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Report
Report

Regional Parks Foundation of the Twin Cities Area

**Report to the Minnesota Legislature fulfilling
2007 Minnesota Laws, Chapter 113, Section 17**

January 15, 2009



Metropolitan Council

390 North Robert Street, St. Paul, Minnesota 55101

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Introduction

Pursuant to legislative authority,¹ the Metropolitan Council formed the Regional Parks Foundation of the Twin Cities on November 17, 2008 as a non-profit partner for the regional park system of the seven county metropolitan area. The 2007 legislation authorizing the establishment of the foundation states: "The purpose of the foundation shall be to help acquire or finance the acquisition of lands and other assets for public recreation and open space within the metropolitan area... in order to preserve and develop regional parks and related facilities." In accordance with that legislative authorization, the Metropolitan Council is reporting on the creation and establishment of the Foundation, including a description of the public and private funds and resources used to help create the Foundation.

Background

The regional recreation open space system was created by state legislation in 1974. At that time the Legislature found:

that the pressure of urbanization and development threatens the most valuable remaining large recreation open space areas in the metropolitan area at the same time as the need for such areas is increased. Immediate action is therefore necessary to provide funds to acquire, preserve, protect and develop regional recreation open space for public use.

The regional park system plays an important role in protecting Minnesota's natural resources and providing recreational amenities. The system includes 49 regional parks and reserves, more than 170 miles of regional trails and six special recreation features with more than 33 million annual visits. The regional park system serves a metropolitan area of more than 2.6 million people in Dakota, Scott, Carver, Hennepin, Washington, Ramsey and Anoka Counties.

Between 2000 and 2030 the population of the metropolitan area is projected to grow by nearly one million people. To accommodate that growth, the Metropolitan Council's 2030 Regional Parks Policy Plan calls for expanding the regional park system from today's 53,000 acres to nearly 70,000 acres, and increasing the network of regional trails from 177 miles to 877 miles. The Parks Policy plan also has identified some of the region's "last best places" which include areas of significant natural resources that could provide high quality recreation opportunities. Although these areas may not be developed as parks until after 2030, acquisition of the land is encouraged before such opportunities are lost.

Purpose of the Regional Parks Foundation

Many of Minnesota's most valuable and well-loved parks and natural areas were created and preserved through a combination of public and private investment. State and local government are responsible for protecting natural resources, but nonprofit organizations, foundations and individuals have helped shape the landscape by providing funding when it was needed to acquire resources. Formation of the Regional Parks Foundation of the Twin Cities allows area resident, other interested persons and donor organizations the opportunity to do more to support the regional parks system. The Foundation will raise money and accept donations to

¹ A copy of the 2007 authorizing legislation is attached to this report.

buy key parcels of land for regional open spaces, trails or park reserves; support stewardship efforts for regional parks and trails; and demonstrate support for the regional park system by area residents and other interested persons and organizations.

Organization and Governance

The Regional Parks Foundation is organized to provide in-put from a broad variety of stakeholders, including regional policy-makers, the regional parks agencies, and the conservation and business community. The Foundation will have a 26 member Board of Directors. It will be chaired by the Chair of the Metropolitan Council. Two Metropolitan Council members will serve on the board, as well as the Chair of the Metropolitan Parks and Open Space Commission members. These ex-officio Board members will ensure that the needs of the regional park system are met. Three conservation members will serve on the Board representing the Trust for Public Land, the Nature Conservancy, and the Parks and Trails Council of Minnesota. The conservation members will provide valuable acquisition expertise, and will provide a link to the conservation and environmental community. The Commissioner of the Minnesota Department of Natural Resources will also serve on the Board as an advisory member, in order to coordinate state acquisition priorities and needs with Foundation.

In lieu of forming an advisory board to the park foundation, each of the ten park implementing agencies (The City of St. Paul Parks & Recreation; Washington County Parks & Recreation; Dakota County Parks; Three Rivers Park District; Ramsey County Parks & Recreation; Scott County Parks; Minneapolis Park & Recreation Board; Bloomington Parks & Recreation; Anoka County Parks & Recreation; and Carver County Parks) will have a representative on the board of directors of the Foundation. These park agency representatives will help develop regional and implementing agency acquisition priorities and will help ensure Foundation grants are disbursed in a coordinated, balanced and equitable manner. Nine community Board members will be appointed to represent a broad geographic base, and to provide links to the legal, business and philanthropic community.

The By-laws of the Foundation authorize three standing committees: the Audit and Finance Committee; the Stakeholder Committee; and the Executive Committee. These committees will review and audit expenditures of the Foundation; develop policies necessary for its administration and grant funds to park agencies, and review and oversee staff.

Articles of Incorporation were filed with the State of Minnesota on Nov 17, 2008. A conflict of interest policy requiring the filing of annual conflict of interest statements by all Board members was adopted at same time. Pursuant to its legislative authority, the Foundation Articles of Incorporation specify that the foundation is subject to the application of other laws provision of Minnesota Statutes, section 465.719, subdivision 9. The Board of directors will adopt additional policies in 2009. These policies cover executive compensation; gift acceptance; records of proceedings; principles of corporate governance; a code of conduct policy; a whistleblower policy; spending and investment policies; and a travel and other expense reimbursement policy.

Budget Principles

The Regional Park Foundation of the Twin Cities has five guiding principles relating to its budget:

- 1) Accountability. The Foundation will strive to be an excellent financial steward and will leverage its resources accordingly.
- 2) Efficiency. The Foundation will maintain a low administrative and overhead ratio in relation to its fundraising activities, and will not duplicate existing efforts.
- 3) Partnership. The Foundation will provide service fairly and equitably to all the regional park agencies.
- 4) Balance. The Foundation will provide balance between park agencies, stewardship and acquisition, and urban, suburban and rural park agencies.
- 5) Supplemental funds. Where possible, the Foundation will supplement and complement rather than replace public funding for regional park lands and facilities.

Expenditures

The Metropolitan Council's governing body authorized the formation of the Regional Parks Foundation of the Twin Cities by Resolution No. 2008-05 (adopted June 11, 2008). That resolution also authorized the Metropolitan Council to provide up to \$500,000 to help create and establish the Foundation. A summary of major expenditures to date and Metropolitan Council support is as follows:

- \$61,000 on legal services to design and develop the legal structure of the Foundation, draft the Articles of Incorporation, By-laws the application for federal tax exemption and many policies for the Foundation. The Metropolitan Council has provided in-kind support of approximately \$42,000 (primarily staff time) to help support the creation and establishment of the Foundation.
- \$250,000 as a founding gift to the Regional Parks Foundation of the Twin Cities.
Other anticipated expenses in 2008-09 are:
 - \$25,000 web-site launch
 - \$15,000 postage and printing
 - \$25,000 contingencies
 - \$65,000 Subtotal

Regional Park Foundation summary:

\$61,000	formation expenses
\$250,000	founding contribution
\$65,000	contingency expenses
<u>\$124,000</u>	staff and in-kind expenses
\$500,000	Subtotal

2009-2011 Budget

	2009	2010	2011
Revenue:			
Gifts/Grants received	\$250,000	\$250,000	\$300,000
Membership Fees	75,000	90,000	110,000
Event Revenue	20,000	10,000	30,000
Pass-through Grants	0	50,000	200,000
Subtotal:	345,000	400,000	640,000
Expenditures:			
Salaries	80,000	155,000	165,000
Grants made	0	250,000	300,000
Professional Fees	5,000	20,000	10,000
Subtotal:	\$5,000	\$425,000	\$475,000
Reserves:	\$260,000	\$235,000	\$400,000

*Gifts or grants received. Includes the founding gift from the Metropolitan Council.

*Membership fees. Donations from residents and businesses.

*Events revenue. Program revenue from special events.

*Pass through grants. Grants from other non-profit partners or foundations which will go directly to a special project or program.

The Foundation is awaiting its Internal Revenue Service tax exemption determination letter. The Executive committee is in the process of hiring an Executive Director. The Foundation's website will be: www.regionalparksfoundationtc.org.

Its mailing address is:
Regional Parks Foundation of the Twin Cities
P.O. Box 75705
Saint Paul, Minnesota 55175

The first Board meeting is scheduled for February 26, 2009, and quarterly meetings are expected thereafter. To date, the Foundation has received contributions totaling \$2,250.

ATTACHMENT

2007 Minnesota Statutes chapter 113, sections 15 through 17 Authorizing the Establishment of a Nonprofit Regional Parks Foundation

Sec. 15. **NONPROFIT FOUNDATION.**

Subdivision 1. **Nonprofit foundation may be established.** Under Minnesota Statutes, section 465.717, subdivision 1, the Metropolitan Council established by Minnesota Statutes, section 473.123, may incorporate, create, or otherwise establish a foundation. The purpose of the foundation shall be to help acquire or finance the acquisition of lands and other assets for public recreation and open space within the metropolitan area defined in Minnesota Statutes, section 473.121, subdivision 2, in order to preserve and develop regional parks and related facilities. The foundation shall be a private nonprofit organization and tax exempt under appropriate federal and state laws. The foundation may accept gifts, donations, money, property, and other assets and may transfer, donate, or otherwise provide such gifts, donations, money, property, and other assets consistent with its dedicated purpose. The foundation is subject to the application of other laws provisions of Minnesota Statutes, section 465.719, subdivision 9.

Subd. 2. **Formation; board of directors; employees.** The foundation's initial board of directors must include business leaders, representatives of civic and nonprofit organizations, and at least one representative from each of the following: the Metropolitan Council, the Metropolitan Parks and Open Space Commission, the Department of Natural Resources, and conservation and parks and trails advocacy organizations like the Trust for Public Land and the Parks and Trails Council of Minnesota. The members of the initial board must not be compensated by the foundation for their services but may be reimbursed for reasonable expenses incurred in connection with their duties as board members. Persons employed by the foundation are not public employees and must not participate in retirement, deferred compensation, insurance, or other plans that apply to public employees generally.

Subd. 3. **Advisory committee.** The foundation may appoint an advisory committee to help establish the foundation. The advisory committee should include one or more representatives of the following: the regional park implementing agencies within the metropolitan area, the National Park Service, the United States Fish and Wildlife Service, the Metropolitan Council, the Department of Natural Resources, existing public park organizations, and other organizations as the foundation deems appropriate. Advisory committee members shall not be compensated for their membership on the advisory committee but may be reimbursed for reasonable expenses incurred in connection with their duties as advisory committee members. The advisory committee may be dissolved by the foundation when the foundation determines the advisory committee's work is complete.

Sec. 16. **METROPOLITAN COUNCIL ASSISTANCE.**

The Metropolitan Council may provide from its general fund up to \$500,000 to help create and establish the foundation. Until the foundation is established and functioning, the council may provide, from the funding made available under this section, office space and administrative support. The council may accept gifts, donations, money, property, and other assets for purposes consistent with the foundation's purposes and shall, when the foundation is established and functioning, transfer such gifts, donations, money, property, and other assets to the foundation. The use of council funds and resources for these purposes is a public purpose.

Sec. 17. **REPORT.**

On or before January 15, 2009, the council shall prepare and submit to the chairs of the legislative committees and divisions with jurisdiction over metropolitan and local government, a report on the creation and establishment of the foundation, including a description of the public and private funds and resources used to help create and establish the foundation.

Source: Office of Revisor of Statutes, State of Minnesota (2007)





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