\$ 2,163,820	\$ (56,538)
Ramsey Co.	3,286.2	8.57%	\$ 6,206,072	7.28%	4,708.22	12.21%	0.0343	0.0291	0.0244	8.78	\$ 772,353	\$ 804,355	\$ 32,003
St. Paul	6,649.2	17.34%	\$ 17,966,727	21.08%	3,776.18	9.79%	0.0694	0.0843	0.0196	17.33	\$ 1,523,765	\$ 1,587,970	\$ 64,205
Scott County	259.9	0.68%	\$ 895,138	1.05%	1,095.56	2.84%	0.0027	0.0042	0.0057	1.26	\$ 110,753	\$ 92,751	\$ (18,002)
Three Rivers Park District - Hennepin	6,290.6	16.41%	\$ 25,497,169	29.92%	10,175.69	26.39%	0.0656	0.1197	0.0528	23.81	\$ 2,093,516	\$ 2,057,857	\$ (35,658)
Three Rivers Park District - Scott Co.	302.0	0.79%	\$ 2,401,338	2.82%	2,020.67	5.24%	0.0032	0.0113	0.0105	2.49	\$ 218,969	\$ 220,359	\$ 1,390
Washington Co.	1,158.4	3.02%	\$ 2,930,403	3.44%	2,701.79	7.01%	0.0121	0.0138	0.0140	3.98	\$ 350,439	\$ 355,661	\$ 5,222
TOTALS	38,340.8	100.00%	\$ 85,230,866	100.00%	38,564.79	100.00%	0.4000	0.4000	0.2000	100.00	\$ 8,794,000	\$ 8,794,000	\$ 0

Prepared 7-27-2010

Note: Errors in (parentheses) indicate park agency received less than what it should have received from the FY 2010 appropriation. Errors with no parentheses indicate park agency received more than it should have from the FY 2010 appropriation. This was corrected in the FY 2011 appropriation disbursement by decreasing the disbursement to agencies that received too much and increasing the disbursement to agencies that received too little as shown in Table 2-A.

TABLE 2-A : 2010 Calculations for FY 2011 Regional Park O & M Grants financed with \$3.484 million General Fund and \$5.37 million Lottery in Lieu of Sales Tax Revenue

40 percent based on proportion of 2009 regional system use [visits]

40 percent based on proportion of 2009 regional system O & M expenditures

20 percent based on proportion of weighted regional system land acreage as of July 1, 2010

Park Agency Name	2009 Visits (1,000's)	% Of Visits	2009 O&M Expenditures	% Of Expenditures	2010 Acres Weighted	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (%)	Agency Amount Based on Formula	Adjustment to Correct Error in FY 2010 Distribution	FY 2011 O&M Agency Amount
Anoka Co.	3,211.1	8.49%	\$ 4,619,797	5.4%	6,355.7	16.5%	0.03396	0.02143	0.03302	8.84	\$ 782,784	\$ 24,353	\$ 807,137
Bloomington	512.6	1.36%	\$ 944,479	1.1%	206.1	0.5%	0.00542	0.00438	0.00107	1.09	\$ 96,264	\$ (21,112)	\$ 75,152
Carver Co.	265.5	0.70%	\$ 975,335	1.1%	823.9	2.1%	0.00281	0.00452	0.00428	1.16	\$ 102,814	\$ (5,627)	\$ 97,188
Dakota Co.	929.8	2.46%	\$ 5,880,548	6.8%	3,834.7	10.0%	0.00983	0.02728	0.01992	5.70	\$ 504,962	\$ (4,993)	\$ 499,969
Minneapolis Park Bd.	14,113.0	37.32%	\$ 15,540,282	18.0%	2,747.3	7.1%	0.14926	0.07208	0.01427	23.56	\$ 2,086,156	\$ 56,538	\$ 2,142,694
Ramsey Co.	3,057.3	8.08%	\$ 6,130,069	7.1%	4,711.3	12.2%	0.03234	0.02843	0.02448	8.52	\$ 754,767	\$ (32,003)	\$ 722,764
St. Paul	7,228.2	19.11%	\$ 17,670,790	20.5%	3,778.0	9.8%	0.07645	0.08196	0.01963	17.80	\$ 1,576,353	\$ (64,205)	\$ 1,512,148
Scott County	255.1	0.67%	\$ 906,264	1.1%	1,116.9	2.9%	0.0027	0.0042	0.0058	1.27	\$ 112,487	\$ 18,002	\$ 130,488
Three Rivers Park District - Hennepin	6,694.2	17.70%	\$ 28,534,626	33.1%	10,170.4	26.4%	0.0708	0.13235	0.05284	25.60	\$ 2,266,541	\$ 35,658	\$ 2,302,199
Three Rivers Park District - Scott Co.	292.0	0.77%	\$ 2,388,574	2.8%	2,020.7	5.2%	0.00309	0.01108	0.0105	2.47	\$ 218,391	\$ (1,390)	\$ 217,001
Washington Co.	1,261.2	3.33%	\$ 2,649,120	3.1%	2,730.1	7.1%	0.01334	0.01229	0.01418	3.98	\$ 352,481	\$ (5,222)	\$ 347,259
TOTALS	37,820.1	100.0%	\$ 86,239,884	100.0%	38,495.0	100.0%	0.4	0.4	0.2	100.00	\$ 8,854,000	\$ 0	\$ 8,854,000

TABLE 2-B: 2010 Calculations for FY 2011 Regional Park O & M Grants Financed Only with \$3,484,000 General Fund Appropriation:

40 percent based on proportion of 2009 regional system use [visits]

40 percent based on proportion of 2009 regional system O & M expenditures

20 percent based on proportion of weighted regional system land acreage as of July 1, 2010

Park Agency Name	2009 Visits (1,000's)	% Of Visits	2009 O&M Expenditures	% Of Expenditures	2010 Acres Weighted	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (%)	Agency Amount Based on Formula	Adjustment to Correct Error in FY 2010 Distribution	FY 2011 O&M Agency Amount (General Fund)
Anoka Co.	3,211.1	8.49%	\$ 4,619,797	5.36%	6,355.70	16.51%	0.0340	0.0214	0.0330	8.84	\$ 308,021	\$ 24,353	\$ 332,374
Bloomington	512.6	1.36%	\$ 944,479	1.10%	206.06	0.54%	0.0054	0.0044	0.0011	1.09	\$ 37,879	\$ (21,112)	\$ 16,768
Carver Co.	265.5	0.70%	\$ 975,335	1.13%	823.93	2.14%	0.0028	0.0045	0.0043	1.16	\$ 40,457	\$ (5,627)	\$ 34,830
Dakota Co.	929.8	2.46%	\$ 5,880,548	6.82%	3,834.70	9.96%	0.0098	0.0273	0.0199	5.70	\$ 198,700	\$ (4,993)	\$ 193,706
Minneapolis Park Bd.	14,113.0	37.32%	\$ 15,540,282	18.02%	2,747.26	7.14%	0.1493	0.0721	0.0143	23.56	\$ 820,891	\$ 56,538	\$ 877,429
Ramsey Co.	3,057.3	8.08%	\$ 6,130,069	7.11%	4,711.32	12.24%	0.0323	0.0284	0.0245	8.52	\$ 296,997	\$ (32,003)	\$ 264,994
St. Paul	7,228.2	19.11%	\$ 17,670,790	20.49%	3,778.03	9.81%	0.0764	0.0820	0.0196	17.80	\$ 620,286	\$ (64,205)	\$ 556,081
Scott County	255.1	0.67%	\$ 906,264	1.05%	1,116.94	2.90%	0.0027	0.0042	0.0058	1.27	\$ 44,263	\$ 18,002	\$ 62,265
Three Rivers Park District - Hennepin	6,694.2	17.70%	\$ 28,534,626	33.09%	10,170.39	26.42%	0.0708	0.1324	0.0528	25.60	\$ 891,871	\$ 35,658	\$ 927,530
Three Rivers Park District - Scott Co.	292.0	0.77%	\$ 2,388,574	2.77%	2,020.67	5.25%	0.0031	0.0111	0.0105	2.47	\$ 85,936	\$ (1,390)	\$ 84,546
Washington Co.	1,261.2	3.33%	\$ 2,649,120	3.07%	2,730.05	7.09%	0.0133	0.0123	0.0142	3.98	\$ 138,699	\$ (5,222)	\$ 133,477
TOTALS	37,820.1	100.00%	\$ 86,239,884	100.00%	38,495.04	100.00%	0.4000	0.4000	0.2000	100.00	\$ 3,484,000	\$ 0	\$ 3,484,000

TABLE 2-C: 2010 Calculations for FY 2011 Regional Park O & M Grants Financed Only with \$5,370,000 Lottery-in-Lieu Appropriation

40 percent based on proportion of 2009 regional system use [visits]

40 percent based on proportion of 2009 regional system O & M expenditures

20 percent based on proportion of weighted regional system land acreage as of July 1, 2010

Park Agency Name	2009 Visits (1,000's)	% Of Visits	2009 O&M Expenditures	% Of Expenditures	2010 Acres (Weighted)	% Of Acres	40% Proptl. Visits	40% Proptl. Expend.	20% Proptl. Acres	Proptl. Fund (Percent)	Agency Amount Based on Formula (Lottery in Lieu of Sales Tax)
Anoka Co.	3,211.1	8.49%	\$ 4,619,797	5.36%	6,355.70	16.51%	0.0340	0.0214	0.0330	8.84	\$ 474,763
Bloomington	512.6	1.36%	\$ 944,479	1.10%	206.06	0.54%	0.0054	0.0044	0.0011	1.09	\$ 58,384
Carver Co.	265.5	0.70%	\$ 975,335	1.13%	823.93	2.14%	0.0028	0.0045	0.0043	1.16	\$ 62,358
Dakota Co.	929.8	2.46%	\$ 5,880,548	6.82%	3,834.70	9.96%	0.0098	0.0273	0.0199	5.70	\$ 306,262
Minneapolis Park Bd.	14,113.0	37.32%	\$ 15,540,282	18.02%	2,747.26	7.14%	0.1493	0.0721	0.0143	23.56	\$ 1,265,265
Ramsey Co.	3,057.3	8.08%	\$ 6,130,069	7.11%	4,711.32	12.24%	0.0323	0.0284	0.0245	8.52	\$ 457,770
St. Paul	7,228.2	19.11%	\$ 17,670,790	20.49%	3,778.03	9.81%	0.0764	0.0820	0.0196	17.80	\$ 956,067
Scott County	255.1	0.67%	\$ 906,264	1.05%	1,116.94	2.90%	0.0027	0.0042	0.0058	1.27	\$ 68,224
Three Rivers Park District - Hennepin	6,694.2	17.70%	\$ 28,534,626	33.09%	10,170.39	26.42%	0.0708	0.1324	0.0528	25.60	\$ 1,374,670
Three Rivers Park District - Scott Co.	292.0	0.77%	\$ 2,388,574	2.77%	2,020.67	5.25%	0.0031	0.0111	0.0105	2.47	\$ 132,455
Washington Co.	1,261.2	3.33%	\$ 2,649,120	3.07%	2,730.05	7.09%	0.0133	0.0123	0.0142	3.98	\$ 213,782
TOTALS	37,820.1	100.00%	\$ 86,239,884	100.00%	38,495.04	100.00%	0.4000	0.4000	0.2000	100.00	\$ 5,370,000

TABLE 3: 2010 Calculation of Percent State FY 2011 Metro Regional Parks Operations and Maintenance (O&M) Grant will finance Park Agency's 2010 O&M Budget

Park Agency Name	2010 Agency's O&M Budget (A)	FY 2011 State Grant for O&M	Percent of Agency's 2010 O&M Budget Financed with State Funds
Anoka Co.	\$ 5,742,541	\$ 782,784	13.63%
Bloomington	\$ 1,010,679	\$ 96,264	9.52%
Carver Co.	\$ 1,070,226	\$ 102,814	9.61%
Dakota Co.	\$ 6,990,619	\$ 504,962	7.22%
Minneapolis Park Bd.	\$ 15,320,446	\$ 2,086,156	13.62%
Ramsey Co.	\$ 6,214,569	\$ 754,767	12.15%
St. Paul	\$ 18,050,325	\$ 1,576,353	8.73%
Scott County	\$ 1,238,449	\$ 112,487	9.08%
Three Rivers Park District - Hennepin	\$ 29,480,564	\$ 2,266,541	7.69%
Three Rivers Park District - Scott Co.	\$ 2,260,359	\$ 218,391	9.66%
Washington Co.	\$ 2,700,000	\$ 352,481	13.05%
TOTALS	\$ 90,078,777	\$ 8,854,000	9.83%