

Citizens League non-partisan public affairs research and education in the St. Paul-
Minneapolis metropolitan area. **84 S. 6th St., Minneapolis, Mn. 55402 (612) 338-0791**

November 13, 1981

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Joint Legislative Commission on Metropolitan Governance
C/o The Hon. John Brandl, Chairman
288 State Office Building
Saint Paul, Minnesota 55155

Dear Members of the Commission:

Thank you for the opportunity for the Citizens League to meet with the Commission. A few points discussed during our recent testimony deserve further elaboration.

We want to emphasize again the central role of the Metropolitan Council as a *policy* body for the seven-county area, as distinguished from an *operational* body. It may be helpful to remind ourselves that the concept of keeping the Council out of operations was built into the original legislation creating the Council in 1967, and was reaffirmed in the Metropolitan Reorganization Act of 1975.

With respect to membership on the regional commissions, there are two major questions: (1) Who appoints the members, and (2) who is eligible for appointment.

Effective maintenance of the policy role of the Council means that it should continue to appoint members of the regional commissions. Some individuals and groups would dilute the Council's policy influence over the commissions by assigning some of the appointment responsibility to others. We vigorously oppose any such move.

The responsibility for making the appointments appropriately lies with the Metropolitan Council, not local officials, because we see the commissions essentially as extensions of regional government, not as extensions of local government.

Commission members should not be expected to serve -- at the same time -- both in the interests of the entire area and the interests of some local unit. We can imagine situations where locally-elected officials serving on regional commissions could be placed in untenable positions. They would be expected to represent the localities where they were elected. Yet, while serving on regional commissions, they might need to take positions directly contrary to the preferences of the localities they were elected to represent, such as denying sewer, transit or park services to certain localities. On the other hand, if they would choose to represent their localities' interests, their ability to serve the regional interest could be critically impaired.

There will be times when the best qualified persons happen to be currently in some elected local offices. While such individuals should not be arbitrarily precluded from serving on regional commissions, we think such a

practice should not be widespread. In any event, regional commissions should not contain seats which are "reserved" for local elected officials.

The Council needs to make proposals to the Legislature concerning the systems of revenue which finance the regional commissions. The Council should not get involved in approving the operating budgets of the regional commissions. That would detract from its overall policy role. Nevertheless, it should present a coherent picture of needed legislative action on the systems of revenue which support the commissions. This would complement other activity previously undertaken by the Council on regional finance. For example, it has adopted an Investment Framework document to develop better understanding of the total overlapping governmental debt of the region. We have previously suggested in a statement on regional finance in 1979, that the Legislature instruct the Council to present annually or biennially a comprehensive advisory proposal which includes (a) a consolidated report on proposed capital and operating budgets of regional functions and services, disclosing all revenues and expenditures from whatever sources; (b) recommendations on whatever legislative action would be required to raise the revenue necessary to finance these budgets, and (c) recommendations on all other regional revenue needs that the Council feels are necessary.

In the absence of such activity, the Legislature will continue to receive, separately, proposals for dedicating certain revenue sources for parks, transit and other regional services. Instead of a dedicated revenue approach, the Council needs to analyze the tradeoffs involved in apportioning funds among services and recommend priorities.

The Council needs to make proposals to the Legislature concerning issues of local government finance which affect the development of the region. It is very likely in the Special Session of the Legislature beginning in December that proposals will be advanced to allow city governments to impose their own sales or income taxes, as the Legislature adjusts to a shortage of state dollars. Despite the potential impact on urban development in the Twin Cities metropolitan area of such taxes, the Metropolitan Council apparently has no position on this question. We think its leadership is urgently needed. We have consistently felt that any sub-state taxing authorization ought to treat the Twin Cities area as a single unit for collection purposes, with any tax returned on some basis fairer than place of collection. We doubt the Council would be able to influence the location of major shopping centers if local-option sales tax revenue were returned to the municipality where the sales occurred. We also doubt that the Council would be able to continue its efforts to distribute housing for low and moderate income households widely throughout the region if revenues from a local-option income tax were returned exclusively to the municipality where the income was earned. In addition, of course, returning revenues to place of collection in the Twin Cities area would provide bonanzas for some localities and very little funding for others.

Sincerely,

LuVerne Molberg
Chairman, Citizens
League Community
Information Committee

Harry Neimeyer
Chairman, Citizens
League Government
Structure Task Force