



Approved Minutes Met Council Task Force

Thursday, December 3, 4:00 p.m. – 6:00 p.m.
Amherst H. Wilder Foundation, Auditorium A – 1st Floor
451 Lexington Parkway North - Saint Paul, MN 55104

Members present: Susan Arntz (**Co-chair**), John Knapp (**Co-chair**), John Adams, Peter Bell, Steve Dornfeld, Jim Erkel, Carol Flynn, Michele Foster, Sharon Sayles-Belton, Scott Neal, Chris Gerlach, Bill Hargis, Shannon Watson, Adeel Lari, Ravi Norman, and Jim Solem

Members not present: Elizabeth Kautz, Dan McElroy, and Acooa Ellis.

Staff & staff support present: Pahoua Yang Hoffman, Sean Kershaw, Larry Dowell, and Ellen Watters

Citizens League members and special guests present: Gabriel Flaa, Kevin Terrell, Scott McBride, James Hovland, and Natalio “Nacho” Diaz.

Proposed outcomes for this meeting

- Approve minutes from previous meeting.
- Debrief last meeting.
- Discuss transportation issues as they related to Met Council.
- Hear testimony from and conduct Q&A with transportation panelist on transportation governance and Council scope/authority.
- Agree on next steps.
- Evaluate meeting.

Minutes

Co-Chair Susan Arntz called the meeting to order at 4:05 p.m.

1. Welcome, Introductions, Approval of Minutes, Debrief of Previous Meeting

Introductions

Co-chair Susan Arntz started the meeting by introducing two Citizens League board members: Heidi Larson and Diane Tran. Arntz went over the proposed meeting outcomes.

Approval of Minutes

Co-chair Arntz asked if there were any questions or feedback on the minutes from the November 19th meeting. Member Shannon Watson moved to approve the minutes. Bill Hargis seconded the motion. A unanimous verbal 16-0 aye vote passed the motion to approve the minutes.

Debrief of Previous Meeting

Co-chair Arntz asked if there were any additional comments from the previous meeting’s discussion. A member commented that he thought it was the Chair’s responsibility to keep the group going down the right direction to prevent it from getting into the weeds. He suggested regular reminders of the objectives, a compass check that we’re heading in the right direction towards the goals, including what stays in and what should go out. He added that someone has to be the “cop” because it is too easy to get lost. Arntz agreed that it is messy right now and she would like to get focused. She also

heard that the group has not had enough discussion time. To address this, the agenda for the today's meeting was rearranged to start with the discussion time first, then the panel presentations. The panel presenters have been invited to listen in on the group discussion so that they can add value during the discussion or during their presentation. She asked Sean Kershaw to say a few words about the League's process. Kershaw reminded the group that this is supposed to be messy at this stage for two reasons: 1) this is a difficult topic and 2) it is rare that different types of interests are brought together this early on in a process. Kershaw stated that too often individuals or groups work in silos and different views are brought in too late. The messiness, Kershaw added, is part of the process but it takes the group's engagement, patience, and honesty to clear up the messiness as the process moves forward.

2. Discussion on Transportation

Co-chair introduced Ellen Watters, who would be assisting her in moderating the group discussion. Watters walked members through the strategic process chart and the timeline. Watters reminded members that Pahoua Hoffman had requested that members read the legislative auditor's 2011 transportation report and review transportation related questions that were sent ahead. The panel members received the same set of questions and will be responding to them. Some questions came from the auditor's report whereas some came from the group's critical questions tree chart.

She started the discussion by asking what has changed since the auditor's report. She asked whether the environment has shifted. A member responded that it has taken the Feds until now to figure out transportation funding, so why should we expect that it would be rational, reasonable, and easier here. He added that we have a complex process with complicated issues with lots of players in this region, state, and country so we should not expect a simplistic process. He thought the question was whether the outcomes have been reasonable and defensible and did we get the job done given the system we've been handed. He thought given these things, we've done well. To the Nobles' report (the legislative auditor), he thought the auditor's recommendation to re-structure the Met Council was simplistic and sophomoric.

A member thought Nobles missed the central point that while transportation governance may seem cobbled together and did raise good questions, it was functional and has functioned well. He did not think Nobles acknowledged this. Although he took issue with many parts of the report, there was one that he took strong issue with: the continued role and existence of the suburban transit providers as an independent entity. He thought staff at the Council at the time did a brilliant job making the system work but it took a lot of time and energy and wonders now whether it has outlived its usefulness. He thought the group should at least debate this.

He also did not think it was clear what mode of transportation is picked for certain corridors. He did not think there was much transparency in these decisions. He gave the example of Bottineau Boulevard project, which at one time was supposed to be a bus rapid transit (BRT) system. Bonding dollars and other arrangements were in place, but due to the political dynamics, it was no longer possible. He thought this was a mistake since it was a cheaper option and more cost effective. He thought there should be more rhyme or reason in deciding which mode of transit is picked for certain corridors. He did not think this been discussed and he thought the public has no clue.

In reviewing the auditor's report related to the suburban transit system, a member recalled reading that there was distrust between the transit entities in the region, and she asked whether this was due to the structure of the relationships or the personalities of the people involved in 2011. A member responded that this was due to money. He added that while a functional system, behind the scenes, there was a lot of "gnashing of teeth" and it took time and energy to keep the system running.

A member commented that many of the problems raised in the auditor's report were due to changes the legislature dropped on the system. These fixes were meant to solve problems but at times, they made the situation worse. He added that if one were to follow the history of legislative-mandated

changes from the late 60s to today, one would see many stops and starts.

Another member thought the fragmentation in planning and development of transit ways has only gotten worse since the 2011 report. He added that the auditor failed to point the finger at the legislature who caused some of the problems by creating the county regional rail authority and CTIB. Today, the counties are driving the transit agenda and this undermines the Council as the long-range planner for the region, which promote the parochialism that is seen in COGs (council of government) elsewhere.

A member agreed that the issues around transportation governance have gotten more intense. Related to the suburban transit system, someone recalled being a staff member back serving the southwest operation and remembered that the system was started because they felt left out. She added that today, one can see and feel different interest groups working to grab money and power and that he had gotten more complex.

A member provided some history that at one time the buses were privately owned and operated. The Twin Cities was its area of jurisdiction. After the public took over the bankrupt bus system, they went to a private firm to manage and operate the bus system but this firm did a terrible job. Part of the problem today is that that private system back then simply was not responsive to the needs of the suburbs so they had to do what no one else would do and that the fighting had been going on since. Panel member Diaz supported the comment by recalling the head of the private transportation company refusing to "spend his money on serving those people." It is likely there would still be issues today, but Diaz wondered how things would have turned out.

In response to comments made earlier, a member added that the legislative auditor is not going to reprimand his bosses: the legislature. She also noted one of the auditor's recommendations to increase accountability by creating a new arrangement where 100 units of government could all be made happy. She did not think this was ever going to happen. With the Council being a population driven organization, Hennepin County, she said, will always dominate since it has a quarter of the state's population.

A member commented that while there have been more angst over power and money recently, for the most part, TAB (transportation advisory board) has functioned well.

A member commented that the issues are not just related to transit but all modes of transportation. He indicated that certain counties became vocal after studies completed by MnDOT and the Met Council including the 2010 Metropolitan Highway System Investment Study that indicated there would not be enough money to fund every project.

Moderator Ellen Watters commented that we might not be in a position to recommend new funding sources. She then referenced chart 1.5 from the auditor's report on page 14 and asked the group the first question that was sent ahead to them, which was whether the governance of the Met Council needed to be addressed first and so doing, would this address some of the transportation governance issues.

A member referenced a statement made in the report that one of the central governance issues has been the Metropolitan Council's lack of credibility with elected officials. She wanted to know whether this was the case because elected officials see the Met Council as having been given the authority without having gone through an elected process. A member responded that part of it is the connection. One gets a different connection through an election process. The current process of appointing Council members is not well understood and he was not always certain that the process that is supposed to be followed is in fact being followed in terms of going through a local review process. He thought this was one of the issues the group ought to look at. He had known Council members who did not go to any meetings in their district. He thought there needed to be a stronger connection between Council members and their districts.

A member commented that he had been both an elected and appointed official. As an elected official, you have the mindset to want to go out and talk to people who elected you. When you're an appointed official, you feel accountable to the person/entity who appointed you.

A member reminded the group that in the beginning the Council was created in a tension point between the local level and the state level. It was identified that there were overriding transcending regional interests that needed to be protected and the legislature at the time decided against COGs because the local governments were the ones who created the problems. The Council was designed to modify this. The Council will always be at a tension point and it needs to work with local governments but the fundamental question is whom are they supposed to represent? Is it all the local wants and needs or are there overarching regional interests that take precedence over what one local unit may want?

A member chimed in that he thought the structure was worse before the 1994 reorganization. Prior to this, it was unclear who appointed whom and whom they were accountable to. At least with this system, you know the Met Council members are accountable to the governor.

A member commented that he thought people needed to distinguish credibility from accountability. He did not see them as interchangeable terms. On accountability, he thought there were concerns, but on credibility, he thought the Met Council had more credibility than the legislature. He added that in an absolute sense, the Met Council does have some credibility issues, but in a comparative sense with other entities of government in the state, he thought the Council did very well. It was his view that the more local a unit of government was, the more credibility it had because people know more of these individuals.

The question was raised whether the structure is correct to make sure that the connections will be established from one place to the next. How do we better design these districts? Other questions to consider include local versus regional and now and the future. Is the present arrangement working – for what and for whom?

Another member commented that the issues concerning power and money may continue to exist regardless of different structures proposed and that the general public is unaware of this and that this was a negative. She advocated for more transparency to counter the parochialism. Related to this point and the comments made about power and money, she indicated that she took issue with a comment made by moderator Watters earlier about not being in a position to make new funding recommendations. She argued that if there was a more consistent funding cycle and a more long-term financing structure for all forms of transportation in the state, it might improve the decision-making process in terms of the power and money issues that have been raised.

It was added by a member that governance should be linked with performance. He cited the auditor's report that compared with 11 peer regions around the country, transportation in the Twin Cities region performed favorable. He wanted to make sure we would not be recommending changes to governance based only on appearance due to political pressure but hoped we would be making possible changes to governance get a better product, not a worse one.

A member commented that she did not disagree the central issues are about power, resources, and trust, but that it also had to do with the lack of commitment to taking a regional approach to transportation. She thought this had a lot to do with people's perception of equity. Getting one's fair piece will always be more important than regionalism. Until this was figured out, this was going to be a constant struggle. When she thought back to how the county regional rail authorities came to be, it was because the bigger counties got frustrated with the lack of movement of transportation investments that would not only benefit them but the region. These conversations didn't happen.

These issues need to be taken down to its core to be able to find the solutions. Having been both an elected and an appointed official, she did not think elected officials had more authority on this question or bring more virtue to the discussion. She thought that where it comes from is a commitment to taking a regional approach – how do we do better together, which she thought would be harder for elected officials due to the pressures of having to deliver to one’s local community. She thought the group not only needed to decide which principles it wants to advance but also figure out how to ensure that the people who come together to advance those principles are communicative. She thought that if people came wearing only their city or county hat, it would not happen.

A member added that a good first place to start was a consistent funding structure that was easier to understand. Because it is currently structured in a way that those who control it influence it, it is hard for anyone to plan for the future. Another member added that having districts comprised of long slices from inner cities to exurbs had merit.

Watters summarized that there have been several themes around structure and selection process and that staff would be compiling these for the group to consider.

3. Transportation Panel and Q&A

Co-chair Arntz welcomed the panel members, all of whom joined at the start of the meeting and had the opportunity to the group discussion. Moderator Larry Dowell reminded the Task Force that each panel member would take a few minutes each to respond to the four questions they received in advance and that an interactive Q&A would follow. Dowell read the questions aloud.

1. The Legislative Auditor’s report, [Governance of Transit in the Twin Cities Region \(January 2011\)](#), stated:

“We have concluded that the structure of the Met Council must be addressed before other aspects of transit governance in the region can be corrected.” (page 40)

“State law outlines the composition of the Transportation Advisory Board and requires a majority of Board members to be elected officials. If the Council had a majority of local elected officials, the Met Council would fulfill the federal and state requirements and the Transportation Advisory Board would not be necessary. This would help to reduce the number of transit organizations and improve coordination in the region. Similarly, if each of the seven counties were represented on the Council, the Met Council and the Counties Transit Improvement Board could more easily collaborate, potentially resulting in the dissolution of CTIB.” (page 44)

Question: Do you think the structure of the Met Council should be addressed before other aspects of transit governance? If you do not think the structure of the Met Council should be addressed, do you think the current transportation governance needs to be improved and if so, how?

2. **Question:** Do you agree or disagree that regional interests that take precedence over local wants/needs exist in the planning and funding of transportation and that these must be protected by an entity like the Met Council or do you think the Met Council should simply act as a mediator between competing demands of the cities and counties in the region?
3. **Question:** How should the authority for governance, coordinating, planning, operations, & funding of transportation be distributed among state, regional, & local governments?
4. **Question:** How should the Council define & better coordinate with stakeholders to prioritize transportation needs for the future?

James Hovland, Chair of Transportation Advisory Board (TAB) and Mayor of Edina

He expressed to the Task Force that he did not view this work as a quest for a solution in search for a problem and believed this effort was a worthwhile endeavor because the region needs higher levels of efficiency. Hovland explained that he has a long history with the Met Council having worked with a couple of Met Councils as a TAB member, as vice chair, and now chair for over ten years. He is in his 11th year as the Mayor of Edina. He shared with the group that the first Met Council he interacted with on the TAB was the one chaired by Peter Bell. It was his personal observation that Bell wanted to lead in ways far greater than what he was allowed to do because of the fact that he was appointed by the Governor. He wanted the group to consider whether the mechanism by which

the Governor appoints members is the best possible mechanism because how the Governor views regional governance affects his views on transit and transportation. Hovland indicated that the current Met Council is the best he has interacted with because the members and the Governor are so engaged. He also thought the current TAB is very engaged, even taking on issues of equity for the first time. With respect to his personal views of CTIB (Counties Transit Improvement Board) and the Met Council, he thought the Task Force should ask the question whether it the most effective and efficient model today to have two entities working on regional transportation issues, especially with respect to transit. When CTIB was formed, Hovland said he and others in city government who were sitting on TAB felt the cities should have a bigger voice in this entity that was going to be created, but they were shunted aside by the county commissioners. Over the years, Hovland thought the CTIB membership did improve with more qualified members and credited Chair Peter McLaughlin for the advancement of the light rail systems. While CTIB does add some value, the question is whether there should be one entity to act as the regional coordinator for the region. As far as the opt-outs, Hovland thought it was a system that was serving the suburban communities very well. Theoretically, it would be good to have one system operator, but from a practical standpoint, this arrangement works. He indicated he would be reluctant to disturb that system.

Natalio "Nacho" Diaz, former Director of Metropolitan Transportation Services for the Met Council

Diaz began his comments by indicating that it was his conviction that we might be in search of an impossible answer: the perfect governance structure. Diaz said that conversations about whether the Council should be an elected or appointed body have always existed and despite this debate, the Council has been around for almost 50 years. To the question of how to balance local interests with regional interests, Diaz commented that we have to make both of these work. He added that there is no question that the viability of the regional highway system has regional significance but there are also local roads that have regional significance. As the Council has evolved, so has some of the criteria for prioritizing and funding projects, Diaz said that naturally when this happens there is fear that certain projects will not get funded especially in an environment where funding is limited. But as time went on, there was agreement that based on the results, these changes made sense. On transit, Diaz recounted how during a time of need for new funding, there was a decision to impose a sales tax since it wasn't going to come from the general fund or any other way. He did not think it was ideal nor perfect to have it come city by city, but at the end of the day, it is a process that relies on the wiliness of people to work together. He stressed that not matter how perfect a theoretical structure could be devised, if the players were not willing to "play in the sandbox" together, it would never work. He told the group to not be afraid of coming up with creative ideas, but to be careful because the current system does work.

Scott McBride, Metro District Engineer, MnDOT

Mr. McBride explained that as the engineer for the metro district, this meant that he spends about ten percent of his time at the central office, which is next door to the State Office Building, which is next door to the State Capitol, so he does dabble in the political realm a little bit. But since ninety percent of this time is spent in the metro district, he would focus his remarks there. He provided some history that while the MN Department of Transportation (MnDOT) evolved from the Minnesota Highway Department, its focus is not just on highways anymore. He explained that MnDOT does more transit work than anyone could venture to guess. McBride said he is currently sitting on six transit-related committees. He explained that there is also about 20 metro district MnDOT staff that supports these transit projects from planning to building transit projects. He commented that while they do take care of the highway system, they look at it first from a transit perspective. The reason there is MnPass is for transit advantage. He went on to say that while the current structure may be layered and messy, it does work and has worked for decades. He added that the relationship between MnDOT, the Met Council, and the transit agency (which he explained is now part of the Council) is the envy of almost every other region in the country. The relationships and the partnerships that exist here which contribute to how things get done does not seem to exist elsewhere prompting many transit agencies from across the country come to come and learn. McBride echoed a point made by Diaz that the players play with each other in the sandbox and that this happens in a productive way especially at

the staff level, so despite who might be at the top, it has worked. It was his opinion that governance did not seem to be an issue until the funding pie began to shrink and getting worse all the time. He alerted the group that if we were to look at MnDOT's checkbook today, five years from now, it will be done with any kind of mobility improvements without some kind of funding increase. It will be preservation only and already, work on bridges is falling behind. McBride mentioned that since the Governor just announced he will not be bringing up the gas tax next session due to the surplus, that funding source is now off the table. Without stable funding, the pie keeps shrinking for all transportation needs including transit. McBride agreed with Diaz that no matter what structure is recommended, if the funding continues to shrink, the same problems will exist. With less money to spend system wide, McBride explained that many of issues end up being the bigger highways like 35W and 494, and not in the other five counties, feeding into some of the discontent. Lastly, McBride mentioned that while the highway side is well defined, it still very complicated. On the transit side, it is more fragmented and even more difficult to understand. He did not think any layperson, without being intimately involved, could understand the relationship between CTIB and the Met Council. He mentioned the need for more educational outreach.

Q&A with Transportation Panel

Moderator Dowell thanked the panel members and opened the floor to questions by the Task Force members.

A member commented that what he is hearing is that it is easier to inspire regionalism and suppress parochialism when there's enough money, but is that really the key? The member asked Mayor Hovland if that is what he is experiencing at TAB and the Regional Council of Mayors where he is also involved or is that the personalities of the people who take these position willing to do it for little financial incentives. Hovland responded that most people – personally and in government - live in a constrained budgetary world. He added that all people involved in this work wished they had fewer constraints on the transportation system budgets with respect to roads, bridges, and transit but it is the world we operate in. Hovland stated that his personal view from the standpoint of transit funding, he would like to see the legislature get out of that business. He gave the example of Southwest Transit on the verge of being approved and although the request to the legislature is only 10 percent on a billion+ project, yet they are balking at it. He did not know a company in the world that take 10 percent and let that 10 percent investor tell them what to do.

Another member asked Hovland under what circumstances has he seen the TAB talking about or grappling with the question of equity given his prior comment about constrained resources. She wanted to know what was driving that conversation. Hovland responded that because he thought transportation systems tend to follow prosperity, there is often congestion where there is prosperity and when attempts are made to relieve congestion, areas like the 56-square block area of North Minneapolis get left behind. Hovland stated that what they have been trying to do at TAB is to figure out in the array of scoring that they do for the regional solicitations, which include everything from evaluating safety to usage, they've been trying to determine what is the role of equity in this.

A member responded to Mr. McBride's comment about outreach. With his 25+years at the University and having taught outreach projects, it was his experience that the more people understood how things work, the likelier to support efforts that will help things work better. He would like to see more efforts to teach people how the region works.

Related to the point about more outreach, Mr. McBride mentioned how a couple of years ago, the Governor charged the transportation commissioner to educate more people around the state how more funding was needed to support the highway system. The Commissioner then embarked around the state on an education campaign about the capitalization and the upkeep of our systems. He mentioned how previously the maintenance plan was often not shared with the public and it ought to be because it has such a large price tag. Not too many people know that it cost half a billion a year to plow the streets and provide other maintenance services.

If we truly had a regional transit planning process, a member wanted to know whether we would have spent \$320 million on a commuter rail line that serves 2800 riders a day or would we really have spent \$240 million on a depot that serves two trains a day? Would we continue to pump money into corridors like Washington County that may never support transit? Mr. Diaz responded that when a decision making body that provides funding is made up of a group of people, one needs to “scratch each other’s backs.” It would be unlikely to expect counties to contribute their sales tax without asking for their own projects to be funded. No county is ever going to say they don’t have any good projects or that they do not need any projects funded. This is one of the consequences of having the current structure. It is a structure that relies on people working together and this is how they continue to work together. Related this, Mayor Hovland commented that these projects tend to pop up based on which group got their project pushed forward and that there didn’t seem to be one entity coordinating what we’re going to go with next.

Related to a point that Mr. Diaz made earlier, a member wanted to know whether the complexity of the governance structure added to the “back-scratching.” That is, are there so many mouths to feed and only so many seats at the table making these decisions that more money gets spent that otherwise wouldn’t? And does it get spent in a more diffuse and less effective manner? The member also wanted to know how much money was spent on just talking to each other since Mr. McBride had mentioned earlier that he sits on a number of transit-related committees. Could this money be better directed to projects? Mr. Diaz member responded that it is extremely difficult to require a county to constantly think regionally while contributing financially and not expect to get anything from their contribution. To the point raised on time spent talking to each other, Mr. McBride explained that while there is a lot of time spent talking to each other, but of the 20 project staff members he mentioned earlier, they are paid for through the specific project grants.

A member commented that for years, she has tried to explain to her constituents that highway funding wasn’t all a gas tax and was not being used to fund transit. Many people still do not know how much of their property taxes are being spent on roads. She thought there needed to be more public education on highway.

Given that the Met Council is both a funding and an operating body, a member asked whether the panel was aware of the critiques—real or perceived—that the Met Council having both planning, operation, and being the entity that distributes the funding when they are one of the recipients, is this a conflict and if so, how does this get addressed? Mayor Hovland responded that this could create some level of discomfort but he did not view it as a significant conflict. A Task Force member added that having sat on similar committees, oftentimes the plan might make sense but once it got to operations, things had to be adjusted to make it function so having these two functions combined made it function better and more efficient. Mr. Diaz commented that there are many safeguards and that this issue has been made to look more serious than it really is.

A member asked the panel whether the current formula for transit (10% from the counties, 10% from the state, 30% from CTIB, and 50% from the Federal government) be changed. He wondered whether the governance structure should not just “scratch each other’s back” but builds into this a discipline for enhanced efficiency. The member proposed whether the county investment should be at 20% because that might provide some discipline for what they want if they have to write a bigger check. Mayor Hovland responded that he thought it was worth exploring. He added that it would require legislative authority to expand the capacity of CTIB (or any other county that would want to join CTIB) to raise funds. With this arrangement, everything could get funded without any involvement from the legislature. This would also prevent an area feeling like they’re paying for something they are not getting. Mr. Diaz and Mr. McBride agreed this might be a good idea since getting money from the legislature has become more problematic. Another member asked if this proposed arrangement would also get at better decisions on which mode of transit: BRT or LRT. A response was that it would because counties, having to write a bigger check would be more conscientious about this decision. The problem with this arrangement might be that it might challenge regional equity.

A member raised a point about money versus criteria. Allowing someone to buy their way to a solution may not meet regional goals. The regional role of the Met Council must be protected. The projects should meet criteria for the region. She added that money alone is not the solution to a strong region and that the group will need to start thinking about criteria or principles. It was agreed that the Task Force will need to come to some consensus on a set of principles and based recommendations on these.

Co-chair Arntz noted that one source of funding that has not been talked is from the cities. She described how cities have written large checks to make large county or state highway projects possible.

4. Next Steps & Evaluation

Co-chair Arntz shared with the group that today was her favorite meeting so far because there was a lot of good discussion and she liked hearing everyone's voices. She explained that the next meeting would be focused on housing and a couple of speakers have already been confirmed. The members evaluated the meeting as follows: 5, 4, 4, 5, 1, 3.5, 5, 4.5, 4, 4, 4, 5, 4, 4, 5, and 4 for an average 4.1 Co-chair Arntz polled members on the next meeting dates to see who would not be present.

5. Adjourn

Co-Chair Arntz adjourned the meeting at 6:05 p.m.