

**Minutes of the
LCMR Parks Study Group
Thursday, Oct. 23, 2003
9:00 a.m. - Noon
Location: Room 5 - State Office Building**

Members Present: Rep. Dennis Ozment, Phyllis Kahn, Jim Knoblach, Kathy Tingelstad; Sen. Carrie Ruud, Dallas Sams, Jim Vickerman

Other LCMR Members Present: Sen. Scott Dibble

Others Present: John Velin, Susan Von Mosch, Susan Thornton, Sandy Smith

Chair Ozment called the meeting to order at 9:11 a.m.

Sen. Vickerman moved to approve the minutes of the July 28 and Sept. 9 Parks Study Group meetings. Motion passed.

Update on State Parks:

Brad Moore, Assistant Commissioner of DNR, updated members on the status of search process for a new state parks director. A national search is being conducted, with most of the money is being spent in Minnesota newspapers and other publications. The application deadline is Nov. 7th. Commissioner Merriam hopes to have someone on board prior to the next legislative session.

The direction for state park management will be to focus on the bread and butter of park operations. There aren't any plans to change the mission of state parks. The good work that occurred under the past director has not gone unnoticed.

Rep. Kahn asked about the status of the trails and waterways reorganization. Mr. Moore responded that an internal work group is looking at options and will report to the Commissioner next week. Two stakeholder forums have been held to gather input. A decision is anticipated in late November.

Public Testimony:

The Study Group took public testimony from 15 people on the study group's charge, "the use of fees to assist the financial stability and the potential of fees to provide for self-sufficiency in Minnesota's park systems, including state parks, metropolitan regional parks, and rural regional parks in greater Minnesota." Minn. Laws 2003, Chap. 128, Art. 1, Sec. 9, Subd. 3(b)

Dorian Grilley, Executive Director of the Parks and Trails Council of Minnesota, asked members to recognize role and value of park system. Any discussion of costs should be weighed against values parks provide our citizens. Recognize that although each of the park systems has different missions, goals, and clientele, the systems are inter-related and operate as a complimentary system. Written comments were entered into the record.

Beth Hartwig, Minnesota Business Partnership, and Mark Haveman, Minnesota Taxpayers Association, testified together. Ms. Hartwig provided background on SF1331/HF1347 proposed in 2003. The proposal sought to use competition in the public sector. It would encourage managers of individual state parks to be innovative and entrepreneurial. Park managers would be encouraged to generate more revenues, a portion of which would go back into the park that generated the revenues. The proposal would provide help to those parks that need -- parks that did not generate excess revenues could receive grants from the DNR Commissioner.

Mark Haveman stated that the Minnesota Taxpayers Association does not have a formal position on state park financing. The issue came out of the Association's work related to increasing efficiency and accountability in government and state park financing was just one part of that effort. Fees are necessary for the health and stability of the parks. The Association does not support dedicating a portion on sales tax receipts to DNR and parks. The proposed bill would move away from the highly centralized structure of DNR to decentralized, site-based park management. Budget and management reforms are essential and would allow fee strategies to yield maximum results. There are four elements to the proposal:

1. Park managers would have more latitude to change fees and tailor fees to individual parks.
2. Park managers would have more discretion for implementing new recreational services.
3. Park managers would have more latitude for cost reduction strategies.
4. Park managers could retain a percentage of benefits (revenues earned) in individual parks.

There would be a phase-in period. Ultimately, this approach would get on the operating costs for the entire state park system out of the General Fund. State park operating costs average \$2.14 per visitor. This is low compared with other states like New Hampshire.

Sen. Vickerman stated that state parks are for everyone, rich and poor, and we need to ensure access for people with less wealth.

Sen. Sams asked if the out of pocket costs for the public increased to supplement state park funding in New Hampshire. Mr. Haveman responded that he didn't look at that. Sen. Sams said we need to look at balance and affordability.

Sen. Sams asked if state parks would be privatized under this proposal or would DNR's management role continue. Mr. Haveman responded that DNR would approve the operational plans developed by each state park manager.

Rep. Ozment asked if, under this proposal, a park that was not self-sustaining it would be auctioned off. Mr. Haveman responded that if state park does not achieve self-sufficiency, the DNR Commissioner would offer the land to local governments, redesignate the land as a WMA, SNA or other, or offer to lease the land to private management.

Rep. Knobloch asked how fees would be affected. Mr. Haveman responded that there likely would higher costs for admission, or per head admissions instead of per vehicle admissions, plus fees for other park services.

Sen. Vickerman stated that he could see the developers lining up. He does not want to privatize state parks.

Victoria Reinhardt, Ramsey County Commissioner, and Jodi Youngers, Ramsey County Parks and Recreation Dept. testified. Comm. Reinhardt commented that the state has not achieved 40% state funding for the operations and maintenance of metropolitan regional parks as specified in state law and asked that the Legislature meet this obligation. The Ramsey County Board is opposed to park entry fees because limiting access to collect a fee is difficult in a highly urbanized county. There is also concern about the impact of park visitors parking in adjacent neighborhoods. The County's goal is to provide green space as part of the urban environment. Ramsey County Board passed a resolution endorsing these points. The resolution was entered into the record.

Rep. Kahn stated that Minneapolis uses a patron sticker for parking lots and that minimal fees are not a hardship to people who want to park at popular park access points. She asked if the County Board has given any thought to using a vehicle charge. Comm. Reinhardt responded that it has been studied. There are numerous access points and county staff estimate the capital costs would be \$15,000 to \$20,000 per access point and would not be cost effective.

Jon Olson, Commissioner Minneapolis Park and Recreation Board, stated that Minneapolis parks generates \$1.6 million in fees from concessions and parking. He also commented on the regional trail systems and its heavy use by bicycle commuters.

Rev. Phil Gotsch, citizen and lobbyist for Friends of Minnesota Geology, spoke against the use of fees and he strongly opposes closing or auctioning off state parks. Our state park system is not broken, other states need to be more like Minnesota. Written comments were submitted.

Dave McCauley, Anoka County Commissioner, stated Anoka County has developed a regional park system that attracts users to the parks. Parks are not a mandated county service. Anoka County is serious about offering services that produce revenue, like golfing, camping, and the water park. The county is always looking for ideas and ways to collect fees to help maintain current systems; it is also serious about preserving and protecting open space. The system is dependent on external funding and the state should take a hand in preserving the park system.

Rep. Tingelstad asked about the County Board's philosophy of revenue generation. Comm. McCauley responded that a balance between revenue generation and providing access is needed. He looks for revenue generation ideas that make sense, but rejects ideas like metered park benches.

Allen Anway, Wisconsin resident and nature photographer, spoke against a visitor-pay-all system and in favor of the present system where user fees and state funding contribute to maintenance of state parks. Written comments were submitted.

Janice Rettman, Ramsey County Commissioner, thanked members for past support of the Como Park and Conservatory and spoke against parking fees. Cars would move to neighborhoods and create conflict with neighborhoods. Parks are part of a basic public service; do not implement fees.

Tom Osthoff, former State Representative, commented that the Legislature has provided 8% not 40% support for Metropolitan Regional Parks operations and maintenance historically. Local property taxes are levied to support regional parks, and even in good years it has been hard to levy money for parks. Providing park and recreation services is one of government's principal roles. Rep. Osthoff hopes that members can maintain financial support for the Metropolitan regional parks and find other funding for rural regional parks. In St. Paul, the park agency

charges where they can but he doesn't want fees to be mandated. Let local governments decide where they can use fees.

Sen. Dibble requested that information on the local contribution to regional park operating costs in the form of property taxes be included in the final report, along with information on the proportion of state park operating costs that are from taxes collected in the metropolitan area.

Michael Prichard, Friends of the Parks and Trails of St. Paul and Ramsey County, views parks as public facilities that are important for people's quality of life. Citizens have supported funding initiatives and referendum for open spaces, most recently Dakota County. He opposes entrance fees and thinks the state should fund a higher proportion of operations and maintenance costs for metropolitan regional parks. Mr. Prichard supports dedicating a portion of the sales tax to support parks. Written comments were submitted.

George Watson, Three Rivers Park District Commissioner, stated that parks will not be self-sufficient. We need to find a balance between public benefit and fee based recreation.

Janice Manley, Benton County Parks Director, presented a statement developed by the Minnesota County Park Association. Representatives from 15 counties attended the Oct. 9th meeting and endorsed the following positions. 1) The DNR criteria used to define "regional parks" outside the metropolitan area are acceptable; 2) Non-metro regional parks that serve the same function as metro regional parks should be treated similarly by the state. However, county park directors believe that state financial support for acquiring and developing recreational facilities should be a higher priority than operating and maintenance assistance; 3) applying the same match requirement on non-metro parks as metro parks is not appropriate because the State does not provide operating and maintenance funds to non-metro parks. If the current practice of only providing capital funds continues, then the local match requirement should be modified. Written comments were submitted.

Sen. Sams assumed the chair for the remaining of the meeting.

Bill Carlson, Isanti County Park Board and Friend of Wild River State Park, stated that using fees to make parks self-sufficient is outrageous. Parks should be free and open to all people. Some fees for certain amenities are okay. One issue Mr. Carlson would like the Study Group to consider is fee for horses and riders for trail maintenance. Cross-country skiers pay a fee, so should horses riders because horses are rough on trails, cause erosion, and increase the need for trail maintenance.

Steve Sullivan, Dakota County Parks Director, presented information in the history and value of parks and recreation and spoke against using fees to achieve self-sufficiency for parks.

Sen. Sams asked that a written statement from Mark Holsten, Deputy Commissioner, DNR, be distributed to members and entered into the record.

Discuss the outline of issues or topics for the final report:

Ms. Von Mosch reviewed a draft report outline and the list of ideas submitted by Study Group members.

Members asked what is the goal for today and where does the Study Group go from here? Rep. Kahn said that the group should come out with a background/policy report and recommended policy and appropriation language.

Sen. Vickerman said he was not ready to put an okay on the outline without Chair Ozment being present. He also emphasized that the full LCMR be presented with the Study Group's recommendations and findings. Ms. Von Mosch responded that the Study Group is a subcommittee of the LCMR and the report would be presented to the full Commission for their consideration.

Rep. Tingelstad said the parks study has already generated the exchange of ideas and thoughts among groups that had not been discussed previously. She doesn't want to lose the good ideas that maybe can't be implemented right away. She suggested that the group identify short-term and long-term ideas and ideas that can be implemented be given high priority.

Sen. Dibble said that once the full report is complete, he would like to take it back to the public and give people another opportunity to comment on the report.

Schedule Next Meeting:

LCMR staff will schedule the next Parks Study Group meeting either before or after the full LCMR meetings.

Sen. Sams suggested that all Study Group members get their comments for the report outline to LCMR staff prior to the next meeting.

Meeting adjourned at 11:42 a.m.