

May 31, 2016

Susan Thornton, Executive Director
Legislative Commission on Minnesota Resources
100 Rev. Dr. Martin Luther King Jr. Blvd, Room 65
State Office Building
St. Paul, MN 55155

RE: Repayment of Environment and Natural Resources Trust Fund from Metropolitan Council and
Three Rivers Park District

Dear Ms. Thornton,

The purpose of this letter is to formally report repayment of the Environment and Natural Resources Trust Fund (ENRTF) in the amount of \$382,744.16, as directed by the Office of the Legislative Auditor in their February 11, 2016 Audit of the ENRTF (Report 16-03).

For background on this repayment, in April 2012, Three Rivers Park District (TRPD) was awarded a \$646,500 Park Acquisition Opportunity Fund grant, funded by the ENRTF and matched by Council bonds and park agency funds, to purchase the Mannor parcel for Lake Rebecca Regional Park Reserve. The February 2016 Office of the Legislative Auditor's audit identified ineligible expenditures made under this grant. The finding requires the Council to work with TRPD to return \$382,744.16 to the ENRTF. Council and TRPD staff have since worked out a mutually agreed upon solution where TRPD would repay \$82,500.43 to the Council, and the Council will remit \$382,744.16 to the ENRTF. This agreement is based upon a recalculation of the eligible grant amount and the use of Council debt service funds versus ENRTF funds. The ENRTF portion of the total grant was originally paid for by a grant to Three Rivers Park District under appropriation ML 2009 Chapter 143, Section 2, Subdivision 4 (c).

The Office of the Legislative Auditor presented these findings to the Legislative Commission on Minnesota Resources at a Commission hearing on February 18, 2016. The Metropolitan Council provided testimony at this hearing, expressing support for the findings and a desire to address them. This repayment agreement with TRPD brings to a close this important finding, which was reviewed and approved by the Metropolitan Council at their April 27, 2016 meeting (Business Item No. 2016-73). This agreement enabled the creation of a supplemental grant agreement (SG-2012-009S) between the Metropolitan Council and Three Rivers Park District, which was executed on May 6, 2016. This agreement reduced the total grant funds available for the acquisition of the property from \$646,500 to \$555,406.40, obligated TRPD to return \$82,500.43 to the Council, and obligated the Council to return \$382,744.16 to the ENRTF. The \$300,243.73 is from Council debt service.

Thank you for your patience with this repayment and for your assistance during this process. If you have any questions about this letter, please let me know.

Sincerely,



Emmett Mullin
Parks and Natural Resources Manager