

CITIZENS LEAGUE REPORT

No. 158

**Twin Cities
Metropolitan Planning Commission
Proposed Mill Levy**

April 1963

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Citizens League
545 Mobil Oil Building
Minneapolis 2, Minnesota

APPROVED
BOARD OF DIRECTORS
DATE APR 10 1963

TO: Board of Directors

FROM: Government Organization Committee, Mrs. Stanley G. Peterson, Chairman

SUBJECT: Report of Findings and Recommendations on an Increased Mill Levy for
the Twin Cities Metropolitan Planning Commission

RECOMMENDATION

We urge the 1963 Minnesota Legislature to pass legislation which would increase the Twin Cities Metropolitan Planning Commission's maximum mill levy to 2/10 of one mill.

FINDINGS

1. Metropolitan planning is a very important service which can lead to savings on future public expenditures by providing information and advance planning upon which decisions, as to the future location of utilities and highways, can be based. The potential savings which can be derived from this service far exceed its cost. Even more important, however, metropolitan planning is needed to help guide the development of the metropolitan area as a fine place to live.

2. State law (Minnesota Laws of 1957, Chapter 468) charges MPC with responsibilities in advising local governmental units on planning problems of an intergovernmental nature and in the coordination of planning activity within the metropolitan area. MPC will require additional funds if it is to discharge these responsibilities in an effective manner, since the agency's present funds will not be adequate to finance necessary continuing programs in these areas.

3. MPC's local tax revenues have been supplemented by matching federal grants. However, these federal grants are designed primarily to assist in areawide research and planning programs and are not generally available to finance activities such as those mentioned in Item 2 above. After completion of the Joint Land Use-Transportation Program in 1965, the major emphasis in the MPC program will change to a continuing program of intergovernmental coordination and assistance, and additional local tax revenues will be needed to finance this program. A total tax of 2/10 of one mill would appear to be a reasonable expenditure for this important service.

4. In order to avoid a serious interruption in the MPC program and the loss of experienced personnel needed in future phases of the program, it is necessary that the Legislature act at this session to increase the MPC mill levy.

SCOPE OF REPORT

The Government Organization Committee was asked by the League's Board of Directors to study and make recommendations on the Twin Cities Metropolitan Planning Commission's request for an increase in its maximum mill levy to 2/10 of one

mill. Our committee has met with members of the Planning Commission and its staff on two different occasions. At these meetings we heard from MPC members Leonard Dayton, Mrs. Luverne Graham and E. F. Robb, Jr., and from MPC Executive Director C. David Loeks. Our committee has also reviewed a number of documents supporting the millage increase request which were submitted to us by MPC.

This report consists of our review and evaluation of the proposed increase in the MPC millage and the need for such an increase. We felt that it was beyond the scope of this study to attempt to evaluate all of the work which has been done by MPC and, therefore, we have attempted to confine our study to an appraisal of the need for the programs which would be financed by the requested increase in the MPC's revenues.

DISCUSSION

The Twin Cities Metropolitan Planning Commission was created by the 1957 Minnesota Legislature (Minnesota Laws of 1957, Chapter 468) to "provide an areawide approach in planning solutions to problems which demand a coordinated and cooperative action by affected governmental units and comprehensive planning for the orderly and economical growth of the entire metropolitan area." (1) At the time the MPC was created, sponsors of the bill had estimated that the Commission would need 2/10 of a mill to finance its operations. However, during the legislative process this was reduced to 1/10 of a mill.

As now constituted, the MPC contains seven counties: Anoka, Dakota, Hennepin, Ramsey, Washington, Carver and Scott. The first five of these counties were members of the Commission automatically by the formula prescribed in the MPC's creating statute. Scott and Carver Counties joined the MPC voluntarily soon after the Commission began its operations.

MPC Work Program

MPC has programmed its work in three phases. In Phase I (1958-1961) MPC emphasized basic research. During this phase the agency published 17 major reports dealing with such diverse subjects as land use, transportation, sewerage and population. In Phase II (1961-1965) MPC has emphasized the preparation of a metropolitan plan. This work is being carried on as a part of the Joint Land Use-Transportation Program. The program, financed to a large extent by federal grants, is being conducted with the active cooperation and participation of the Minnesota State Highway Department, the cities of St. Paul and Minneapolis, and the seven counties in the metropolitan area.

Phase III (scheduled to begin in mid-1965) will emphasize intergovernmental coordination and assistance. This phase will probably include the following elements:

- "1. Coordination of overall planning in the metropolitan area guided by the basic policy and planning recommendations developed by the Commission in Phase II.
- "2. Continuing public education programs through periodic newsletters, areawide workshop sessions, educational luncheons, local clinics,

(1) Minnesota Laws of 1957, Chapter 468, Section 1.

visual aids and a concentrated and continuing program of planned education through local community, civic and service organizations.

- "3. Directing studies and providing project review for state and metropolitan activity in the fields of highway, water and sewer coordination, county and other local activities, municipal consolidations and annexations, public financial resources and capital budgeting.
- "4. Continuous upgrading of basic research.
- "5. Refinement of broader studies and producing segments in depth.
- "6. Aid to local government through direct planning assistance and development of planning aids."(2)

Federal Funds

In order to expand its planning program, MPC has used federal grants (obtained under Section 701 of the Federal Housing Act) to finance a portion of its research and planning program. Under the terms of the matching grants, the federal government provides \$2.00 for every \$1.00 in local funds to finance specific planning projects which have received prior approval by the federal government. Because the bulk of MPC's local tax revenues have been needed to provide the local matching funds for the federal grants, MPC has not had adequate resources to finance other important elements of its work program (such as coordinating or advisory services) which are not eligible for federal funds. Also, since the federal grants are limited substantially to planning and research, they are generally not available to help finance activities such as those contemplated in Phase III of the MPC program.

In order to finance Phase III, MPC will have to obtain additional financing from local sources. The Commission has stated that "in its considered judgment an additional 1/10 of a mill would permit a conservative continuing program."(3)

MPC Revenues

During the past six years, the MPC tax levy of 1/10 of a mill has produced the amounts indicated in the following table:

MPC DOLLAR AMOUNT OF LEVY
(Total for 7 Counties)

| | |
|--|--------------|
| 1958 (5 Counties Only) | \$ 84,250.00 |
| 1959 . .(6 Counties + Scott County for 1/2 Year) . . | 92,989.00 |
| 1960 | 103,525.21 |
| 1961 | 115,746.99 |
| 1962 | 117,915.11 |
| 1963 | 129,276.00 |

Source: MPC Staff

(2) Twin Cities Metropolitan Planning Commission, Background Statement on Increase in Mill Levy for MPC, Nov. 30, 1962 (dittoed), Page 2.

(3) Twin Cities Metropolitan Planning Commission, MPC's Revenue Situation in a Nutshell, March 27, 1963 (dittoed).

Future Budget Needs

The Commission has estimated that substantially more money than the 1/10 of a mill could raise will be needed in future years. The Commission's budget needs for 1964 are estimated to be in the vicinity of \$160-170,000. Since 2/10 of a mill will produce well in excess of this amount, the MPC would not require the full 2/10 of a mill in that year. The Commission has indicated that if the Legislature approves the increase, it would levy only about 3/20 of a mill for 1964.

The estimated budget needs for 1965 are approximately \$240,000. The primary reason for this sharp increase in 1965 is that the Joint Land Use-Transportation Program will be completed in approximately July of that year. This will mean that local revenues will have to be used to pay personnel now being paid with federal funds. The MPC has stated that "Some cutback in personnel will be possible at that time; but, if a balanced core of staff is continued and a level of service maintained that will meet area demands, it will require all of the money that could be raised by 2/10 of a mill and more."⁽⁴⁾

MPC's 1966 budget needs have been estimated at approximately \$300,000. This would require more money than could be provided by the 2/10 of a mill levy, but the MPC has assumed that "by that time MPC will be contracting with local units of government for local planning assistance, which should provide the additional funds needed."⁽⁵⁾

At the current time, the local funds supplemented by federal grants pay for a staff of 39 persons. MPC anticipates that, if the 2/10 of a mill levy is authorized, the staff will be cut back to approximately 26 persons for the Phase III program, starting in mid-1965. This represents a cutback of approximately 1/3 of the present staff.

Need for Action by the 1963 Legislature

If MPC is to carry on a continuing program without serious interruption, it will be necessary for the Legislature to act at this session. With the Joint Program scheduled for completion in mid-1965, MPC will need additional financing in that year to carry on its program. Any action taken at the 1965 Legislature will be too late to provide MPC with additional funds in 1965, since MPC would not derive any money until 1966 from a millage increase voted in 1965.

If the 1963 Legislature does not act to increase MPC's mill levy, the Commission will lose a number of key personnel at the conclusion of the Joint Program in 1965. These trained people who have participated in the preparation of a metropolitan plan are needed in Phase III of the Commission's program. It would be very unfortunate indeed if those who participated in the preparation of the plan could not use their experience in advising the metropolitan area's many local governmental units on the implementation of the plan. However, such will be the case if the Legislature does not act at this session.

⁽⁴⁾ Op.Cit.; TCMPC, Background Statement on Increase in Mill Levy, Page 3.

⁽⁵⁾ Ibid.