

CITIZENS LEAGUE REPORT

The Metropolitan Council: Recalibrating for the Future

Prepared by Citizens League Metropolitan Council Task Force 2015-16



Approved by Citizens League Board of Directors April 4, 2016



Common ground. Common good.

400 N Robert Street #1820
St. Paul, MN 55101

The Citizens League dedicates this report to the memory of

Verne C. Johnson

Executive Director of the Citizens League from 1958-1967.

“During Johnson’s tenure several important changes occurred: from being watchdogs attending every City Council meeting, the League began to see itself as an agent of change; from reacting to other’s ideas to producing its own; from standing issues committees, to project-specific ad hoc committees; and most importantly, from Minneapolis-focused to Twin Cities-focused.

By the mid-60s the Citizens League recognized the emerging interdependence of municipalities in the Twin Cities metropolitan area and urged a regional approach for solving problems that were more metropolitan in nature.”

(Excerpted from A Short History of the Citizens League, 1993)

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INTRODUCTION



INTRODUCTION

A legacy of linking regional and statewide success

The Metropolitan Council is part of Minnesota's unique history of reaping statewide benefits from innovative regional investments.

While other states distributed business, government and university investments throughout their states, Minnesota leaders since the 19th century have chosen to locate its flagship institutions of business, government and higher education in the metropolitan area anchored by Minneapolis and St. Paul. These wise decisions, and collaborative leadership that made them possible, contributed to the economic, civic, cultural and environmental successes of the entire state of Minnesota.

As new challenges arose, such as the waste water treatment crisis created by the rapid growth of the metropolitan region beyond the core cities of Minneapolis and St. Paul after World War II, these leaders put innovative and effective regional solutions in place. One of these innovations was the Metropolitan Council, created almost 50 years ago to "promote the orderly and economical development of the region," after being recommended by a Citizens League study committee process.

While always a source of debate and disagreement for important reasons, the Metropolitan Council and its core functions (planning, water treatment, transit/transportation, parks and open space) are still considered to be critical to the current and future success of the region – and to Minnesota. It has helped promote more efficient land use, modernize the region's transit and wastewater systems, improve water quality and preserve vital open space for future generations.

A time of transition and tension

The political, demographic and economic landscape of the region has changed dramatically in the past 50 years. Even more dramatic are the changes that have occurred in the last 20 years, coincidentally since any significant revisions were made to the Metropolitan Council's structure or governance. With these changes have come increasing tensions about the role, scope of authority, and legitimacy of the Metropolitan Council.

These tensions are not the result of specific failures of the entity. On the contrary, it is the natural consequence of the success in a region that has grown by 1.5 million people in 50 years - a region that includes almost 200 local units of government; faces stiff competition for from other regional centers *worldwide*; and is in the midst of important decisions about infrastructure and spending that will determine our economic competitiveness for generations.

Disagreement and tension is inherent and beneficial to the democratic process, and to any decision that weighs local and regional interests.

Successfully navigating through these differences has led to innovative and effective policy solutions for Minnesota in the past, and it is essential that this innovation and governance capacity be improved to address challenges that are just around the corner.

A future nothing like our past

The demographic changes facing the region in the next 20 years will dwarf anything in recent memory, and they will dramatically impact our quality of life and economic success if we do not improve our ability to adapt to and address them.

We are losing time to get ready to face these new challenges. On the surface, it may appear that some policy priorities are divergent and contradictory – or perhaps even unrelated to and outside of the work of the Metropolitan Council. How do aging, immigration, transportation, and the achievement gap trends relate to each other or to “the orderly and economical development of the region,” and to the success of Minnesota?

Almost every policy challenge or priority in the next 20 years will ultimately relate to the unprecedented demographic changes and challenges as the baby boomer generation retires.

- **Aging demographics will drive policy decisions.** The rate of retirees will increase dramatically in the coming years as tens of thousands of Baby Boomers leave the labor force, creating entirely new and yet-to-be-determined housing, service, health and transportation demands and opportunities. The aging of the entire population will happen on a scale we’ve never encountered or experienced, and will impact all units of government.

The potential cost of this change, both in terms of lost productivity and increased need for aging services, will strain every public budget.

- **Attracting new talent/workforce will be more important than in the past.** Because of the aging workforce, attracting, retaining, and nurturing talent will be critical to our continued economic success. We are competing with regions throughout the country and around the world for talent. Immigration from other states and countries will have to be greater than it has been in our recent past. Attracting this needed workforce will mean ensuring affordable housing and maintaining strong schools.

The region, and Minnesota, cannot lose ground in terms of our ability to attract and maintain a world-class workforce.

- **Closing the achievement gap will support workforce and aging trends.** Minnesota’s statistics on the gap between the majority population and communities of color are among the worst in the country. This is not just an ethical or moral issue; it is an economic one as it limits economic growth and opportunity during a time of anticipated workforce shortages. This will impose additional burdens on government and society at all levels.

Disparities are lost economic and democratic opportunities.

- **The environment is an economic asset.** Preserving our unique environmental assets, from water quality to parks and open space, especially in times of rapid climate change and continued land use changes, will require new attention and focus. These environmental assets are what people enjoy most about the region.

These demographic and global changes above are a given, even if the scope and impact are yet to be fully appreciated by the public and policy leaders at all levels.

But will Minnesota's future success mirror its past success: what are the innovations Minnesota needs today to preserve the link between the state's success and the success of its largest metropolitan region?

For these reasons, the recommendations to the Governor, Legislature and Metropolitan Council relate not to specific policy solutions to these policy challenges, but to improving our governing capacity to address them in the future. The ultimate beneficiaries of this work are not the units of government or the political and policy interests involved in the current debate, but the residents of the region and Minnesota – now and in the future.

It is for these Minnesotans that the Citizens League offers these recommendations on the Metropolitan Council.

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

From September 2015 to March 2016, the Citizens League convened a special task force to consider possible Metropolitan Council reforms in response to growing questions and concerns.

With the belief that the importance of the region is larger than just the sum of the interests of individuals, cities, counties, and even beyond the seven counties in the Metropolitan Council's formal jurisdiction, the task force reviewed the Metropolitan Council's performance against its goals; learned from a variety of stakeholders about the concerns raised; examined the tensions between the Metropolitan Council and counties, cities and individual Minnesotans; and discussed possible changes from the starting place of preserving and strengthening the Metropolitan Council's regional effectiveness.

Citizens League Key Findings and Conclusions

(Full list of findings and conclusions on page 32.)

1. Because the Chair and members of the Metropolitan Council are appointed by and serve at the pleasure of the Governor, Council members are perceived by some as primarily accountable to the Governor and not to the districts from which they were appointed or to the region as a whole. This structure is viewed by some as preventing members from acting as an independent advocate for their district or the region.
2. With Metropolitan Council member term(s) being coterminous with the Governor's term(s), this results in the possibility of a complete turnover of members with each new Governor. This works against the Metropolitan Council's charge of long-term planning for the orderly and economical development of the region.
3. There is growing poverty, both concentrated and dispersed, throughout the region, and this should inform decision-making under the current authority of the Metropolitan Council.
4. Water quality and supply is a critical long-term regional asset and is currently perceived to be complicated by numerous overlapping, governmental entities with planning, operational, and regulatory authority. The Council has certain authorities for water planning in the region.
5. There are important questions and valid concerns about the region's transit and transportation finance and delivery systems related to accountability and transparency, efficiency and effectiveness, and equity.

Citizens League Recommendations to the Governor and Legislature

1. Adopt fixed four-year, staggered terms for Metropolitan Council members. Members would still be appointed by the Governor and would serve fixed, four-year terms. The Chair would be appointed by the Governor and continue to serve at the pleasure of the Governor per statute 473.123, Subd. 4.
2. The Metropolitan Council member selection process should include more input by citizens and local officials, strengthening the credibility of the Metropolitan Council, and further encouraging the appointment of well-qualified members. To achieve this, the Citizens League proposes:
 - a. Expanding the current Metropolitan Council nominations committee from seven to 13 members. Of these 13 members, seven should represent citizens-at-large and six should represent local governments: three appointed by counties and three appointed by cities.
 - b. Adding additional public announcements to the current selection process:
 - i. Detailed position description with required skills, time commitment, and connection to district to be clearly articulated and posted in advance of the call for nominees.
 - ii. Requiring that the nominations committee recommend up to three finalists for each Metropolitan Council seat. The names of these finalists and their qualifications should be made public at least 14 days prior to final selection by the Governor.
 - c. Adding to the current Metropolitan Council member qualifications:
 - i. Experience in local government and/or experience in such areas including but not limited to transportation, housing, environment and regional development.
 - ii. The need/ability to reflect both the demographic diversity of each district and the region as a whole.
 - iii. Ability to meet the time commitment required to attend Metropolitan Council and community meetings, as specified in the position description.

Citizens League Recommendations to the Metropolitan Council

3. Fully deploy the Metropolitan Council's *current* authority to reduce concentrations of poverty in the region and foster increased connections to social and economic opportunities. Full utilization of Metropolitan Council authority includes but is not limited to:
 - a. The creation of an equity policy plan to reduce concentrations of poverty in the region;
 - b. The evaluation of existing transit routes to ensure the best means to more directly connect areas of concentrated poverty with job centers and high-growth industry clusters; and

- c. Using its research and convening authority to align regional stakeholders in pursuing strategies that will reduce poverty and its concentration, increase economic and social opportunity to advance future economic growth and mitigate the impact of demographic changes in the region related to aging.

Recommendations for Further Study by the Citizens League

Water Supply

4. The Citizens League task force acknowledges the importance of water supply in the region, as well as the many government agencies involved in its management. However, the task force did not study this issue in sufficient detail to provide a recommendation on such an important, regional issue. As such, the task force recommends that this issue be further studied by the Citizens League to ensure that water supply remains adequate and sustainable across the region, including all entities involved in its management and regulation.

Transportation Planning and Governance

5. Experts who met with the Citizens League task force maintained that the region's system of transit governance, planning, funding and operation works well despite its seemingly fragmented but definitely complex nature. Still, there are important questions related to accountability and transparency, efficiency and effectiveness, and equity. Given the limited time the task force had to review these issues, it recommends that the Citizens League undertake a study of the region's system of governance, planning, funding and operation of all forms of transportation.

HISTORY OF THE METROPOLITAN COUNCIL



HISTORY OF THE METROPOLITAN COUNCIL

PRE-METROPOLITAN COUNCIL AND THE NEED FOR A REGIONAL ENTITY

The Growing Region and its Growing Environmental Concerns

The population growth of the Twin Cities metropolitan area has always been shaped by rivers, lakes and wetlands. Providing key infrastructure services to a growing population spreading out from the two central cities – Minneapolis and St. Paul – across seven counties has always been a challenge in finding both engineering and governmental solutions to the difficulties created by the rapid population growth of the region.

The first effort to respond to the environmental problems created by the growth of the two central cities began in the late 1920s. The pollution of the Mississippi River as it ran through the middle of the two cities was a major public health issue. A professor of architecture at the University of Minnesota proposed the creation of a Metropolitan Planning Association with a boundary reaching 25 miles from the Lake Street Bridge. The objective was to develop a plan to clean up the river. Unfortunately, the Depression of the early '30s ended this first effort.

By the end of the 1930s, the pollution of the Mississippi River due to the flow of raw sewage could no longer be ignored. The initial response was the creation of the Minneapolis St. Paul-Sanitary District (MSSD), which built the first treatment plant on the Mississippi River. Access to the treatment capacity of the District would later become one of the key issues in the debate about how the rapidly growing region could provide for basic wastewater service.

Issues of growth and providing services to accommodate that growth revealed and created additional fragmentation in local governments.

POPULATION GROWTH NUMBERS

In 1950, 72% of the total population of the region was in the two central cities. By 1960 it was 53% and the suburbs were growing both in population and numbers of units. The decade of the '50s had a 29% population growth, the 10th fastest growing region in the nation. From 1945 to 1960 there were 51 new units of local government created and 22 had a population of less than 1000.

The Need for Regional Planning Agency

By the mid-1950s the region had to face the issue of creating a regional capacity to respond to the growing problem of providing basic services within a fragmented governmental structure. Many of the growing suburbs had only septic tank capacity for sewage service. The sandy soil and high water table in much of the region created serious limits on continued population growth.

Early efforts were again led by a professor at the University of Minnesota, C.C. Ludwig. Professor Ludwig was chair of the Political Science Department, active with the League of Minnesota Cities and a neighbor of Governor Orville Freeman. With his leadership, the University became a source of research that helped define both the regional issues as well as the possible responses for the Legislature and the Governor.

During this period, there were unsuccessful attempts in the Legislature to create regional governmental capacity to respond to the issues of growth. In the late 1950s, Governor Freeman called a metropolitan conference. Finally, in 1957 legislative efforts led by then state Senator and later Governor Elmer Andersen created the Metropolitan Planning Commission (MPC). Professor Ludwig was the first chair of the MPC.

In 1959, the Legislature also created the Minnesota Municipal Commission, one of the first efforts anywhere in the nation, to deal with the issue of local government proliferation and fragmentation. It had limited success but did identify issues and was a mechanism for change when there was local support.

This was the first regional planning agency created anywhere in the nation. The MPC had a complex Council of Governments-like structure of representation – one that consisted both of elected public officials from the major local governments within the metropolitan area and other citizens appointed by the Governor for its governing board. This governance structure limited the ability of the Commission to come to consensus on difficult issues.

The work of the Commission was recognized nationally as a model for regional planning. For example, the federal government funded the Commission to do the first regional transportation plan in the nation. This effort, the *Joint Program for Land Use and Transportation Planning*, became the framework for transportation plans required by the federal government in all metropolitan areas across the country.

At the same time the MPC was beginning its 10-year work in regional planning, the Ford Foundation funded a large research project with the University of Minnesota and the Ninth Federal Reserve District to examine the issues of regional economic growth across the Ninth District. This *Upper Midwest Research Project* was led by professors at the University of Minnesota with the participation of key regional economists. The staff of this research project was housed within the MPC and this working relationship resulted in a series of important research reports on the future of the Twin Cities region and the surrounding states.

For the decade of the life of the MPC, the Twin Cities region, the Legislature, local governments and the interested public had access to research and analysis that was among the very best anywhere in the nation. There was no excuse for not knowing what was likely to happen and being surprised when the problems of growth did not go away. The newspapers of the Twin Cities were especially involved in covering issues of growth and public policy organizations like the Citizens League were active in maintaining an informed discussion of regional issues.

Suburban growth during the decade of the '50s was limited, in part, by the failure of the two central cities to grant access to the treatment capacity of the Sanitary District. In 1960 the MPC called for the creation of a regional waste water treatment system because many suburbs were creating their own inadequate treatment plants. Thirty-nine suburbs had contaminated wells. Several communities in the region could no longer obtain federal mortgage insurance for home lending because of failing septic systems.

In 1961, Governor Elmer Andersen convened a conference on regional problems. This conference was a key starting point for a serious review of the issues and possible action steps for the region.

The Citizens League and the newspapers continued the discussion of regional issues and possible solutions. The business community developed an understanding of the limits on regional growth that were caused by the failure to provide adequate regional infrastructure services. Study trips to Toronto Canada and other metropolitan areas developed a more detailed understanding of the possibilities for restructuring services in the Twin Cities region.

Despite these efforts, the Legislature was unable to come up with a solution in 1959, 1961, 1963 and again in 1965. In 1963, a frustrated leader in the Minnesota Senate, Gordon Rosenmeier of Little Falls, introduced legislation that gave the state commissioner of administration full authority to design and build a regional wastewater system and to levy the costs on the region. Because it was seen as too sweeping an assertion of authority, that law was never implemented.

Former Citizens League executive director Ted Kolderie explained that the succession of failures taught two important lessons: One was about the limited capability of “inter-governmental cooperation.” The other was the need for a regional mechanism able to develop a representative and politically responsible proposal on the basis of which the Legislature could act. After 1965, officials and organizations – public and private – started to seriously discuss the design of a metropolitan body able to tackle these regional issue and able to create a policy consensus.

THE CREATION OF THE METROPOLITAN COUNCIL

Issues of governance and accountability were a key part of the late '60s debates. Local governments did not want a large regional government that would take over their functions. Rural legislators were concerned about the possibility of a metro entity becoming more powerful than state government.

The business community wanted a more efficient government structure that provided budget and program control over the several special metropolitan districts that had been created by the Legislature.

The 1967 Legislature adopted the Citizens League's recommendation to create the Metropolitan Council, though with more limited powers than the Citizens League had proposed. The legislation gave the Council planning and coordinating powers with operations

left to the various separate boards: the existing Metropolitan Airports Commission, the new Metropolitan Transit Commission, and the yet-to-be created Metropolitan Sewer Board.

There was continued debate in the Legislature regarding the structure of the Council and its relationship to state government. Floor amendments to provide for an elected Council, as the Citizens League had proposed, narrowly failed on a 62-66 vote in the House and a 33-33 tie vote in the Senate. In the end, rural legislators along with several metropolitan members did not want to create an elected body that would compete with state government in size and powers.

At the time of the Council's creation by the Legislature, the intent of legislators was to equip the Council to pay primary attention to the future land development and economic health of the region, and not be excessively focused on present-day challenges. If the Governor appointed members, as opposed to an election process, it would be able to focus on issues 10 to 30 years ahead.

The appointment of Council members and the Chair by the Governor was the preference of a majority of the Legislature. The legislation also provided for the staggered terms of Council members, who could be removed only for cause.

As a part of the system of indirect controls over the other regional boards and commissions, the Council was given authority for their budget review and approval. The approval of capital budgets was thought to be an important tool for connecting all the services provided by the separate entities to a larger plan to promote the orderly growth of the region.

A key provision of the '67 legislation was the directive by the Legislature for the Council to report to the 1969 session with a regional solution to the wastewater collection and treatment problems. This report was presented to the 1969 session and the result has been one of the most environmentally sound and cost effective regional systems in the nation. Ultimately, more than 20 inadequate treatment plants were closed and a system of seven modern regional plants was developed, along with 600 miles of regional sewers serving more than 100 communities.

A variety of regional service or growth challenges faced the Council in its early years. The transit system was on the verge of collapse and required a regional solution. In 1970, the Metropolitan Transit Commission acquired the region's aging, privately-owned bus company and embarked on an ambitious five-year improvement program, which included the purchase of 465 air-conditioned buses and the installation of 135 bus shelters. Today, the regional transit system includes three rail lines and 129 bus routes, as well as dial-a-ride transit services for people with disabilities and those not served by regular-route transit.

By 1970, the location of a potential new major airport also became a major issue and resulted in the Council vetoing the Metropolitan Airports Commission's selection of a location in Ham Lake adjacent to the environmentally sensitive 23,000-acre Carlos Avery Wildlife Refuge.

In its early years, one of the Metropolitan Council's most significant powers was the review of local applications for federal funding. Congressional legislation, seeking to create and implement a coherent "national urban policy," had required each region to create a regional council charged to develop a regional plan against which to review all local applications for federal aid.

Also during this time, the federal government created a number of categorical grant programs for local governments that required a review of local applications for their fit with regional plans. The process was called an A-95 review and became the source of tension between the Metropolitan Council and local governments in the region.

1974 Transportation Advisory Board

In 1973, Governor Wendell Anderson designated the Metropolitan Council as the Metropolitan Planning Organizations (MPO), eligible to receive federal transportation funding for the region. In 1974, a federal law was changed to requiring MPOs to include local elected officials in the transportation decision-making process.

In order to meet federal requirements, the Legislature created the Transportation Advisory Board in 1974. Of the 33 members, the majority of this board is made up of local elected officials with seven county and 10 city members. In addition, there are citizen representatives and members from state and regional transportation agencies and transportation modes such as freight and non-motorized vehicles.

1974 Regional Parks Act

For many residents, our system of regional parks and trails is one of the Twin Cities' greatest assets. In 1974, the Legislature created the system and authorized \$40 million in bonding for parkland acquisition and development. Within a decade, 12 "immediate action sites" designated in the first regional parks plan had been acquired. Today, the system is comprised of 53 parks, 8 special recreation features and 340 miles of trails encompassing more than 54,000 acres of land. Under the law, the system is planned, developed and funded by the Metropolitan Council in partnership with 10 local park agencies.

1976 Metropolitan Land Planning Act

One of the most important additions to the Council's growing set of responsibilities was the passage of the Metropolitan Land Planning Act in 1976. The A-95 categorical federal grant review process had created issues of lack of standards and clear rationale for the Metropolitan Council review of local government grant applications.

The goal of the Land Planning Act was a more defined system of regional system plans and local government comprehensive plans that indicated the fit between regional growth and local growth. The Council was required to prepare a Metropolitan Development Guide within which the local plans had to fit. While not without controversies, the long term result was a series of regional plans that have provided the basis for the continuing updating of local plans and a more effective delivery of regional services.

Most often, differences between regional and local plans have been worked out at the staff level. Over the last four decades, the Metropolitan Council has reviewed 2,099 local comprehensive plans and plan amendments. It has required plan modifications in just 25 cases – none since the agency’s celebrated battle with the city of Lake Elmo in the early 2000s.

1994 Metropolitan Reorganization Act

Issues involving the accountability of various operating boards, including the Metropolitan Waste Control Commission, the Regional Transit Board and the Metropolitan Transit Commission in the region continued to grow during the '80s' and into the '90s. The Governor appointed members of the Metropolitan Council, which in turn appointed members of some of the operating boards and in some instances a board would appoint members to another board. There was no clear line of authority and responsibility from either the Governor or the Metropolitan Council.

Over time, the budget review powers of the Metropolitan Council over the various boards lost whatever effectiveness the original authors had intended. Conflicts among the transportation planning and operating boards over investing in different modes of transit also indicated a clear lack of authority in the existing structure of multiple regional agencies.

In 1992, there were numerous proposals for restructuring the Metropolitan Council. Many were driven by issues related to transportation but also to comprehensive planning by local governments and the Metropolitan Council’s role in reviewing those plans. In 1993, many different bills were introduced, ranging from measures turning the Metropolitan Council into an elected body to establishing the Metropolitan Council as a legislative body, separating the legislative function from the administrative functions of the Metropolitan Council. A key impetus for change was the failure of Metro Mobility dial-a-ride transportation service for riders with a disability or other major health condition.

The Regional Transit Board had established a new provider for Metro Mobility and the new system did not meet expectations, causing Metro Mobility riders to be stranded on the streets. The Governor at the time activated the National Guard to operate Metro Mobility. Due to this, the Legislature established the State Advisory Council on Metropolitan Governance to meet over the interim and propose solutions.

This Advisory Council was co-chaired by legislators Myron Orfield and Carol Flynn and also included members of the community appointed by the Governor. The final proposal of the Advisory Council was to abolish the Regional Transit Board, the Waste Control Commission and the Metropolitan Transit Commission and move all the operating functions into the Metropolitan Council, creating for the first time not only a planning agency but also an operating agency.

It also included a proposal to make the Metropolitan Council an elected body. After a long debate, the proposal for an elected body failed by one vote. Days later, a new proposal surfaced providing for a Governor-appointed body but instead of a staggered term, terms were now at the pleasure of the Governor. This effort at clarifying accountability is what we have in the

current system. While making it very clear that the Governor has the final authority, the change created a new controversy, where some local officials believe that the Governor has too much authority and that the present system does not allow for adequate local government involvement in Metropolitan Council decisions.

The passage of the 1994 legislation did not end fragmentation in the regional system for transportation planning and governance. In 1980, the Legislature authorized the seven metro counties to establish county rail authorities and gave them broad powers to plan and promote rail transit, including the power to tax. Typically, they have taken the lead in conducting “alternatives analyses” in major transportation corridors and recommending new transit investments, such as light rail transit (LRT) or bus rapid transit (BRT). The Metropolitan Council then has taken over the project, pursuing state and federal funding, completing final engineering and overseeing the construction. In 2008, in response to the need for state funding, the Legislature gave the seven metro counties the option to levy a quarter-cent sales tax for transitway investments and form a board – the Counties Transit Improvement Board (CTIB) – to make grants for such projects. Two metro counties, Scott and Carver, chose not to participate.

1995 Livable Communities Act

After the reorganization in 1994, there was legislative interest in adding to the tools available to the Metropolitan Council to continue to work with local governments to shape the growth of the region. After a year-long study by members of the Legislature and local officials in cooperation with the Metropolitan Council Chair and staff, the Legislature enacted the Livable Communities Act of 1995 (LCA). This legislation provides grants to local government for pollution clean-up for redevelopment and revitalization. It also provides assistance in affordable housing finance. To compete for LCA funding, communities must negotiate long-term affordable and lifecycle housing goals with the Council and develop a housing action plan to pursue these goals. In 2015, 95 communities chose to participate in the program, which has provided more than \$300 million in grants since its inception.

POWERS AND AUTHORITY OF THE METROPOLITAN COUNCIL

Minnesota State Statute 473: Authorities of the Metropolitan Council

Minnesota’s Regional Institution: The Metropolitan Council

Most metropolitan regions have adopted institutional arrangements in one form or another to deal with managing growth and development, planning and funding for transportation, and, in some cases, land use planning and regulation. At a minimum, regions must have metropolitan planning organizations (MPOs) that satisfy requirements set out by the US Department of Transportation in order to plan for and expend federal transportation funds. Often, a council of governments (COG) serves as a region’s MPO. In some cases, a regional planning authority is aligned with an MPO. There are a number of regions that have taken the next step by integrating their regional planning authorities and MPOs. Only a handful, though, have integrated planning authorities/MPOs that also exercise some control of land use planning and regulation by their region’s local governments.

The Charge of the Metropolitan Council

Of all regional institutions, the Metropolitan Council truly stands apart. It is unique in the special set of regional planning authorities, investments, and operations it exercises or controls, and it has been viewed for almost 40 years as a model of regional governance. It is broadly charged with responsibility for the “orderly and economical development . . . of the metropolitan area.” Minnesota Statute §473.145.

A Political Subdivision

The Metropolitan Council was created as a political subdivision of the state. Minnesota Statute §473.123. In Minnesota, political subdivisions have only those powers that are expressly granted by the Legislature or implied as necessary to implement those expressly granted.

General Powers

To carry out its responsibilities, the Metropolitan Council “shall have and exercise all powers which may be necessary or convenient to enable it to perform and carry out the duties and responsibilities now existing or which may hereafter be imposed upon it by law.” Minnesota Statute §473.129

Regional Advocate

The Legislature did consider but rejected the idea of using a COG structure. In selecting the form of the Metropolitan Council, the Legislature specifically stated that the local governments were the subject of the regulation represented by the Metropolitan Council’s special set of regional authorities and investments and that the residents of the region were the beneficiaries of that regulation. Minnesota Statute. §473.851. In other words, the Metropolitan Council was intended to be an advocate for transcending regional interests on behalf of the residents of the region rather than simply being a provider of regional services to local governments. Over time, this difference has brought about confusion.

Metropolitan Council Member Selection

The Legislature decided the Metropolitan Council should consist of 17 members appointed by the Governor. It was thought that this process would result in the selection of individuals who were more regionally minded rather than those representing the self-interest of local governments or development firms. Over time, though, regional-mindedness has varied with appointments from governors who support, oppose, or are simply indifferent to the idea of regional governance. The region is broken into 16 districts drawn after each census to represent equal shares of the region’s population. A member is appointed from each district. Interested individuals may submit applications through the process for open appointments run by the Secretary of State.

The Governor must use a nominating committee on which local governments are represented. The committee must hold public meetings, consult with the public and local elected officials, and recommend a list of nominees for each appointment although the Governor is not bound by the list in making appointments. Before making an appointment, the Governor must

consult with the members of the Legislature who represent the Metropolitan Council district in question. A 17th member is appointed by the Governor to serve as chair of the Metropolitan Council. All of the appointments to the Council are subject to the advice and consent of the Minnesota Senate. Minnesota Statute §473.123 Subd. 3.

At the start, members served set terms that were staggered to provide some continuity of policy knowledge by members in the Metropolitan Council's work, reduce the likelihood that members would rely too much on staff recommendations in their deliberations, and avoid sudden shifts in regional direction. As already noted, though, the Legislature decided in 1994 that members should serve at the pleasure of the Governor and that their terms end with the Governor's term. This change has been criticized for making the Metropolitan Council more directly subject to a Governor's agenda. Although this may be true, it also has had the effect of improving accountability because a Governor can quickly make a change in the Metropolitan Council if it is warranted. Minnesota Statute §473.123 Subd. 2a.

Metropolitan Council's Regional Authorities

The mission of the Metropolitan Council is the ordered and economic development of the region. It seeks to accomplish this mission through a regional planning process, making use of specific regional authorities and investments, and the provision of certain regional services. The Metropolitan Council must prepare and maintain a development guide that contains all of its "policy statements, goals, standards, programs, and maps prescribing guides for the orderly and economical development, public and private, of the metropolitan area." Minnesota Statute §473.145. The breadth of issues the Metropolitan Council may reach in such plans, policies, and programs extends to the "physical, social, or economic needs of the metropolitan area and those future developments which will have an impact on the entire area including but not limited to such matters as land use, parks and open space land needs, . . . highways, (and) transit facilities(.)" Id.

Clearly, the Metropolitan Council's reach is broad and the Metropolitan Council is allowed to adapt its approach as regional conditions change and new issues of regional concern arise. This may stand in contrast to commonly held perceptions that the Metropolitan Council's role is limited to specific aspects of the region's gray infrastructure - transportation and wastewater treatment - and, to a certain extent, its green infrastructure - parks and recreational open space.

Process for Regional Planning

An elaborate planning process frames the regional architecture in which the Metropolitan Council acts. It is intended to advance the state's interest in the ordered and economic development of the region by informing and, if needed, modifying local land use planning and regulation.

It starts with research of social, economic, and demographic trends. The research is used to forecast the amount and distribution of growth the region will experience in population, households, and employment. Then, the forecasts are subject to modification through a number of rounds of negotiation with communities before the Metropolitan Council adopts them in final form. Then, the forecasts are used in the Metropolitan Council's preparation of

its plans for the metropolitan systems of transportation, wastewater treatment, and recreational open space. Minnesota Statute. §473.146, Subd. 1 & §473.147, Subd. 1. Finally, communities must prepare and implement comprehensive plans of their own that acknowledge the Metropolitan Council's plans for the metropolitan systems.

The planning process is secured by a set of conformity requirements. First, the plans for the metropolitan systems "must substantially conform to all policy statements, purposes, goals, standards, and maps in the development guide(.)" Minnesota Statute. §473.146, Subd. 1 & §473.147, Subd. 1.

Second, a community's comprehensive plan must conform to the plans for the metropolitan systems and be consistent with other plans the Metropolitan Council has adopted. Minnesota Statute. §473.175, Subd. 1. In terms of conformity, the Metropolitan Council may require modification of a comprehensive plan if it is "more likely than not to have a substantial impact on or contain a substantial departure from the metropolitan system plans." *Id.*

Third, a community "shall not adopt any fiscal device or official control which is in conflict with its comprehensive plan . . . or which permits activity in conflict with metropolitan systems plans(.)" Minnesota Statute. §473.858, Subd. 1.

The conformity requirements are powerful tools for regionalism. Their use, though, is also fraught with political peril. As a result, the Metropolitan Council has either faced criticism after it has acted, or persuaded itself not to act out of a rather reasonable sense of self-preservation. For example, the requirement that local land use regulations not conflict with comprehensive plans frustrated a number of communities that wanted to take advantage of proposals for non-conforming development projects. In 1985, the Legislature eliminated the conformity requirement. The change reduced the planning process to a paper exercise disconnected from development realities on the ground. It took 10 years for the Legislature to reinstate the conformity requirement.

For a long time, the Metropolitan Council interpreted the conformity requirement in terms of the capacity of the systems to accommodate the additional amount of growth the communities requested rather than the substantial impact on or departure from the Metropolitan Council's plans for the metropolitan plans that the growth represented. This approach allowed the Council to avoid serious conflict with the communities. It only became a problem when communities decided not to grow as much as the Metropolitan Council forecasted. When Lake Elmo took legal action against the Metropolitan Council, the Metropolitan Council successfully challenged its comprehensive plan but the Minnesota Supreme Court had to remind the Metropolitan Council that the statutory test for conformity related to the plans for the metropolitan systems and not the capacity of the systems themselves.

The perception that the Metropolitan Council's authorities are limited to the metropolitan systems of transportation, wastewater treatment, and recreational open space may be related to the Metropolitan Council not making more use of the requirement that the plans for metropolitan systems must substantially conform to all of the plans, policies, and programs the Metropolitan Council has adopted and included in the development guide.

Regional Projects & Regional Investments

Although it is primarily engaged in regionalism at a planning level, the Metropolitan Council may also reach out and touch specific projects by public agencies and private development interests through its review of matters of metropolitan significance and the application of its regional investments.

If a project implicates the region's ordered and economic development, the Metropolitan Council may review it to establish if it is consistent with all of the policies, plans, and programs in the development guide. Minnesota Statute. §473.173, Subds 1 & 3. The Metropolitan Council may suspend a project for 12 months that it finds inconsistent. *Id.* at Subd. 4. Because this form of project-based review could be seen as interfering in the business of local governments, the Metropolitan Council has only issued a determination of metropolitan significance four times, most notably for the Mall of America. The Metropolitan Council's review of projects that might implicate regional interests has also been limited by the Legislature and the Governor. From airport relocation to sports stadiums, the Legislature and the Governor, at times, have elected to bypass the Metropolitan Council's judgment.

The Metropolitan Council can also encourage projects that would benefit regional interests through a set of regional investments. In particular, the Metropolitan Council controls a substantial amount of funding through programs for housing and transportation. The programs are subject to some statutory limitations but give the Metropolitan Council various levels of discretion in selecting projects that will advance all of its plans, policies, and programs.

Livable Communities Act

The Livable Communities Act established accounts for (i) the clean-up and redevelopment of brownfields, (ii) connecting transit, housing, and employment opportunities through more compact, mixed-use, and mixed-income forms of development, and (iii) helping communities meet negotiated goals for affordable and lifecycle housing opportunities. Minnesota Statute. §473.25-§473.255. The accounts are funded through the Metropolitan Council's property tax levy at an annual level of about \$20 million.

Transportation funding

The largest investments subject to the Metropolitan Council's discretion and control are federal funds for transportation. As the region's MPO, the Metropolitan Council designates about \$75 million annually through regional project solicitations. The funds come through a number of programs at the federal level and each has its own set of requirements. Several of them, though, allow funds to be flexed between programs and modes of transportation. The Metropolitan Council is helped in the use of the federal funds by an advisory committee known as the Transportation Advisory Board (TAB). It consists of 34 members, half of whom are local elected officials appointed by the region's local governments or an association representing them. Minnesota Statute §473.146 Subd. 4 establishes the composition of the TAB.

WORK OF THE CITIZENS LEAGUE TASK FORCE



WORK OF THE CITIZENS LEAGUE TASK FORCE

TASK FORCE ORGANIZATION AND PROCEDURES

Background on Formation of the Task Force

Preceding the work of the Citizens League task force, the local media brought to the public's attention a number of concerns regarding the Metropolitan Council that had been simmering for years. In the spring of 2015, four suburban counties hired a federal lobbyist to make a case to the U.S. Department of Transportation that the region is not complying with a federal rule requiring that a body with a majority of elected officials be used allocate federal transportation funds. (For four decades, the Metropolitan Council has done so in partnership with the Transportation Advisory Board, a majority of whose members are elected officials.) During this same period, a number of bills were introduced by Republican and DFL legislators that ranged from the Metropolitan Council's abolishment to changes in how Council members should be selected. While none of the legislation prevailed, the sentiments around the Metropolitan Council and the persistent and elevated call for change raised concerns among Citizens League members.

Due to these concerns, actions, and the fact that the organization's last report on the Metropolitan Council took place in 1993, the Citizens League, with approval from its Board, decided to conduct a six-month review of the Metropolitan Council to see if it could produce a set of meaningful recommendations in time for the 2016 legislative session that would address the concerns and improve the organization.

The Board and staff assembled a unique task force that included diverse perspectives by sector, ideology, geography and experience with the Metropolitan Council. Some members had worked directly with/for with the Metropolitan Council from a variety of perspectives (staff, legislative, academic, etc.) and over the nearly 50-year history of the Metropolitan Council, while others had no formal experience with the work of the Metropolitan Council. The goal was to ensure that the committee's conversations and deliberations reflected the conversations and disagreements that are taking place in the larger community, and at the Legislature.

Charge to the Task Force

Key Objective of the Task Force

The task force began its work by reviewing the history of the Metropolitan Council, followed by an examination of the concerns and issues raised by reviewing written reports and inviting a variety of stakeholders to present information to the task force. This led to discussions and a consensus on findings and conclusions, which informed the task force's final recommendations. The key objectives of the project included:

- **Reviewing Metropolitan Council history to better understand current concerns.** This included a thorough review of the Metropolitan Council's history and data used in assessing the current system, reviewing the use of available resources (expert testimony, reports, interviews, etc.) in order to fully examine the role of Metropolitan Council.
- **Developing a shared vision for the Metropolitan Council.** What do we need from the Metropolitan Council in light of the rapidly changing economic and demographic challenges we face? How can the current model be improved to achieve the future vision for the Metropolitan Council's work?
- **Recommending a set of actionable solutions that will address the concerns while persisting to represent the Metropolitan Council's regional view.** What are the priority issues and actions that need to be taken to ensure a highly effective and trustworthy Metropolitan Council?

Assumptions for Metropolitan Council Task Force

The task force conducted its work based on the following set of assumptions that support the original Citizens League vision of and aspiration for the Metropolitan Council:

- As a starting place, continue to support the existence of the Metropolitan Council as a regional entity with regional authority, but explore ways to improve it.
- Strive to learn and understand the history of the Metropolitan Council in order to better understand concerns.
- Represent and encourage different viewpoints.
- Not interfere with the day-to-day management of the Metropolitan Council.

Criteria for recommendations

The task force agreed on the following criteria for recommendations:

- Politically plausible and implementable.
- Honors the criticisms and addresses them.
- Continue to represent the Metropolitan Council as a regional entity with a regional mindset.

MEMBERSHIP OF THE TASK FORCE

The task force consisted of 19 members including two co-chairs. The task force members represented a broad range of interests, ideologies, geographic locations, experiences and skills. Members were selected through referral and an open Citizens League member selection process. The Citizens League Board approved the final slate of task force members on September 1, 2015. (See page 60 in *Appendix* for titles and bios for task force members.)

- | | |
|--------------------------|--------------------------|
| 1. Susan Arntz, Co-chair | 11. Bill Hargis |
| 2. John Knapp, Co-chair | 12. Elizabeth Kautz |
| 3. John Adams | 13. Adeel Lari |
| 4. Peter Bell | 14. Dan McElroy |
| 5. Steven Dornfeld | 15. Scott Neal |
| 6. Acooa Ellis | 16. Ravi Norman |
| 7. Jim Erkel | 17. Sharon Sayles Belton |
| 8. Carol Flynn | 18. Jim Solem |
| 9. Michele Foster | 19. Shannon Watson |
| 10. Chris Gerlach | |

The task force was assisted by Citizens League executive director Sean Kershaw, policy director Pahoua Yang Hoffman, and interns Gabriel Flaa (University of St. Thomas), Kate Weyenberg (University of St. Thomas), Caroline da Silva Barbosa (St. Paul College), and Tenzin Gakyi (Minnesota State University, Mankato). From September 2015-January 2016, assistance was also provided by Larry Dowell and Ellen Watters of Dowell Management.

Action by the Citizens League Board of Directors

The Citizens League Board approved the report on April 4, 2016.

Resource Persons who met with the Task Force

(Listed in the order they appeared before the task force.)

- Ted Kolderie, Senior Associate, Education Evolving, former Citizens League Executive Director
- Martin Olav Sabo, former United States Representative for Minnesota's Fifth District
- Paul Gilje, Executive Director, Civic Caucus, former Citizens League Research & Associate Director
- Deborah Dyson, Legislative Analyst, Minnesota House of Representatives
- Susan Brower, State Demographer
- Curt Johnson, former Metropolitan Council Chair, 1995-99
- Commissioner Randy Maluchnik, Carver County
- Commissioner Peter McLaughlin, Hennepin County
- Mayor Terry Schneider, City of Minnetonka
- Natalio “Nacho” Diaz, Former Director of Metropolitan Transportation Services, Metropolitan Council
- James Hovland, Mayor of Edina & Chair of the Transportation Advisory Board (TAB)
- Scott McBride, Metro District Engineer, MnDOT
- Todd Graham, Principal Forecaster, Metropolitan Council
- Peter Coyle, Builders Association of the Twin Cities (BATC)
- Paul Williams, President & CEO, Project for Pride in Living, Inc.
- Jay Stroebel, City Manager, Brooklyn Park
- Kim Crockett, Center of the American Experiment
- Michael Langley, President & CEO, GreaterMSP
- Patricia Nauman, Executive Director, Metro Cities

Although the following individuals did not come before the full task force, the Citizens League consulted with each before and/or during the project period (*Listed in alpha order*):

- Metropolitan Council Chair Adam Duininck
- Sen. Scott Dibble
- Rep. Kelly Fenton
- Rep. Laurie Halverson
- Rep. Carolyn Laine
- Commissioner Jim McDonough, Ramsey County
- Rep. Jim Nash, Vice Chair, Subcommittee on Metropolitan Council Accountability & Transparency
- James Noble, Legislative Auditor
- Rep. Linda Runbeck, Chair, Subcommittee on Metropolitan Council Accountability & Transparency
- Rep. Yvonne Selcer

SUMMARY OF TASK FORCE DISCUSSIONS

To inform the eventual recommendations, the task force met with key leaders who represented a diversity of views on some of the most important trends facing the region.

From the conversations described below and detailed in the Appendix, three over-riding themes connected each of the presentations and discussions, and ultimately the findings, conclusions and recommendations of the task force.

1. **Aging demographics will determine our destiny.**

The aging of the Baby Boomer generation will create entirely new and unprecedented public policy challenges in housing, transportation, human services and, ultimately, workforce. The region is just beginning to experience these changes, but the implications and consequences will accelerate quickly in the coming years.

The scope of changes and challenges will rival the changes brought about by the birth of the Baby Boomer generation, and the creation of the Metropolitan Council almost 50 years ago. This means that previous strategies/solutions – and current policy disagreements – may become irrelevant.

- How can the region create the governance capacity to respond to these dynamic changes while maintaining our national leadership in economic and quality of life success?

2. **Workforce development is the economic engine to address aging.** Attracting, retaining and cultivating a talented workforce is simply another consequence of aging, and will require new attention to how we address poverty, immigration and all aspects of workforce development and training.

Addressing concentrated poverty, issues related to the attraction/retention of professionals of color and all disparities related to race/ethnicity will impact the economic success of the region.

- How can the majority population in the region see their future economic success in populations that are not currently succeeding, and be willing to make the policy changes in all sectors necessary to improve our workforce outcomes?

3. **Reinforcing a healthy region.** The interests of individual cities and counties are essential to the success of the region, and their role in government service delivery has increased since the Metropolitan Council was established. However, from an economic standpoint we are still an integrated unit where the health of individual communities depends on the health of the entire region.

- How can governance continue to recognize and involve local interests with integrity, while ensuring that the greater good of the region prevails? Can the governance process build credibility by finding new ways to find consensus and common ground?

Population Trends and Changing Demographics

The task force heard from Susan Brower, the state demographer, and Todd Graham, the demographer and principal forecaster for the Metropolitan Council.

Susan Brower's presentation covered three major trends: population aging, increasing diversity and labor force growth. She also provided data on projected growth. Some highlights from her presentation included:

- More people are migrating out of Minnesota than we are gaining. The gap is currently being filled by international migration. International migration is the big wild card.
- The growing younger population is more diverse.
- The state demographer's projected growth for the region has consistently been lower than the Metropolitan Council's projections by about 12,000 a year – a difference of about 300,000 people by 2040.

Todd Graham's presentation covered why and how the Metropolitan Council forecasts, how market forces and land plans are balanced in their calculus and, finally, what they draw from this work. Graham reported a projection that the region would gain population at a steady rate of one percent per year. Cumulatively over 30 years, this will add up to 800,000 new residents, but already Minnesota has captured or attracted 130,000 just four years into the 30-year planning horizon. Graham also indicated that the region will gain almost 400,000 new households and increasingly, that household growth is demographically skewed due to the aging of the population. If the region gains 400,000 households and 500,000 jobs, the question was where those households and jobs would be siting themselves.

Governance

While the Metropolitan Council is envied by groups elsewhere in the country, it is viewed with suspicion and concern, especially among city and county officials in the region.

While there have been differences in opinion on whether the Metropolitan Council's powers are too overreaching or too limited, the task force was in general agreement that due to the current terms of Metropolitan Council members, there is a lack of continuity – with the membership almost completely turning over every time the governorship changed hands.

While the 1994 reorganization created a direct line of accountability between Metropolitan Council and the Governor, this was done at the expense of continuity and independence to advocate for the region. The task force heard many times that the Metropolitan Council was seen as an extension of the Governor's office and for all intents and purposes, it was governed and managed as a state agency.

Giving city and county officials a stronger voice in the selection of potential Metropolitan Council members was seen as one way to increase legitimacy and strengthen the connection between the Metropolitan Council and local officials.

The task force debated two very different Metropolitan Council member selection recommendations: one was an enhancement of the current model, and the other a decentralized model that called for members to be appointed by counties and cities within the region and not by the Governor. Both had the goal to enhance the acceptance of local governments and citizens. The task force also discussed the merits of a hybrid model blending these two ideas.

Transportation

Throughout the task force's discussion on transportation, the decision-making process in determining why certain modes of transportation were selected for certain corridors remained unclear and opaque. There did not seem to be much transparency in these decisions. An example was the Bottineau Boulevard project, which at one time was supposed to be a bus rapid transit (BRT) line. The task force thought there ought to be more transparent disclosure of the rationale in deciding which mode of transit is picked for certain corridors.

Testimony from outside speakers explained that as long as the decision-making body that provides funding is made up of a group of people, there will be a "scratch each other's backs" process and that it would be unlikely to expect counties to contribute sales tax without asking for their own projects to be funded, regardless of whether they rank as regional priorities. This is one of the consequences of having the current structure. Related to this, projects tended to pop up based on which group got their project pushed forward and there did not seem to be one entity coordinating.

There was an agreement on the task force that the fragmentation in planning and development of transit-ways has only gotten worse since the Legislative Auditor's 2011 report. Some blame was placed on the Legislature for creating the county regional rail authorities and Counties Transit Improvement Board (CTIB). It was viewed by some that the counties are driving the transit agenda and that this undermines the Metropolitan Council as the long-range planner for the region.

Housing

Testifiers referenced the explosive cycle of the '90s' into the 2000s when it seemed as though housing was being constructed everywhere. One of the unfortunate results of that cycle was the land use plans that had been approved by cities and that were ultimately endorsed by the Metropolitan Council did not plan for or accommodate the kind of growth that actually occurred. Because of a scarcity of land in the last development cycle, housing developers and builders were expanding to areas outside of the metro area where they could find land that was available, accessible and affordable. This was bad for the region. Builders want to go where they can have a viable business opportunity that they can count on long-term, not just where they can build to make a short-term profit.

Affordable housing was presented as a competitiveness issue for the region. In looking at the projections on population – in particular the projections of populations of color as a percentage of the total population, and considering the large number of retirees – lower income individuals of color will be a higher percentage of the workforce than in the past.

The achievement gap is an issue that needs to be addressed since the workforce of tomorrow will have to be created from those caught in the gap today even if Minnesota retains and attracts other groups. Currently, the housing market is not working for these communities. A third of the Twin Cities households are significantly cost-burdened, paying more than 30% of their income for housing. Housing costs are often upwards of 40-50% of those families' budgets.

Importance of the Region

The region will have to accommodate a million more people than it has today over the next 25 years. Over the next 10 years, there will be the potential need for 100,000 more skilled workers to fill the jobs that will be created around the region. The demographics of the next million people will be significantly different than what we have seen in the last 50 years. There are tremendous issues in dealing with this switch and regional governance and planning are absolutely critical.

Testimony heard from external guests stressed the value of addressing issues like income inequality and the achievement gap and how these challenges affect the orderly and economical development of the region. Currently, the region leads globally in areas of food, water and health. These are and will be the most critical issues the world will face in the next 100 years and Minnesota just happens to be a leader in these areas. Because of this strength, the state is very relevant on a national and global economic scale.

SUMMARY FINDINGS AND CONCLUSIONS



SUMMARY FINDINGS AND CONCLUSIONS

1. The Metropolitan Council continues to be an important regional advocate.

The Metropolitan Council has a history of solving regional issues and delivering regional services effectively.

The Metropolitan Council continues to play a vital role in contributing to the planning of the region, provision of regional services, and in addressing regional issues that cannot be resolved solely by relying on private market forces or the actions of county and municipal governments acting independently.

The metropolitan region plays an increasing role in the economic health and quality of life of the state.

The combination of planning and operations has created greater efficiencies, reduced “silos” and has allowed the Council to better coordinate planning and implementation, and has generally managed the inherent conflicts of interest well.

2. The current governance structure inhibits the Metropolitan Council’s ability to effectively plan for the long-term and act as an independent advocate for the region.

With Metropolitan Council member terms being coterminous with the Governor’s terms, this results in a complete turnover of members with each new Governor. This works against the Council’s charge of long-term planning for the orderly and economical development of the region.

Because the Chair and Members of the Metropolitan Council are appointed by and serve at the pleasure of the Governor, the Council is perceived by some as primarily accountable to the Governor and not to the districts from which they were appointed. This structure may prevent Metropolitan Council members from acting as independent advocates for the region.

3. Challenges in the region have expanded and will continue to evolve due to changing demographics and the growth in poverty in the region.

Given the change of demographics, commuting patterns and economics of the region, the current geographic jurisdiction of the Metropolitan Council may be too small.

The demographics of an aging regional population have implications for housing and transportation needs that will be a regional issue and will require some regional direction and solutions.

The Metropolitan Council membership should generally reflect the region’s changing demographics.

The workforce shortage is a critical issue for the metropolitan region.

Housing and transportation needs will be evolving due to the demographic changes in the region. For example, there may be more emphasis on senior and multi-family units rather than single-family units.

There is growing concentrated and dispersed poverty in the region and this should inform decision-making under the current authority of the Metropolitan Council.

The connection between transportation/transit and housing/job availability is inadequate, especially for low-income families. Poverty is increasingly being dispersed throughout the region.

The need for affordable housing will increase as the cost burden for housing for low-income families is rising.

The private market needs public support (financial, zoning, etc.) in order to provide affordable housing for low-income families.

4. There are questions and concerns related to transportation governance including accountability and transparency, efficiency and effectiveness and equity.

Funding for regional transportation/transit is inadequate, inconsistent and perceived to be inequitably distributed and does not necessarily reflect or support regional growth patterns.

The transportation/transit governance structure has many layers of authority, and the decision-making process is fragmented and may not promote the most efficient use of limited resources.

5. The Legislature plays a significant role in the Metropolitan Council.

The Metropolitan Council derives its powers and authorities from the Legislature. Evolving and conflicting policy and budget directives can challenge the continuity and effectiveness of the Council.

6. Water is an important regional asset that will need regional attention.

Water quality and supply is a regional issue and is currently complicated by numerous overlapping, governmental entities with regulatory authority.

7. Citizens in the region do not have a good understanding of the Metropolitan Council.

It is important for residents to have a good understanding of the role of regional government as part of building a constituency for a regional perspective and creating accountability for its efforts.

RECOMMENDATIONS TO THE GOVERNOR AND LEGISLATURE



RECOMMENDATIONS TO THE GOVERNOR AND LEGISLATURE

GOVERNANCE

1. Terms of Metropolitan Council Members

Findings

With Metropolitan Council member terms being coterminous with the Governor's terms, this has the potential to result in a complete turnover of members with each new Governor. This may create inefficiencies in management and decision-making, but more importantly works against the Council's charge of long-term planning for the orderly and economical development of the region. Additionally, because the Chair and Members of the Metropolitan Council are appointed by and serve at the pleasure of the Governor, Council members are perceived by some as primarily accountable to the Governor and not to the districts from which they were appointed. This structure may prevent members from acting as an independent advocate for the region, as well as create the perception among some that the Council is not responsive to the region or to local interests.

Conclusions

The task force concluded that the existing structure of citizen members from geographic districts rather than elected officials serving as Council members should be continued. However, in order to provide more continuity, encourage long-term thinking, and provide for better checks and balances, the task force concluded that terms for one half of the members should not be co-terminus with the Governor and that members not serve at the pleasure of the Governor. The idea of staggered terms has been proposed many times at the Legislature and vetoed by several governors, but still, the task force believed this change would go a long way to mitigate concerns.

Recommendation

Adopt fixed four-year, staggered terms for Metropolitan Council members. Members would still be appointed by the Governor and would serve fixed, four-year terms. The Chair would be appointed by the Governor and continue to serve at the pleasure of the Governor per statute 473.123, Subd. 4.

Task Force Action

The recommendation was voted on by task force members on February 18, 2016. The motion to adopt the recommendation prevailed with a unanimous vote.

2. Selection of Metropolitan Council Members

Findings

The Metropolitan Council nominations committee is seen as an extension of the Governor's office because it conducts the interviews and privately forwards the names to the Governor who makes the appointments. The current nominations committee has seven members with three representing local government.

Conclusions

This lack of transparency in the nomination and selection process of Metropolitan Council members contributes to the lack of trust for the nominations process and creates the perception that the Metropolitan Council is not truly representative of the region or the 16 Council districts.

Recommendation

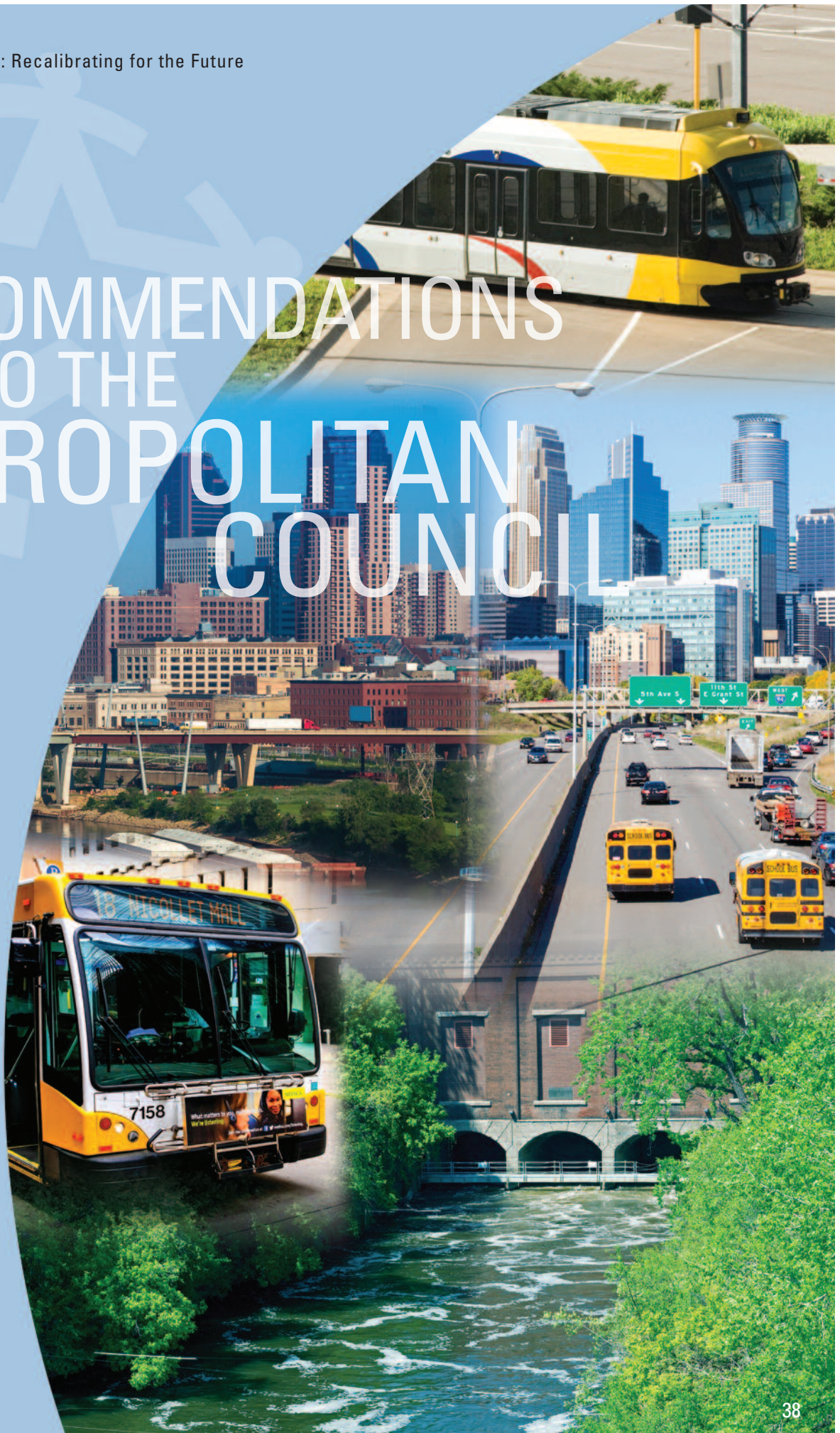
The Metropolitan Council member selection process should include more input by citizens and local officials, strengthening the credibility of the Metropolitan Council, and further encouraging the appointment of well-qualified members. To achieve this, the Citizens League proposes:

- a. Expanding the current Metropolitan Council nominations committee from seven to 13 members. Of these 13 members, seven should represent citizens-at-large and six should represent local governments: three appointed by counties and three appointed by cities.
- b. Adding additional public announcements to the current selection process:
 - i. Detailed position description with required skills, time commitment, and connection to district to be clearly articulated and posted in advance of the call for nominees.
 - ii. Requiring that the nominations committee recommend up to three finalists for each Metropolitan Council seat. The names of these finalists and their qualifications should be made public at least 14 days prior to final selection by the Governor.
- c. Adding to the current Metropolitan Council member qualifications:
 - i. Experience in local government and/or experience in such areas including but not limited to transportation, housing, environment, and regional development.
 - ii. The need/ability to represent the demographic diversity of each district and the region as a whole.
 - iii. Ability to meet the time commitment required to attend Council and community meetings, as specified in the position description.

Task Force Action

The recommendation was voted on by task force members on March 10, 2016. The motion to adopt the recommendation prevailed. One member abstained.

RECOMMENDATIONS TO THE METROPOLITAN COUNCIL



RECOMMENDATIONS TO THE METROPOLITAN COUNCIL

METROPOLITAN COUNCIL POLICY PLAN

3. Addressing Inequity in the Region

Findings

The Metropolitan Council was established to plan for the orderly and economical development for the benefit of the metropolitan region, recognizing the social and economic needs of the area. As such, individual residents of the region must be the ultimate *beneficiaries* of the Council's decisions; local governments are *key subjects* of the Council's regulation and key partners in the Council's work. The Council's role as regional planning agency creates inherent tension in local governance. One major point of contention is the difference in anticipated growth, and thus housing needs, between the Council and cities within the region. Bridging the difference between local and regional projections for growth is key, as it drives investment in transit, housing and infrastructure for critical systems like water or transportation.

Minnesota Statute 473.145

The Metropolitan Council shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development guide for the metropolitan area. It shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for the orderly and economical development, public and private, of the metropolitan area. The comprehensive development guide shall recognize and encompass physical, social, or economic needs of the metropolitan area and those future developments which will have an impact on the entire area including but not limited to such matters as land use, parks and open space land needs, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, and other public buildings.

Our region is witnessing two disturbing trends anchored on geography: growth of suburban poverty, and the expansion of areas of concentrated poverty. Suburban and rural poverty constituted 58% of the region's total population living in poverty between the years 2007 and 2011, an increase from 49% in 2000. Poverty in the core cities of Minneapolis and St. Paul has deepened from being close to (or below) the state's poverty rate to being over twice as high as the state's rate. This change has been particularly dramatic for the residents of the city of St. Paul.

By 2010, the Metropolitan Council observed that the most significant growth in communities with both racial and economic isolation occurred in contiguous census tracts within St. Paul's city limits. In particular, the growth of concentrated poverty occurred in areas that tend to be geographically and/or economically isolated, such as St. Paul's

Dayton's Bluff and West Side neighborhoods. Parts of Anoka, Carver and Dakota counties have experienced notable increases in poverty as well. All of the areas of concentrated poverty noted here are underserved by existing transit routes.

Future economic policies will need to consider the confluence of aging and racial inequities. Minnesotans over the age of 65 will outnumber those under the age of 18 by 2020. At the same time, our labor force is on track to grow at less than a third the rate observed over the previous decade. In the greater Twin Cities metropolitan area, minorities are four times more likely to experience poverty than their white neighbors and constitute a growing proportion of residents under the age of 18. The relationship between income and factors like health, housing stability and educational attainment are well documented. We cannot expect our future workforce to be well prepared for what lies ahead for our region or our state if a growing percentage of those we will depend on are three to four times more likely to live in poverty.

Sufficient connections to opportunity are essential to regional equity. An ongoing Harvard study has proven commute time to be the strongest determining factor of socioeconomic mobility – greater than crime, elementary-school test scores or the percentage of two-parent families in a community. However, a growing number of the region's job centers fall within areas without adequate housing affordable to the workers in these job centers. A contributing factor to this is a lack of housing density. Those job centers also often exist in communities underserved by or isolated from transit.

The availability of adequate transit options is critical to orderly development for this region, but funding for regional transportation/transit is inadequate, inconsistent, and in many cases distributed in a way that does not necessarily reflect or support regional growth patterns. Additionally, the transportation/transit governance structure has many layers of authority. The decision-making process is fragmented, which may not promote the most efficient use of limited resources.

Conclusion

Left unchecked and uncoordinated, the region's trend of geographic and economic isolation will continue to grow, with the gap in opportunity widening for a growing proportion of the region's population.

The Twin Cities region serves as the economic engine of our state. We are poised to place unprecedented pressure on the next generation with the costs and demands associated with a rapidly aging population, and there will be fewer workers to share the load. It is imperative that the Metropolitan Council continue to exercise leadership in bridging the region's prosperity gap, as the sole planning agency with regional jurisdiction, for the benefit of *all* Minnesotans.

Recommendations

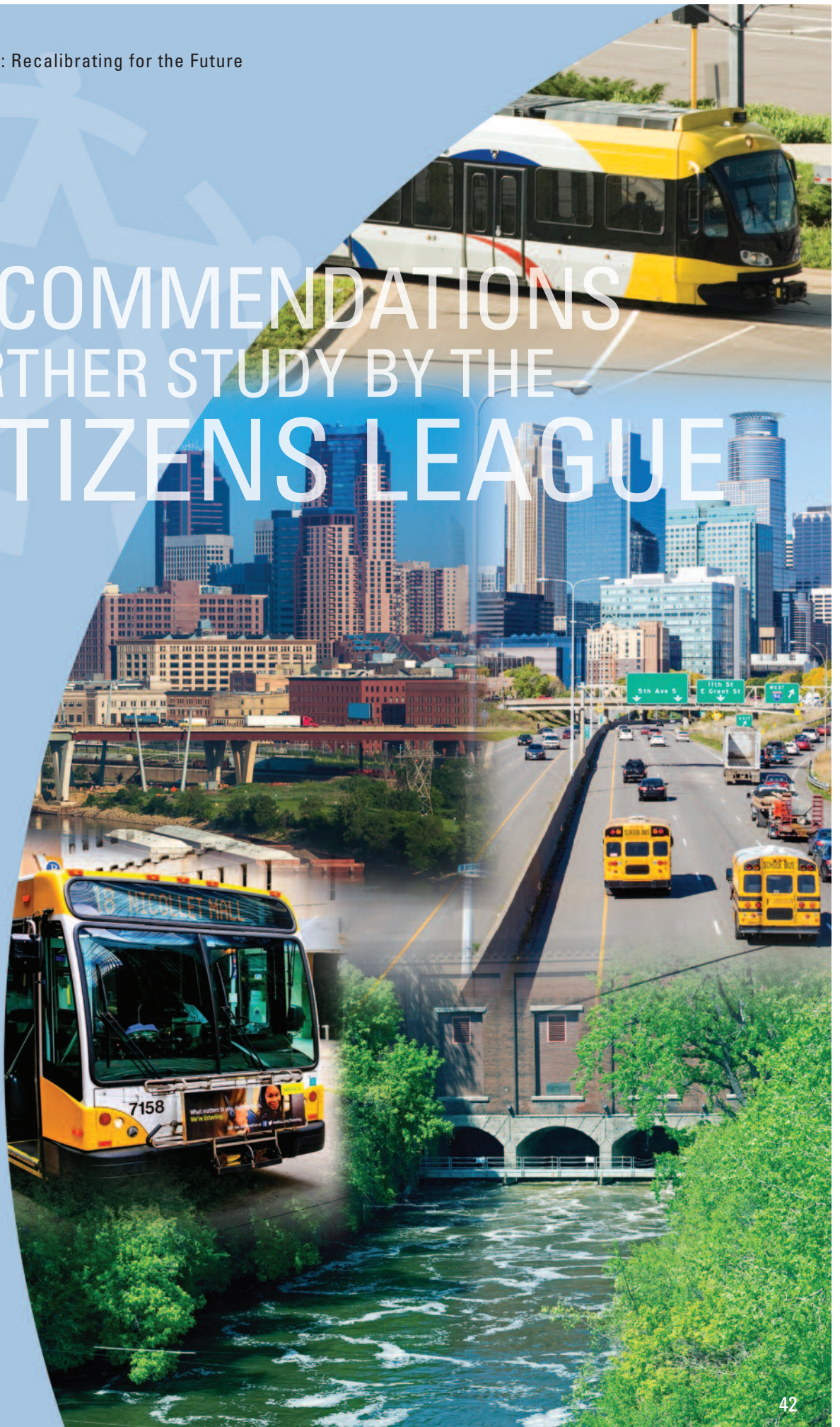
Fully deploy the Metropolitan Council's current authority to reduce concentrations of poverty in the region and foster increased connections to social and economic opportunities. Full utilization of Metropolitan Council authority includes but is not limited to:

- a. The creation of an equity policy plan to reduce concentrations of poverty in the region;
- b. The evaluation of existing transit routes to ensure the best means to more directly connect areas of concentrated poverty with job centers and high-growth industry clusters; and
- c. Using its research and convening authority to align regional stakeholders in pursuing strategies that will reduce poverty and its concentration, increase economic and social opportunity to advance future economic growth and mitigate the impact of demographic changes in the region related to aging.

Task Force Action

The recommendation was voted on by task force members on March 17, 2016. The motion to adopt the recommendation prevailed. Two members voted in opposition.

RECOMMENDATIONS FOR FURTHER STUDY BY THE CITIZENS LEAGUE



RECOMMENDATIONS FOR FURTHER STUDY BY THE CITIZENS LEAGUE

4. Transportation Planning and Governance

Findings

The Twin Cities metropolitan area has no shortage of transit and transportation agencies, as many critics have observed. Indeed, a 2011 report by the Office of the Legislative Auditor concluded that transit governance here “is complex and made more difficult” by the sometimes-overlapping roles of these agencies.

Experts who met with the task force maintained that the region’s system of transit governance, planning, funding and operation works remarkably well despite its fragmented nature. This is borne out, to a degree, by the Legislative Auditor’s finding that the region’s transit system has “performed better than most of its peers” on many efficiency and service measures.

Conclusions

Still, the task force believes there are important questions about the region’s transit and transportation system that merit further study. They include questions related to accountability and transparency, efficiency and effectiveness, and equity.

Accountability and Transparency

If the average citizen has questions about transit planning and how his/her tax dollars are being spent, where does such a person turn? To the Metropolitan Council? Metro Transit? His or her county rail authority? The Counties Transit Improvement Board (CTIB)? Depending on the specific question, the answer might be two or more different agencies – or all of the above.

Efficiency and Effectiveness

For this task force, perhaps the most important question is how the county rail authorities and CTIB have affected the role of the Metropolitan Council in transit planning and development. Have they provided critical support and resources in transitway development? Or have they undermined the Council’s role as the region’s lead transit planner and pushed projects that might not always have been regional priorities? Or have they done both?

By restricting the use of regional sales tax dollars to transitway development and operation, do current statutes Minnesota Statute. §297A.992 work against less costly improvements to regular-route bus service?

Compared with Metro Transit, some of the six suburban transit providers require significantly higher subsidies per passenger, according to Metropolitan Council's 2012 Transportation System Performance Evaluation. Are these higher subsidies justified by their costs and the level of service they provide?

Are there inefficiencies in the unique "shared" role of the Metropolitan Council and the Transportation Advisory Board in the allocation of federal transportation funds? (This system has been in place since 1974 to meet federal requirements regarding the makeup of "metropolitan planning organizations" established to program such funds.)

Equity

As road and transit investments are being made, it is not difficult to see how residents of some areas might feel they are being left behind. Do current plans raise serious equity issues? Are there, for example, disparities between the central cities and suburbs, between the West Metro and East Metro areas, between suburbs served by the suburban (opt-out) transit providers and those served by Metro Transit? And how much of a premium should be placed on equity as opposed to projects that will serve the most vehicles and riders?

Recommendation

The task force recommends that the Citizens League undertake a study of the region's system of governance, planning, funding and operation of transportation.

Task Force Action

The recommendation was voted on by task force members on March 17, 2016. The motion to adopt the recommendation prevailed with a unanimous vote.

5. Water Supply Issue for the Metropolitan Region

Findings and Conclusions

During our study, the task force learned that the regulation of water is complex and involves multiple agencies and oversight entities. Various agencies permit its use, plan for its availability, regulate storm water, treat wastewater and protect the safety of water.

Recently, the Minnesota Pollution Control Agency and the Governor announced that Minnesota communities would need an estimated \$11 billion over the next 20 years for new water infrastructure projects to replace aging wastewater and drinking water systems, upgrade treatment facilities to meet higher standards, and expand systems to accommodate growth.¹

The Metropolitan Council is statutorily required to provide regional planning for items, including water supply.²

Minnesota Statute §473.1565

The Metropolitan Council must carry out planning activities addressing the water supply needs of the metropolitan area. The planning activities must include, at a minimum: (1) development and maintenance of a base of technical information needed for sound water supply decisions including surface and groundwater availability analyses, water demand projections, water withdrawal and use impact analyses, modeling, and similar studies; (2) development and periodic update of a metropolitan area master water supply plan, prepared in cooperation with and subject to the approval of the policy advisory committee established in this section, that: (i) provides guidance for local water supply systems and future regional investments; (ii) emphasizes conservation, interjurisdictional cooperation, and long-term sustainability; and (iii) addresses the reliability, security, and cost-effectiveness of the metropolitan area water supply system and its local and subregional components; (3) recommendations for clarifying the appropriate roles and responsibilities of local, regional, and state government in metropolitan area water supply; (4) recommendations for streamlining and consolidating metropolitan area water supply decision making and approval processes; and (5) recommendations for the ongoing and long-term funding of metropolitan area water supply planning activities and capital investments. (b) The council must carry out the planning activities in this subdivision in consultation with the Metropolitan Area Water Supply Policy and Technical Advisory Committees established in this section.

Recommendation

The task force did not study this issue in sufficient detail to provide a recommendation on such an important, regional issue. As such, the task force recommends that this issue be further studied by the Citizens League to ensure that water supply remains adequate and sustainable across the region, involving all entities involved in its regulation.

Task Force Action

The recommendation was voted on by task force members on March 17, 2016. The motion to adopt the recommendation prevailed with a unanimous vote.

¹ http://www.mn.gov/gov-stat/pdf/2016_01_14_mpca_water_input_sessions_handout.pdf

² Minnesota Statute §473.1565, Subd. 3 through Subd. 5

MINORITY REPORT



MINORITY REPORT

TO: Citizens League Board of Directors
FROM: Chris Gerlach, Member, Metropolitan Council Task Force
 (September 2015 – March 2016)

The Citizens League Metropolitan Council Task Force has examined a broad range of issues including planning responsibilities, policy development, operations, and governance structure during these past six months. I agree with the Task Force recommendations of returning to the pre-1994 staggered terms and the proposed changes to the nominations process for any gubernatorial appointments. However, the majority report recommendations falls short at getting at the core problem of the governance structure of today's Metropolitan Council—that is—absolute centralized control through complete gubernatorial appointment. By doing so, the majority report also does not effectively meet the Task Force's own objective (as described in its project description) to “*recommend a set of actionable solutions that will address the concerns while persisting to represent the Metropolitan Council's regional view.*” The majority report did not address the more substantive concerns of a growing number of critics.

The number of legislative bills calling for reforms to the governance and operations of the Met Council, while introduced every year, has greatly increased in recent times. Ideas range from authorizing studies to increasing oversight to outright restructuring of the appointment process. These bills have not only been simply introduced, but are being heard in committees and are being passed as both bipartisan and bicameral measures. In addition to state level action, calls for reform have been gaining momentum at the local government level among metropolitan cities and counties who work closely with the Met Council on a day-to-day basis. A local county and city coalition has been meeting since 2014 to discuss and provide ideas to improve the situation. Dozens of city councils and county boards have passed resolutions supporting changes to the appointment process to give them more direct control over their own regional governance.

The issue is ripe for more meaningful action and it is in this regard that I encourage careful consideration of these more substantive **additional** solutions:

1. Decentralize the power structure by shifting the appointing authority of at least a majority of Metropolitan Council members from the governor to local governments—cities and counties.
2. Require at least a majority of the Metropolitan Council members be current local elected officials from the cities and counties.
3. Have the Chair of the Metropolitan Council be elected from the body rather than appointed by the governor.

What is the Problem with the Current Governance Structure?

In short, the governance of the Metropolitan Council has devolved from a truly metropolitan collaborative planning and problem solving organization to become just another state agency under the complete control of the governor's office. The Met Council's scope of authority in planning, operations and policy setting has greatly increased over the past half century while at the same time its governance structure has narrowed and become more captive to the changing winds of state-wide partisan shifts. There is little disagreement that when it comes to issues of any significance it is the governor who through their appointed cabinet level appointed commissioner (the Chair) calls the shots at the Met Council.

The original Met Council tackled finite problems, such as wastewater treatment, making recommendations upward to the legislature and governor for approval and then implementation. Today, the Met Council takes its orders from the top-down. A governor is elected ostensibly on a platform or agenda and the Met Council is viewed as yet another tool in the toolbox for implementing that agenda. It does not matter who the governor is or what political party they hail from; the key is about maintaining executive power to implement an agenda for which they feel they were elected to enact. The Met Council has become the de facto "Department of Metropolitan Affairs" with its Department Commissioner (the Chair) with only its unique Board of Advisors (the Council) making it different.

The 16 members of the Metropolitan Council are appointed by the governor from 16 geographic districts whose boundaries are drawn from within the seven county metropolitan area. While this may achieve the goal of geographic diversity, it does little to stimulate a diversity of opinion which is the foundation of rigorous debate and wise inclusive decisions. Governors appoint like-minded individuals who will support the agenda for which they believe they were elected to enact. Groupthink rules within a narrow political band. There is no real metropolitan independence. There is no real metropolitan advocacy. There is no real metropolitan leadership.

Top-down or Bottom-up?

The democratic process is ugly. So many competing opinions derived from such divergent backgrounds and world views create a chaotic and difficult environment to get anything done. Democracy is inefficient, frustrating, cumbersome and costly. And at the end of the day all we have to show for this exhaustive exercise is public policy and law that no one fully agrees with...BUT somehow we abide.

When people feel they have had their say—that they have had every fair opportunity to be heard and influence decisions and direction—they can live with the result. Buy-in is a powerful force for ultimate agreement and the common good. However, feeling shut out, ignored, disregarded in meaningful ways leads to dissatisfaction, resentment and a rejection for the legitimacy of the decisions. Dictation and fiat rule are short lived and often dismissed or overturned at the first opportunity. It's an amazing thing which thousands of years of human history have proven true—the more difficult the journey, the more enduring its legacy. Democratic debate works.

I am not suggesting that the governor is acting undemocratically. I am however, asserting that the legislatively approved statutory Met Council appointment authority is top-down state-wide agenda driven. I am of the firm belief that it ought rather be organic bottom-up true regional governance by the consent of the governed. I am willing to sacrifice the easier process efficiency of dictate for the difficult journey of democratic participation.

Rather than the Met Council being a regional entity advocating its interests to the state legislature and governor the Met Council is the agency imposing the governor's agenda on the region. This is backwards and the long-term effect undermines the political legitimacy of the entire notion of regional governance.

Why Does Constituency Matter?

Everyone, whether in the private or public sector, answers to someone—that someone is their *constituent*. It is those constituents who must be pleased in order to keep doing what it is I am doing. For a business owner it is the customer. I must treat them well, cater to their desires and keep them happy. If I am an employee my constituent is my boss and secondarily the customer. If I am hired by a board of directors to run a business, they are collectively my primary constituents and customers and employees are secondary.

This constituency trail applies to government as well. If I am elected to public office it is the voters of my district who are of paramount importance. I am not suggesting that we completely ignore the influence of political parties, organized associations or money in politics, but it remains that voters have the final say. While I may choose to disregard these other pressures, to consistently ignore the needs and desires of “those who bring me to the dance” will soon get me unelected.

Lastly, appointed public office follows the same rules of constituency. In the case of the Metropolitan Council the members, and chair, are all appointed by the governor. While there is a nomination process in place for advancing applicants for the governor's consideration, the fact remains that the governor has the full statutory powers to appoint anyone from within the 16 Met Council “representative” districts they so desire. The governor may also “unappoint” to a second term or even fire mid-term if they so choose. This is allowed by law and is what is meant by serving “at the pleasure” of the governor.

This process clearly shows that the constituency of Met Council members is NOT the arbitrary geographic districts where they happen to reside, but rather they have a constituency of one—the governor, to whom they serve at the pleasure of. Many times you will hear Met Council members introduced by themselves or others as “representing” a particular district. With no disrespect to the members, the fact is that while they mail hail from a particular district, they do not “represent” that district. Their sole constituent—the one whom they actually represent—is one person—the governor. The district is of secondary influence or maybe none at all depending on how much weight a particular appointee gives to it.

A Recipe for Alienation

This combination of top-down governance answerable to a singular constituent has left many metropolitan citizens and local governments on the outside looking in. With regard to citizens, a vote cast for governor once every four years cannot honestly be treated as a linkage to Met Council accountability. The electorate by and large simply does not factor in metropolitan regional governance and the appointment of Met Council members into their vote for governor. Most of the public has no idea what the Met Council really is, what they really do, who is on it, how they got there. And it's no wonder when citizens are not really "represented" by Met Council members.

The original 1967 Citizens League Report calling for the creation of a Metropolitan Council contained a minority report in which its author, Peter Seed outlined a shortcoming of the majority report governance proposal which did not include bringing local elected officials into the decision making process. He stated in part, *"To simply impose upon them another layer of government and not make them a part of it is to invite alienation."* Half a century later his foresight rings true. Many local governments today feel alienated by a state imposed layer of government they have little to say about.

A Solution

The answer for credible regional governance lies in greater democratization over the member appointment process. The Met Council should be accountable to a broader regional constituency and not to just one person. The old model crafted in 1967 and changed for the worse in 1994 with co-terminus terms will not suffice in 2016. The current concentration of power excludes so many stakeholders from governing their own affairs. It instead embraces political agendas without the ongoing competitive marketplace of ideas. **It is regional governance without the region.**

To decentralize the power structure would require establishing lines of constituency (accountability) which trace to more than just the governor. Remember, who you answer to matters. A local government coalition of suburban counties and cities, of which I am a participating member, have proposed that **at least a majority of Met Council members be currently elected officials appointed by either their own county boards, in the case of counties, and through some districting mechanism in the case of cities.** The overall size of the Council may change, but as long as it is a manageable number this is relatively unimportant.

It is also crucial that the Chair of the Met Council be elected by the Met Council members themselves rather than the office being a gubernatorial cabinet level appointment as it is today. This reinforces the independence of the Met Council to act regionally as it is intended to do. The Chair would be duty bound to promote metropolitan regional interests TO the governor rather than receive marching orders from above.

This appointing authority element is critical. It is not enough to simply have the governor appoint mayors, city council members or county commissioners to the Met Council. The old lines of constituency would still trace back to one person. It is the appointing authority which must be removed from the governor and placed in other hands—a more diverse broader group.

Let me be clear, I am not proposing the direct election of Met Council members by the voters. This opens up other issues and would be an extreme measure on one end of the pendulum where our current system of all appointed occupies the other. I am advocating a responsible balance between the two which selects the best attributes from both extremes.

Once you have established the independence of the Met Council from absolute state control it would be free to plan, initiate, debate, vote, implement and operate an agenda that is truly metropolitan.

Won't Parochialism Win Out Over Regionalism?

There persists a notion that only the governor, who is above the fray, can clearly see and act regionally through his appointments and that local elected officials can only think and act on behalf of their narrow parochial interests and are unable to “act regionally.” This may be true or it may not, but either way it's just fine.

First, let's assume local elected officials **can serve** their city and county constituencies and at the same time make decisions for the betterment of the region. After all, how do city council members, elected from wards, make decisions for the good of the entire city? How do county commissioners, elected from districts, make decisions for the good of the entire county? How do state legislators, elected from districts, make decisions for the good of the entire state? They represent. They debate. They vote.

You may argue that these examples are singularly representing districts on one body and this proposal has them serving on two at the same time—their local seat and a Met Council seat. My response is that they serve now in multiple capacities through joint powers boards, coalitions and commissions. There are many examples of this such as the Counties Transit Improvement Board (CTIB), the Solid Waste Management Coordinating Board, the Metropolitan Mosquito Control District, the Transportation Advisory Board (TAB—part of the Met Council itself), just to name a few. Counties and cities come together to populate governing boards for the Minnesota Valley Transit Authority and the Metropolitan Emergency Services Board and even 911 communications centers—all for the benefit of regional systems. Why would we believe a parochial food fight would permanently paralyze the institution because these same people were working on regional plans for roads, transit, sewers or parks?

Now, let's assume local elected officials **are fiercely parochial** in their views and look at the region only through their self-interested lens. Then we have competing interests, proposals, debate, persuasion and votes. That's democracy and as I've stated at the beginning of this report it may be messy but it is certainly not to avoid, but rather to embrace. Put all the ideas on the table, argue your interests, vote, move on. In the long run, this is the process that builds communities and nations—not paternalistic condescension.

Either way, local elected officials occupying some of the seats on the Met Council will not cause us to descend into anarchy and tribalism. On the contrary, it will bring about a boost in credibility and political legitimacy.

Lastly on this matter, do we just assume that it must be good for the region simply because it is promulgated by the governors appointed representatives? Do we really believe a governor's agenda won't benefit some communities at the expense of others? How do we know it is good for the region? Because we are told so? Of course not. Isn't it preferable to debate the merits of our own local interests and make our own decisions rather than be governed by the professed benevolent dictates of an outside power?...and then be told it is for our own good because we are all incapable of participating in our own regional governance!

What About Compatibility of Offices and Conflicts of Interest?

There is a legal principle known formally as Compatibility of Offices which determines whether one person may hold specific combinations of elected or appointed public offices at the same time. There are three levels, or tests, one can apply in determining whether or not two offices are incompatible or not; the Minnesota Constitution, Minnesota statute and Minnesota common law.

There is no Constitutional prohibition against a local elected official dually serving on the Met Council. There is no state law prohibiting it either. Opponents of this proposal rely on the more difficult test of common law to prove their point. They argue a conflict of interest arises from holding two public offices—one elected and one appointed. Of course this argument is never raised when local elected officials serve in the myriad of dual regional roles previously cited.

While conflicts can and do exist, the test is whether the two offices are incompatible when comparing the rights, duties and obligations of each office. It is commonly recognized that advocating for planning or project funding that primarily benefit one area of the region does NOT create conflict of the type that prevents elected officials from carrying out their fiduciary duties to both boards.

An example of managed conflict arises directly from the Met Council itself. One argument is that overseeing both planning and operations as well as funding decisions for competitive transit dollars with other agencies creates an internal conflict. Those who favor the efficiency of combining planning and operations are willing to manage the difficult conflicts when they arise because the public policy benefits are so great. I'm not arguing for one side or another on this here, but I raise the point to show that conflicts exist and that they can be managed if the benefit is agreed to be worth it. **I believe we can manage any conflict which arises and that a decentralized governance structure of the Met council is worthy of that effort.**

Some would argue that if local elected officials were on the Met Council they would be serving as both the *regulator* and the *regulatee*. It is true that the Met Council does have limited regulatory functions. However, they are structured to encourage regional compatibility and

consistency rather than setting standards to be measured against. Furthermore, for the things that are regulated (e.g. sewers) the public interest will clearly and always outweigh the interests of a single municipality.

Isn't this just a Council of Governments Model?

Some opponents would argue that putting elected officials on the Met Council is simply a Council of Governments (COG) model and that this model is a proven failure around the nation. Clearly, COGs involve local governments in planning the future of their regions which I have said is of great benefit. Before we throw out the entire Council of Governments concept, let's explore it in more detail. What exactly are the attributes of a COG and why is there such a negative reaction among some Minnesota policy leaders? Perhaps we can glean the positives and leave the negatives on the cutting room floor. It is said that COGs are too large and unwieldy. Many include representatives from every local government in the region. In our case that would lead to nearly 200 members so I get their point. However this is a function of how the COG is structured rather than the fact that elected officials serve on it. Who's to say we can't limit the number to a manageable size and still provide proportional balanced representation? Maybe a weighted voting system with urban-suburban coalition requirements as is used with the Counties Transit Improvement Board (CTIB)? It can be more complex to manage but it achieves so many more good governance objectives.

It is said that COGs lack authority and are therefore ineffective and that our Met Council is able to accomplish great things for the region due to its legislatively granted powers. So what would change if the members of the Met Council were independently appointed by local governments rather than the governor? The Met Council would still have all the authority granted by the state. This argument is clearly not applicable.

Other issues raised are along the lines of parochialism and conflicts of interest which I have already addressed earlier in this report. Once we examine and agree on what it is about COGs we don't like we can mitigate those issues and still keep the best part—local voices debating and deciding issues governing their own region.

What about the Metropolitan Planning Organization (MPO) issue?

Our Twin Cities Met Council is unique in many ways. In fact, our Met Council also serves as the federally certified Metropolitan Planning Organization (MPO) designated to receive and distribute federal highway funds. There are 404 MPOs in the nation. 403 have elected officials on them to oversee this public policy function. One does not—ours.

Instead, over the decades Minnesota has successfully appealed to federal officials for a grandfathering waiver of the requirement to have a majority of elected officials serve on the MPO. Although many great legal minds can debate whether or not this grandfather waiver is still valid under evolving federal law the Met Council retains its designation. The State of Minnesota relies on the fact that the appointed Met Council has in turn appointed a Transportation Advisory Board (TAB) to make recommendations on federal funding to the full Met Council for final approval. The TAB is comprised of a majority of local elected officials. So we have a group of duly elected public office holders seeking approval for their

recommendations to an appointed Met Council. This political dynamic is upside down and ought to be corrected by properly appointing the elected office holders to the policy making body in the first place—the Met Council.

In responding to legal questions surrounding the MPO certification of our Met Council, the Federal Highway Administration upheld the designation. However, in the same letter dated August 3, 2015, they also clarified that it is Minnesota’s decision but, “...we would encourage the Council to move toward the structure described in 23 U.S.C. 134(d)(2) in order to make the MPO more directly accountable to its public...” [Emphasis added]

It has been said that since our Met Council is so much more than just an MPO, it is rightly set apart from the other 403 MPOs and that it’s grandfathered status is justified. I would argue just the opposite. Since our Met Council does in fact do so much more, with roads and transit, wastewater treatment, regional parks, housing, and other wide ranging powers, that this is all the more reason to ensure a broader constituency is participating in a democratic process. All of these functions are out of the hands of elected regional leaders and concentrated in a state agency directly controlled by one person.

What about the Time Commitment?

It is said that the magnitude of jobs, both local elected office and Met Council member would be too much for one person to handle. For some this would undoubtedly be true. But consider that there are seven counties and 182 communities multiplied by their numbers of members. There is a pool of nearly 1,000 potential Met Council members to fill just over half of the seats. Just as mayors and county board chairs shoulder extra duties, surely there are a handful willing and able to step up for additional regional governance. Let’s not decide this for them.

A Word about Staggered Terms

No doubt, a clear example illustrating the difficulty in reclaiming executive power is the term of office issue. The power to appoint was granted at the creation of the Met Council in 1967. At the time this was simple, straightforward and it seemingly avoided many of the more difficult issues of appointment and representation. Appointed terms of office were staggered with half being appointed every two years.

Over time governors expressed frustration with accountability—translation: control. A major reorganization bill passed the legislature and was signed into law in 1994. Among the many changes was the elimination of staggered terms and the beginning of co-terminus terms for Met Council members. This meant that governors would no longer have to suffer the hold-over appointments of a previous governor, but could immediately clean house and redecorate with all like-minded members. The *accountability* that was sought was merely a shift in control completely into the hands of a current governor. The transformation into a state agency was complete.

Recognizing the error of their ways, and the institutional instability these *house cleanings* caused, the legislature passed two bills to return to staggered terms both in 2008 and again in 2012. Both passed in the House and Senate with bipartisan majorities only to be vetoed by

two different governors of two different political parties. The veto letters of Both Governors Pawlenty, a Republican, and Dayton, a Democrat, cited the 1994 co-terminus “reform” legislation’s intent as being to “*increase Met Council accountability.*” I would say there are two words missing if the governors were to be completely honest...they should have added ...*accountability*” to me.” Met Council members have always been accountable to someone. It’s just a matter of to whom.

While I fully understand that this perceived need to preserve executive power will be difficult to overcome however good government demands it.

Conclusion

Those who are satisfied with the status quo, or with merely nibbling around the edges, would lock us out of charting our own regional destiny. Let’s look to the future. Do we think that elections will become less or more partisan? The trend is markedly towards more partisanship and political divisions. This back and forth ideological battle will hold our regional governance captive as governors come and go and they *clean house* again and again. This is their right under current law.

It should be made very clear that these recommendations are in no way meant to denigrate or even criticize any past or present policies of the Metropolitan Council, the appointed members, the Chair or the Governor. It is my hope that these recommendations are accepted entirely in the spirit of seeking the best organizational framework for our civic institutions.

I had hoped to persuade this Task Force of the necessity to break free from this cycle and govern our region locally with our own elected policy makers answerable to us, the elected officials within the region being governed. Again, while I agree with the Task Force recommendations surrounding staggered terms and the nominations process it just doesn’t address the concerns of a great many local government officials as our Key Objectives had strived to do. It simply doesn’t cure what ails the patient. I would urge state legislators and the governor to look closely at the issues of Metropolitan Council governance and conclude, as I have done that we can do much better through greater democratic participation.

Chris A. Gerlach
Dakota County Commissioner
Apple Valley & Rosemount

Signatory of Citizens League Task Force member in support of this Minority Report:
Mr. Bill Hargis, Vice President and Broker, Growth Resource Partners LLC; former Mayor of Woodbury

I would like to offer my thanks and respect for the courtesy and great discussions by the other members of this Task Force. The great thing about democratic participation is that although I failed to persuade you this time I know there will other opportunities somewhere along this journey.

I would also like to extend my thanks to the Citizens League staff and interns who guided this process. Sean Kershaw, Executive Director and Pahoua Hoffman, Policy Director, have encouraged a thoughtful debate of the issues. The issues I have developed and the arguments I have refined would not have been possible without your exceptional efforts.

Chris A. Gerlach

APPENDIX



APPENDIX

TASK FORCE MEMBER COMMENTS

Members of the Citizens League task force as well as Citizens League interns were encouraged to submit additional thoughts in their own words on the study committee process, the discussions, and/or the final recommendations. Below are the statements that were submitted for inclusion in the final report. (*In alpha order.*)

1. Statement of Steven Dornfeld

I strongly support the task force recommendations relating to the selection and terms of Met Council members. The Council should **not** be transformed into a Council of Governments (COG), with local government officials selecting or serving as its members. The Twin Cities metro area has benefitted greatly from having a Council that develops *regional* solutions to *regional* problems that transcend city and county boundaries.

However, I am disappointed that the task force did not address the troubling fragmentation of responsibilities for the governance, planning, funding and operation of transit – a problem highlighted in a 2011 report of the Legislative Auditor.

The problem is particularly acute with respect to the development and implementation of transit capital improvements. To the best of my knowledge, our metro area is the only one in which one government entity (a county rail authority) conducts the “alternatives analysis” in a transportation corridor, makes a recommendation and then turns the project over to another entity (the Met Council) to pursue state and federal funding, complete the engineering and undertake construction.

This system provides unhealthy incentives for counties to minimize problems and costs associated with their pet projects, and push for their development – whether or not they are regional priorities. Projects big and small – from the \$320-million Northstar commuter rail line to the \$6.2-million Newport transit station – are examples of county-driven projects that have proven to be enormously expensive given the modest number of riders they have attracted.

The fragmentation problem was made worse in 2008 when the Legislature authorized the metro counties to levy a quarter-cent sales tax for transitways and to create the Counties Transit Improvement Board (CTIB) to help fund them. This has greatly increased the counties’ ability to pursue their own parochial interests and has undermined the Met Council’s role as the lead planning agency for the region.

Over the last several years, CTIB has gone further – using its grant-making powers in an effort to micromanage the Met Council’s planning and construction activities. Duplicating the approach of the Federal Transit Administration, CTIB has hired multiple consultants to oversee transit projects and pepper the Met Council project staff with questions. I doubt this sort of duplication of effort and expenditure of taxpayer funds was anticipated when the 2008 legislation was enacted.

Well intentioned as its members may be, CTIB provides a vivid example of why COGs are a bad idea.

2. Statement of Jim Erkel

The task force repeatedly heard the criticism that the Council is not accountable. The issue was usually raised by those who did not get something they wanted or to which they feel they have some form of entitlement. Often, the issue highlighted the continuing confusion about whether the Council is a regional advocate acting on behalf of the region’s residents or simply the provider of regional services to local governments. The argument about accountability is that the Council is appointed by the Governor but going to the Governor with a complaint is almost always unlikely to result in a satisfactory solution. The criticism has some merit since Governors have variously supported, opposed, or been completely indifferent to the region and its development. However, the criticism is too narrowly directed. After all, the Council is a political subdivision of the state. If a remedy is not available from the executive branch, one may be secured from the legislative branch.

The history of the Council reflects almost 50 years of legislative tinkering and refinement. The result has been that the Council is whipsawed and second-guessed with the ebb and flow of regional issues and the changing political alignment of the executive and legislative branches. As Steve Dornfeld notes in his statement, this problem is most clearly highlighted by the twists and turns the Legislature set in the Council’s path in regard to the planning, construction, and operation of light rail. During one notable stretch, the Legislature prohibited the use of public funds on light rail, switched course and allowed counties to plan for light rail, then ordered the Council to assume control when the counties actually began to proceed with plans and funding for light rail construction and operation. This constant stop-start and right-left has been neither orderly nor economically efficient.

The most recent example relates to regional planning for water quantity. In 2005, the Legislature directed the Council to prepare a metropolitan area master water supply plan that would meet the region’s needs. In preparing the plan, the Council would consult with an advisory committee consisting of several state and local officials. In the next 10 years, the Legislature returned to the issue of planning for the region’s water quantity needs six times. Most significantly, the Legislature first required the Council’s plan to be approved by the Minnesota Department of Natural Resources and then completely flipped the planning process by removing MNDNR’s decision-making role and instead making the Council’s plan subject to approval by the advisory committee. The problem for the Council has really been too much of this kind of ‘accountability,’ rather than not enough.

3. Statement of Shannon Watson

I was honored to be included in this task force, as the representative from the Citizen's League (now defunct) Emerging Leaders committee. I thoroughly enjoyed my time learning with and from the other task force members. While we did not always agree on every issue, I believe that a spirit of collegiality and respect for the process was evident in our work.

Credit should be given to the Citizens League for having the political legitimacy to gather a significant group of diverse individuals, representing multiple stakeholders, so successfully into one room. I am a daily transit commuter, and I bought my current home specifically because of the greenline route, so I was far from being an unbiased participant. But not having a constituency to represent – either implicitly or explicitly – I had a unique approach to this project. I was able to advocate for consensus and process rather than making sure a particular point of view was represented or a particular benefit was protected.

I am further grateful for having had the opportunity to listen to the late former Congressman Marty Sabo speak about this history of the Met Council during the very first meeting of this group. I am not a native Minnesotan so this was particularly important to me. I was so impressed listening to his stories about legislation when he was the Speaker of the Minnesota House. He could recall who voted against an amendment even though the vote had taken place before I was born.

The Met Council is big and complicated and hard to understand, even after six months of study. It is important that the Council work to increase awareness of its function to its stakeholders and citizens in its footprint. There is an often-repeated “fact” that citizens are upset by the lack of accountability of the Met Council members, but I don't necessarily believe that is the case, as no actual evidence can be produced to support that idea. I would encourage elected officials representing local governments to find a way to make peace with the appointed members of the Council. While this is a position of power that is achieved without election, legitimacy can be measured by more means than just the ballot box. When the region as a whole has to be represented, sometimes direct election is not the best way to ensure a regional perspective and approach is protected.

The true issue at hand is over Power and Money, and that struggle will always continue, as it always should.

4. Statement of Kate Weyenberg, Citizens League intern from University of St. Thomas

As a Citizens League intern, I had the opportunity to observe and assist throughout the course of the Metropolitan Council policy project. Before I started working with Citizens League, I was unaware of how truly frustrating and accomplishing the policy process can be. This project opened my eyes to the workings of a Task Force and the development of dialogue that can exist between individuals with varying backgrounds and ideologies. I not only learned that voicing my opinion is important, but I also learned the significance of listening. Ultimately, I understood that communication can bring about change in unexpected ways and that looking further into the intricacies of public policy can transform society for the better. I want to thank Pahoua, Sean, and the entire Metropolitan Council Task Force for advancing my education and furthering my motivation to be involved in a future political journey.

BACKGROUND: TASK FORCE MEMBER BIOS & MEETING MINUTES

Task Force Member Bios

In alpha order

1. Ms. Susan Arntz, City Administrator of Waconia (Co-chair)

Susan serves as City Administrator for the City of Waconia, since 2001. Previously, she served as Assistant City Manager in New Brighton and Assistant to the Administrator/Economic Development Coordinator for the City of Chaska. She's been a member of the Metro Cities Board of Directors, League of Minnesota Cities, Chair of the Education and Outreach Committee for the Minnesota City/County Management Association, and a Statewide Taskforce on Annexation. She is a Credentialed Manager and has a Master's Degree in Public Administration from Hamline University and a Bachelor's Degree from Augsburg College.

2. Mr. John S. Adams, Professor Emeritus of Geography, University of Minnesota

John S. Adams is Emeritus Professor of Geography, Planning & Public Affairs at the University of Minnesota. His professional and civic work focused on the American city, regional economic development, migration, housing markets, urban transportation, and urban development across the United States. At the U of M he worked with applied research and community outreach programs of the Center for Urban and Regional Affairs, the Minnesota Population Center, and the Center for Transportation Studies focusing on land use, transportation, and long-term regional economic development challenges facing the Twin Cities and Minnesota's other major urban areas.

3. Mr. Peter Bell, Former Met Council Chair (2003-2011)

Peter Bell is the former Chair of the Metropolitan Council. Prior to his position at the Metropolitan Council, Peter was executive vice president of Publishing & Educational Services (PES) at the Hazelden Foundation in Center City, Minnesota. Before coming to Hazelden, Peter was the cofounder and, for 15 years, executive director of the Institute on Black Chemical Abuse. He was appointed to serve on a commission to the White House Conference on a Drug-Free America, and to a congressionally-created national commission on drug-free schools.

In addition to his work in chemical dependence, Peter served for five years as executive vice president of corporate community relations of TCF Financial Corporation. Peter has or currently serves on the board of directors of numerous local and national social, civic and business organizations, including TCF Bank, The Citizens League, Center of the American Experiment, CommonBond, TCRISE!, and was a founding member and chair of the Center for New Black Leadership, based in Washington, D.C.

4. Mr. Steven Dornfeld, Public Affairs Writer and former Public Affairs Director for Met Council

Steven Dornfeld spent four decades writing about and supervising the coverage of government and politics, working at the Minneapolis Tribune as a state Capitol reporter and at the St. Paul Pioneer Press as a reporter, Washington correspondent, political editor and associate editorial page editor. Later, he served for eight years as public affairs director of the Metropolitan Council. Dornfeld earned a bachelor's degree in journalism at the University of Minnesota and attended the University of Michigan on a Knight-Wallace Fellowship.

He has served on the Washington County Parks and Open Space Commission, as well as the boards of the Citizens League and St. Paul Red Cross.

5. Ms. Acooa Ellis, Director of Social Justice Advocacy, Catholic Charities

Acooa Ellis is a champion for equity and thoughtful policy creation. She played an integral role in the reorganization of Saint Paul's Department of Human Rights and Equal Economic Opportunity, the city's most significant commitment to parity in over 40 years. Acooa also helped create the beginnings of what is now known as the Saint Paul Promise Neighborhood, an organization committed to improved academic outcomes in the heart of one of Minnesota's most diverse communities, through an infrastructure of support for children and their families.

Acooa's civic engagement experience includes leadership on the Advisory Board for the Multicultural Endowment Fund of the St. Paul Foundation, as well as the African-American Business Council, a Target Corporation employee resource group with over 1,000 members from diverse backgrounds. She also served as a member of the Citizens League Board of Directors, and chair of its Policy Committee.

6. Mr. James Erkel, Attorney and Director of the Land Use and Transportation Program, Minnesota Center for Environmental Advocacy

Jim is an attorney with the Minnesota Center for Environmental Advocacy and directs MCEA's Land Use and Transportation Program. His work is directed at establishing the public policy platforms and funding mechanisms that support livable, healthy and prosperous communities, make more efficient use of land, broaden transit options to support more choices in how residents live, work, and get around, protect the region's remaining natural areas, and improve the air residents breathe and the water they drink.

Before coming to MCEA, he served as the Director of Land Protection for the Minnesota Chapter of The Nature Conservancy. Prior to that, he was a senior attorney practicing energy and environmental law for a natural resource-based corporation in Los Angeles, California. Jim's professional affiliations include the American Bar Association, the Minnesota State Bar Association, the Urban Land Institute, and the American Planning Association. He earned his J.D. from Loyola Law School, Los Angeles, and his B.A. from UCLA.

7. Ms. Carol Flynn, Former DFL State Senator (District 61 & 62)

Ms. Carol Flynn was first elected to the Minnesota Senate in a special election in February 1990 and was re-elected three times until retirement in 2000. She chaired the Metropolitan and Local Tax Division, the Judiciary Committee, and finally, the Transportation Committee. She also led various joint subcommittees including the State Advisory Council on Metropolitan Governance.

Prior to this, she worked in the Minnesota Department of Employee Relations overseeing implementation of pay equity. She was the first legislative coordinator of the American Federation of State, County and Municipal Employees (AFSCME) in Minnesota and later Associate Director of Council 6 and labor union lobbyist.

In addition, Ms. Flynn was appointed by Governor Perpich to the Met Council (1983-1989) and the Metropolitan Waste Control Commission (1975-1983).

8. Ms. Michele Foster, President at Foster Real Estate Advisory Services, Licensed Broker

Michele Foster, President of Foster Real Estate Advisory Services, has worked in the commercial real estate industry for more than 35 years. She has combined private sector development skills with an intimate knowledge of how the public sector thinks and works, earned early in her career working in the Minneapolis Planning Department and the Minnesota Housing Finance Agency. She joined the development world in 1978, going to work for Opus Northwest LLC (previously Rauenhorst Corp). In 2006 she moved on to CSM Corporation as Vice President, Commercial Real Estate Development, leaving the following year to launch her own firm specializing in commercial real estate consulting and transactions.

Michele has a B.A. in political science from the University of Nebraska-Lincoln and a Master's in Public Affairs from Princeton University. Among her other activities, she served as a member of the Board of Commissioners of the Minneapolis Community Development Agency and has been a long term member of the advisory Development Finance Committee to Minneapolis' CPED.

9. Mr. Chris Gerlach, Commissioner for Dakota County, District 7

Mr. Chris Gerlach is a former member of the Minnesota Senate representing District 37, which included portions of the cities of Apple Valley, Burnsville and Rosemount in Dakota County. He was first elected to the Senate in a July 2004 special election and was re-elected in 2006 and 2010. He served as an assistant minority leader from 2005 to 2006 and 2008 to 2010. Currently, Mr. Chris Gerlach is a Dakota County Commissioner for District 7 (Apple Valley). He has served on the County Board since 2013.

Chris graduated with a B.A. in Political Science from the University of St. Thomas and earned an M.B.A. from the University of South Dakota.

10. Mr. Bill Hargis, Vice President and Broker, Growth Resource Partners LLC; former Mayor of Woodbury

Bill Hargis was Woodbury's Mayor from September 1993, through 2010 and prior to that was on the City Council. He did not run for re-election. He now serves as Chair of the Washington County Housing and Redevelopment Authority. Hargis has served in several volunteer positions in the local and metropolitan communities as well, most recently as Chair of the Regional Transportation Advisory Board.

An attorney and CPA by training, Hargis currently is self-employed with Growth Resource Partners, LLC, as a real estate broker focused on senior housing. He formerly was the Managing Partner/CEO of Good Neighbor, a senior health care provider. Prior to founding Good Neighbor, he was a partner in the law firm of Doherty, Rumble & Butler.

11. Ms. Elizabeth Kautz, Mayor of Burnsville

Elizabeth B. Kautz is currently serving her seventh term as Mayor of Burnsville, Minnesota, having first gained office in 1994.

She recently served as President of United States Conference of Mayors and now serves as a Trustee of the US Conference of Mayors, she is Chairperson for the Council of Regents' St Mary's University, serves on the Board of Directors for Greater MSP, the Governor's Workforce Development Council and for the Local Government Advisory Committee to the EPA Administrator, as well as Co-founder of the Minnesota Regional Council of Mayors and representing Burnsville on numerous local, regional, state, and national boards.

Mayor Kautz received her Master's Degree in Counselling, Psychology from the Alfred Adler Institute of Chicago, Illinois and was awarded an undergraduate degree in Theology with a psychology focus from the St. Catherine University in St. Paul, Minnesota. Mayor Kautz was one of the first women to serve as a Professional Minister within the Catholic Church as Pastoral Minister.

12. Mr. John Knapp, Attorney, Winthrop & Weinstine (Co-chair)

John Knapp is a shareholder at the Winthrop & Weinstine law firm where he chairs the firm's Legislative and Regulatory Practice Group. He represents clients before the Minnesota Legislature and before federal, state and local regulatory agencies in insurance, energy, tax, transportation, and financial services matters. He also practices in campaign finance, ethics, and election law.

He is active in the legal and charitable communities, and serves as Chair of the ABA's Business Law Section Government Affairs Practice Committee. John has been named by numerous publications as a Minnesotan to know, and has been recognized by the Minnesota State Bar Association for his pro bono service.

13. Mr. Adeel Lari, Director of Innovative Finance, State and Local Policy Program, Humphrey School of Public Affairs

He joined the University after more than 30 years with the Minnesota Department of Transportation. Lari's education includes a Master's Degree in Civil Engineering (M.Sc.) and a Master of Business Administration (M.B.A) in Real Estate and Urban Land Economics from the University of Wisconsin, Madison. He has earned certificates in Mediation from the William Mitchell College of Law and in Strategic Public Sector Negotiations from Harvard University.

Lari's Career in MnDOT started at one of the first Traffic Management Centers in the world as a System Design and Traffic Research Engineer. He has spent years studying, championing and implementing innovative transportation initiatives in Minnesota. His initiatives have won numerous awards including the President's Modal Award from AASHTO and the Distinguished Project Award from the National Council for Public-Private Partnerships.

14. Mr. Dan McElroy, President & CEO of Hospitality Minnesota and Executive Vice President of the Minnesota Restaurant Association, the Minnesota Lodging Association and the Minnesota Resort & Campground Association; former Commissioner of DEED and Minnesota Department of Finance

Since January 2011, Mr. McElroy has been leading a coalition which includes the Minnesota Lodging, Resort & Campground and Restaurant Associations. Prior to joining Hospitality Minnesota, he was commissioner of the Minnesota Department of Employment and Economic Development (DEED), which is the principal

economic and workforce development agency for the state. He assumed that role in 2007. McElroy joined Governor Pawlenty's leadership team in 2003 as commissioner of the Minnesota Department of Finance. He later served as the governor's chief of staff before becoming the Governor's senior advisor on innovation in 2005.

Prior to his appointments, McElroy served in the Minnesota House of Representatives from 1995 to 2003. McElroy also was mayor of Burnsville (1987-1994) and a member of the Burnsville City Council (1983-1986). Mr. McElroy served as a Trustee of the Minnesota State College and University System from 2006 until 2012.

15. Mr. Scott Neal, City Manager for Edina

Scott Neal is the city manager of Edina, Minnesota. He joined the City of Edina in November 2010. Prior to assuming the Edina city manager position, Neal held the top city executive position in the cities of Eden Prairie, MN; Northfield, MN; Mt. Pleasant, Iowa; and Norris, Tennessee. Neal has over 27 years of professional experience as a city manager or administrator.

He chairs the Board of Directors of the South Metro Public Safety Training Facility and the Southwest Cable Commission. He is on the board of directors of the Edina Chamber of Commerce, Explore Edina, Municipal Legislative Commission and the Minnesota City/County Management Association. Neal was appointed in 2014 by the Minneapolis City Council to represent them on the City's Internal Audit Committee.

Neal has a Bachelor's degree in economics and a Master of Public Administration degree both from Iowa State University in Ames, Iowa.

16. Mr. Ravi Norman, CEO of Thor Construction

Ravi has been providing Executive leadership at THOR Construction for 10 years, including presiding over their strategic direction as CEO over the past six years. Prior to his promotion, Ravi managed the firm's financial strategy and operations as CFO, as well as facilitated the firm's strategic planning processes and outcomes. Ravi possesses over 18 years of expertise in the areas of strategic management, organizational development and commercial finance. THOR Construction, Inc. a general contractor company based in Fridley averages about \$110 million in annual revenue, making it one of the biggest minority-owned businesses in the U.S. THOR is best known for working wide variety of experience in hospitality, entertainment/multi-purpose venues, retail, education and community focused development.

17. Ms. Sharon Sayles Belton, Vice President of Community Relations and Government Affairs at Thomson Reuters; former mayor of Minneapolis

Ms. Sayles Belton is V. P. of Government Affairs and Community Relations, Thomson Reuters, Legal. Areas of responsibility include Government Affairs, Strategic Partnerships, and Diversity and Inclusion initiatives. In addition she is responsible for Community Relations programs, which include charitable contributions and community volunteerism.

Sayles Belton served as mayor of Minneapolis, Minn., from 1994 to 2001. She was the first woman and first African American elected mayor. She served as City Council President for 4 years and was on the Minneapolis City Council 1984-1994. She achieved national recognition as an expert on public/private partnerships in public safety, neighborhood revitalization and economic development.

18. Mr. Jim Solem, Former Commissioner, Minnesota Housing Finance Agency; Regional Administrator, Metropolitan Council

Jim Solem has worked at every level of government, including the Budget Office of the Secretary of Agriculture, the U. S. House Appropriations Committee, and taught state and local government and directed urban extension programs at the University of Missouri-St Louis. In Minnesota he was Director of the Office of Local and Urban Affairs in the State Planning Agency for eight years, Commissioner of the Minnesota Housing Finance Agency for sixteen years, and for six years, the first Regional Administrator of the Metropolitan Council. He currently serves on the boards of four housing and community development nonprofit organizations. He is a graduate of Luther College and the Humphrey School of Public Affairs, University of Minnesota.

19. Ms. Shannon Watson, Assistant to the Chief Audit Executive at U.S. Bank; member of the Citizens League Emerging Leaders Committee; Founder of Definitely Someday

Watson is the Assistant to the Chief Audit Executive at U.S. Bank, and the founder of Definitely Someday, a firm helping normal people plan for a future run for office. She has two decades of experience in electoral politics where she learned the skills to excel at working with high-profile and complicated personalities. Watson now specializes in long-term planning, calendar management, and logistics. Watson has a Bachelor's in English, Theatre, and Psychology from Wichita State University and a Master's in Advocacy and Political Leadership from the University of Minnesota-Duluth. She lives in St. Paul and is a daily transit commuter to Minneapolis.

MINUTES

Minutes

Met Council Task Force

Friday, September 25, 9:00 a.m. – 1:00 p.m.

Amherst H. Wilder Foundation, Auditorium C & D

451 Lexington Parkway North - Saint Paul, MN 55104

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

Members not present: Dan McElroy

Staff & staff support present: Pahoua Yang Hoffman, Sean Kershaw, and Ellen Waters

Citizens League members and special guests present: Tom Abeles, Sheldon Clay, Pat Davies, Paul Gilje, Patricia Nauman, Wayne Popham, Martin Olav Sabo, Paul Taylor, Deb Dyson

Proposed outcomes for meeting

- Introduce Task Force members, presenters, staff, and other participants.
- Receive Citizens League principles and draft charge.
- Hear from presenters on history of Met Council
- Agree on next steps
- Evaluate the meeting

Minutes

Co-Chairs Susan Arntz and John Knapp called the meeting to order at 9:05 a.m.

1. **Welcome, Introductions, and Citizens League Principles and Draft Charge**

Sean Kershaw, Executive Director of the Citizens League welcomed Task Force members and guests. He called attention to the Met Council Task Force project description and draft charge that was included in the three-ring binders provided to Task Force members. He briefly went over the document including the three phases for the project. Kershaw also cited some Citizens League principles including the importance of stating one's self-interest so that it is transparent and known. He also went over a couple of ground rules for the meeting, which included no tweeting or the use of other social media during the meetings. Since the meetings are open to any Citizens League member, this rule also applies to guests.

Co-Chair Susan Arntz started the introduction by asking each Task Force member to introduce themselves by stating their name and any interactions they may have had with the Met Council in order to provide additional context and information related to their self-interest in serving on the committee.

2. **History of the Met Council**

a. Met Council, Pre-1967 to mid-70s

The presentation was led by Ted Kolderie, Senior Associate, Education Evolving and former Citizens League Executive Director. He was also joined by special guests Martin Olav Sabo, former United States Representative for Minnesota's Fifth District; Paul Gilje, Executive Director, Civic Caucus and former Citizens League Research & Associate Director; and Wayne Popham, former State Senator from 1963-1972.

Kolderie distributed a document, entitled *The Origins of the Twin Cities Metropolitan Arrangement: 19505-1970s* to help Task Force members follow along to his presentation. The document and his remarks consisted of four sections:

- The Recognition of the a "Metropolitan Situation"

- Four Key Questions, Raised and Debated
- The Regional Consensus Proposed to the Legislature
- What Resulted? What Questions Continue?

Recognition of the a “Metropolitan Situation”

The problem the Legislature began to address was the rapidly-growing disparity between the “legal city” and the “real city.” Kolderie noted that earlier on, each community was its own city - a settlement surrounded by a municipal boundary. There were exceptions but after World War II the population in Minneapolis and St. Paul spread into new housing outside the city limits and major new cities, thus creating suburbs. This phenomenon happened all across America. There existed now a visible a “real city” with its urban life systems needing to be planned, developed and operated in a coherent manner. This growth soon became out of scale with the smaller governmental units in the region with the “legal city” becoming a neighborhood of the “real city.” The question was how to respond to this new situation.

Growing Awareness of the Growth

Kolderie shared that in the late 1950s, Gov. Freeman called a metropolitan conference. In 1957 State Sen. Elmer Andersen authored a bill creating the Metropolitan Planning Commission. In 1959 the Legislature created the Minnesota Municipal Commission.

The 4,000,000 by 2000! Preliminary Proposals for Guiding Change report in 1964 got people’s attention. As football and baseball expanded nationally, major league sports also played role in the conversation since each entity wanted to put a team in Minnesota. If Minneapolis and St. Paul were to go separate ways, they would be minor leagues: the 27th and 43rd largest cities in America. If they wanted to think of the region as a whole, the cities together could be the 15th largest city in America.

These conversations led to the recognition that having a first-class metropolitan area made Minnesota count nationally; that the social, economic and political health of the Twin Cities area was essential to the prosperity of the state. As such, Minnesota began to concentrate things within this Twin Cities region: the prison, the State Capitol, the University of Minnesota, the state fair, and soon after, the headquarters of most all the major business and nonprofit organizations.

The Need For Action

By 1958, big decisions had to get made about the layout of the freeways and the groundwater contamination crisis, which revealed that hundreds of thousands of people were burying their sewage *and* drawing their drinking water from their backyards.

The drinking water problem was quickly solved. The sewerage problem proved tougher to fix. The Minneapolis Saint Paul Sanitary District (MSSD) created in the 1930s, had interceptors running to the Pig’s Eye plant downstream, but most suburbs did not think first to contract with the MSSD. Groups of suburbs proposed different solutions. The Legislature was unable to come up with a solution in 1959, 1961, 1963, and again in 1965. In 1963, a frustrated Sen. Rosenmeier put through legislation giving the state commissioner of administration full authority to design and build a system and to levy the costs on the region. Too sweeping an assertion of authority, that law was never implemented.

Kolderie stressed that the succession of failures taught two important lessons: One was about the limited capability of “inter-governmental cooperation.” The other was the need for a regional mechanism able to develop a representative and politically responsible proposal on the basis of which the Legislature could act. After 1965, officials and organizations—public and private—got down to discuss the design of a metropolitan body able to tackle these regional issue and able to create policy consensus.

Four Key Questions, Raised and Debated

Kolderie went through four key questions:

1. *What is the purpose? Why a metropolitan body and what should it do?*
To control urban sprawl? To develop big regional facilities and to run services? To shape a consensus for the Legislature on regional problems? All of these? Some of these? In what priority?
2. *What geographic area should be covered?*
The original five-county area? The seven-county area?
3. *Who or what is to be representing?*
Units of local government? Citizens? A mixture of the two?
4. *How should its members be selected?*
This question connects to decisions about the “representation.” The thinking was that if it was to represent the public, members would presumably be elected. If it was to be a “council of governments” then presumably members would be appointed by the local governments.

Kolderie reported that the Citizens League began identifying these questions in its report on the Metropolitan Planning Commission, which led to the shaping of possible answers in the study committee work of 1966-67.

The Regional Consensus Proposed to the Legislature

After broad debate and discussion, what emerged was built into the bill proposed by Sen. Ogdahl and Rep. Frenzel.

What is the purpose? Why a metropolitan body and what should it do?

The idea was not to abolish local units and create a consolidated regional government. Kolderie reported that this had been tried in Cleveland and St. Louis and had been overwhelmingly rejected by the voters. This vision was that this metropolitan agency should be a “state-created local agency” charged to deal with matters of regional significance only – those raised by proposals from regional bodies or state agencies or local governments and perhaps even by private entities.

The idea was to provide a kind of “architect and general contractor” function to guide those developing the region. There was much disagreement as to whether this should involve consolidating the regional entities: sewer, airport and (by that time) transit into an “operating” council, or should the agencies be left intact, removing only their independence. In the end the Citizens League study committee proposed the “operating council” and the legislators accepted this for their bill.

What geographic area should be covered?

Kolderie reported that there was no disagreement about using the seven-county area.

Who or what is to be representing?

The consensus was that this council would represent people—the public—with a system of equal-population districts. The 1960s witnessed a change in representation; old arrangements representing geographic areas giving way to equal-population districts. The consensus came together at the St. Thomas conference in November 1966. Kolderie noted that the counties, late to the metropolitan discussion, were the principal dissenters.

How should its members be selected?

Rather than create new equal-population districts, Sen. Ogdahl and Rep. Frenzel used the state senate districts as the Council’s districts. An election process was implied.

Kolderie reported that in the 1967 session, the Legislature departed significantly from the regional consensus. Midway through the session, outstate conservatives and a minority of Twin Cities area legislators introduced a bill (the Rosenmeier-Albertson bill). As the session ended, Frenzel compromised and accepted its gubernatorial appointment, amending it to add district representation.

The final bill:

- Created just the Council; charging it to return the following session with a solution to the regional sewerage problem. It did not address questions about development, facilities, and services.
- Used the seven-county area as the area of metropolitan jurisdiction.
- Adopted the concept of representing people; creating equal-population districts but combining the state senate districts by twos to create a Council with initially 14 districts members.
- Provided for members to be appointed by the governor within those districts. Amendments offered in both houses changing this to direct election in 1970 were narrowly defeated.

Kolderie reported that in the 1969 session, the Legislature essentially adopted the model of a “coordinating” Council, which had been endorsed prior to the session by a separate Citizens League committee. The legislation created a new Metropolitan Waste Control Commission and left in existence the other regional commissions.

What Resulted? What Questions Continue?

The Legislature created—as a *Pioneer Press* reporter put it—essentially a state agency to oversee metropolitan affairs. The effort to produce a body able to create a “local bill” situation, a consensus on the basis of which the Legislature could act, was successful. Kolderie report that there was some disagreement with the Council’s proposal about the metropolitan sanitary district but, with opponents acknowledging the Council had given them a fair hearing, the Legislature accepted the Council’s recommendation and the sewerage problem was solved. This effort also provided evidence that the system of equal population district representation worked.

By way of further background, Kolderie explained that the 1966 Congressional legislation, aiming to create and implement a coherent “national urban policy” had required each region to create a regional council charged to develop a regional plan against which to review all local applications for federal aid; and had specified the regional council was to be composed of sitting officials of local governments. The Council of Governments (COGs) was one model, but it did not work (and was later taken down by the new national administration that came into office in 1981). Minnesota was the principal state to take advantage of a provision introduced into the Act by Congressman Fraser, who on the floor of the House added language: “...except as otherwise provided by state legislation.”

Kolderie concluded his presentation with a few questions and observations:

- The shift to thinking of the Twin Cities area as one regional has been positive. Minnesota remains about the 16th largest region.
- The challenges today are different but no less important and no less difficult. It is not guaranteed that Minnesota will continue to hold its place at the 16th place. Minnesota needs to think about how to grow a successful economy in this cold, remote location.
- Ask about the consequences of the Legislature converting the Council in the 1990s to the “operating” form.
- Recognize how difficult it is everywhere to introduce a new level of government for the “real city” in between the state and the localities. While officials will acknowledge the need for “a regional approach”, state and local governments will likely want to maintain their authority.
- Local interests may not be regional interests and sometimes not public interests.
- It will take a major, continuing effort to maintain the concept of a Metropolitan Council able to speak forcefully for the regional interest.

Questions raised and comments made by Task Force members included:

- *How do you balance the immediate interest of the present vs. future? Interest of the local vs regional?*
- *How was the Council chair selected before?* Kolderie responded that the Governor would appoint and that he/she should not be a member of the Council but must be a metropolitan person. Even if members were elected, the Governor would still appoint the Chair.
- *We need to better understand the financial interest of various groups.* Kolderie responded that although a lot of money does flow through the Council, the most contentious arguments have been around representation and selection.

b. *Met Council, 1992-1994*

The presentation of Met Council history, years 1992-1995 was given by non-partisan research staffer Deborah (Deb) Dyson, the Legislative Analyst with the Minnesota House of Representatives. Dyson, having heard much of Kolderie's presentation commented that many of the issues have not changed, just the events that trigger them. Since she started working in House Research (1991), Dyson informed the group that she has been asked to help draft bills to abolish the Met Council, change the Met Council, and/or study the Met Council. Dyson clarified that she can only speak to research and work she is familiar with on the House side.

Dyson reported that in 1992, there were many proposals being created to restructure the Met Council. Many were driven by issues related to transportation but also comprehensive planning by local governments and the Council's role in reviewing those plans. In 1993, there were about six different bills were introduced, ranging from turning the Council into an elected body to establishing the Council as a legislative body, separating the legislative function from the administrative functions of the Council, but Dyson reported that what really established the impetus for change was the failure of Metro Mobility. Dyson also referenced a memo she drafted which was distributed to the Task Force members.

The Regional Transit Board had established a new provider for Metro Mobility and the new system did not work causing Metro Mobility riders to be stranded on the streets. The Governor at the time had to call the National Guard to operate Metro Mobility. Due to this, the Legislature established the State Advisory Council on Metropolitan Governance to meet over the interim to figure out what to do.

This Advisory Council was co-chaired by legislators Myron Orfield and Carol Flynn and also included public members of the community appointed by the Governor. The Advisory Council worked hard during this interim period to review proposals from local government associations, state agencies, and citizens on what kind of governance structure would work better.

The final proposal that came out of the Advisory Council was to abolish the Regional Transit Board, the Waste Control Commission, and the Metro Transit Commission and move all the operating functions into the Met Council, creating for the first time not only be a planning agency but also an operating agency. It also included a proposal to make the Council an elected body. Dyson reported that after a long debate, the proposal for an elected body failed by one vote. Days later, a new proposal surfaced providing for a Governor-appointed body but instead of a staggered term, terms were now served at the pleasure of the Governor. This process has remained to this day. A question was asked about the reasons for serving at the Governor's pleasure. Dyson explained that while staggered terms maintained institutional memory, needed for long-range planning, it was unclear who the Council was accountable to, and so the change to serve at the pleasure of the Governor was to establish and underscore that the Council was accountable to one person: the Governor.

Dyson reported that in 1995 the Livable Communities Act was established to provide grants to local government for transit and clean-up for redevelopment and revitalization. It is a voluntary

participation program. The program was originally funded from monies from the Mosquito Control district levy authority, but today, it is mainly funded from general property tax levies.

Also in 1995, another major piece of legislation was around land planning. The original 1976 Land Planning Act was amended to require local governments to review their local plans and make updates every ten years. These are tied to the metropolitan systems plan. Dyson reported that these plans have often created conflicts and controversies because they are based population estimate.

Dyson repeated that all questions she has heard today have always been the questions. She added that while there have been bills to abolish or change the Met Council, there have not been meaningful solutions offered on how and who would manage the different functions. If the Metro Housing Authority were to go away, where would those functions go? The Minnesota Housing Finance Agency does not want it. What should it do with other commissions and councils related to the Met Council?

Dyson concluded her presentation by stating that currently, there does not exist a standing legislative committee with a focus on overall metropolitan concerns. A sub-committee on Met Council accountability and transparency does exist, but it does not go beyond the sub-committee level. Task Force members commented that this could be the reason many legislators are not familiar with Met Council issues. It was also commented that the Met Council does not come before any group.

c. Met Council Committees and related organizations

The presentation on the various Met Council Committees and related organization was given by Peter Bell, former Met Council Chair and a Task Force member.

Bell mentioned that one of the most important activities of the Met Council is the comprehensive planning process. While it can get long and tedious, the comp planning process enables the state to plan in a rational way and make efficient use of very expensive infrastructure. The comprehensive planning includes these four areas:

1. Parks
2. Transportation
3. Aviation (approves MAC capital budget)
4. Waste water

Housing is not part of the Council's comprehensive planning process.

[\[10/05/2015 Clarification: Housing IS part of comprehensive planning. Minn. Stat. sec. 473.859, subd. 2, paragraph \(d\) requires each local government's comp plan to include a housing element. "\(c\) A land use plan shall also include a housing element containing standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low and moderate income housing."\]](#)

[However, unlike wastewater, transportation \(including air transportation\), and the regional parks and open space system, housing is NOT a metropolitan system. This means the Council does not directly control housing but it can comment on a local comp plan's housing element.](#)

Livable Communities Advisory Committee (LCAC)

Bell noted that the Livable Communities program has become a major of area of political conversation. The Livable Communities Act (LCA)—adopted by the Minnesota Legislature in 1995 and administered by the Metropolitan Council—provides grant funding for communities to invest in local economic revitalization, affordable housing initiatives, and development or redevelopment that connects different land uses and transportation. The associated grant program is a voluntary, incentive-based approach to help communities grow and redevelop, and to address the region's affordable and lifecycle housing needs. The Livable Communities

Advisory Committees makes recommendation on where the monies go. Grantees must make progress and sometimes this is unclear.

While the Met Council was established to efficiently plan and build regional infrastructure and run some services, programs like Livable Communities is now dealing with issues of economic equity and allocation of affordable housing.

County Transit Improvement Board (CTIB)

Bell explained that CTIB is joint-powers board made up of elected officials from Anoka, Dakota, Hennepin, Ramsey and Washington counties. A quarter-cent metro sales tax initiated in 2008 provides CTIB with funding to invest into transit projects. There was some resistance about his funding going to Council since counties wanted some control over how those monies were used. Bell estimated that the funding pool may be around the \$95 million range now. Bell added that while this brought new money into the transit system, the governance structure is challenging because the Met Council has to maintain its existing bus system as well as maintain new transit projects. CTIB also wants a hand in operations because it helped pay for this function too. CTIB cannot do anything that is not approved by the Council. Associated with CTIB is the Grant Evaluation and Ranking System (GEARS) Committee, which evaluates all capital and operating grant applications and ranks projects for CTIB review. Counties are represented on GEARS, along with cities from within the counties.

Transportation Advisory Board (TAB) and Technical Advisory Committee (TAC)

Bell shared that TAB was set up, in part, to get around the federal requirement that requires elected officials to be eligible to receive federal funding. Together, the Council and TAB are the designated Metropolitan Planning Organization (MPO) and this qualifies the region for federal transportation planning, operating and construction funds. TAC is comprised of nearly 30 professionals and is an appendage to the TAB. TAC provides technical advice to TAB. Bell reported that there has been a lot of consternation from some suburbs that they are not getting enough transit. Some suburbs have their own system (example: Southwest Transit).

Parks and Open Space Committee (MPOSC)

The MPOSC helps the Council develop a long-range plan for parks. MPOSC works in coordination with ten implementing agencies (counties, cities and special park districts). While state statute stipulates 40% in funding, currently only 12 % is allotted. It was clarified that the state never appropriated enough money.

Bell closed his presentation by stating that the work of this group will be extremely important because the transportation discussion next year will tee up all the same questions but in a major way. With some counties raising concerns about the agreement established with TAB, the interpretation is being carefully reviewed and examined. With this and under issues under review, Bell articulated three possible areas the Task Force could focus its work:

- Governance alone
- Powers – for example, should certain entities be under the Council's jurisdiction?
- Should it still be just the seven counties or should it be nine or a hybrid? If and how should the Council grow beyond its footprint?

3. Next Steps & Evaluation

Co-chair Susan went through the next four meeting dates asking members to raise hands if they were not able to attend meetings. Based on the hand votes, the meeting schedule will stand as published since the majority of members will be able to attend.

After Sean Kershaw explained the Citizens League meeting evaluation process, which will inform staff and Co-chairs if we need to improve meetings, Co-chairs Susan Arntz and John Knapp asked the members to evaluate on a scale of 1-5, 1 being poor and 5 being exceptional. Evaluation of the 18 members present were as follows: 4, 5, 4, 5, 5, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4.5, 4, 4, 4, and 4 Average 4.2.

Final comments included:

- Great discussion
- Wish there was more time spent on today's issues
- Can't tackle today's and future issues without knowing the past

- Let's final tackle the recurring questions
- Important for the average person to know more about the Met Council and these issues
- Let's put a contemporary spin on these recurring issues
- A question was raised about elected officials and compatibility of offices. While it is a common law doctrine in Minnesota, it is observed.

4. **Adjourn**

Co-Chairs Susan Arntz and John Knapp adjourned the meeting at 12:57 p.m.

Approved Minutes
Met Council Task Force
Thursday, October 1, 4:00 p.m. – 6:00 p.m.
Amherst H. Wilder Foundation, Room 2610
451 Lexington Parkway North - Saint Paul, MN 55104

Members present: John Adams, Susan Arntz (**Co-chair**), Steve Dornfeld, Acooa Ellis, Jim Erkel, Carol Flynn, Michele Foster, Chris Gerlach, Bill Hargis, Dan McElroy, John Knapp (**Co-chair**), Adeel Lari, Ravi Norman, Jim Solem, and Shannon Watson

Members not present: Peter Bell, Sharon Sayles-Belton, Scott Neal, Elizabeth Kautz

Staff & staff support present: Pahoua Yang Hoffman, Sean Kershaw, and Joe Dwuznik

Citizens League members and special guests present: Patricia Nauman, Kelly Chaffee, and Pat Born

Proposed outcomes for meeting

- Introduce Task Force members not present at first meeting.
- Approve minutes from previous meeting and review other communications.
- Review project charge and timeline.
- Review Citizens League handbook, pages 4-8.
- Hear from presenters on Met Council statutes.
- Discuss presentation and discuss individuals to bring in for interviews.
- 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, Other Communications, Citizens League Principles and Draft Charge, and Review of Committee Handbook

Introductions

Co-chair Susan Arntz started the meeting by informing the committee that she and Co-chair John Knapp would be alternating the running of the meetings. The next meeting will be run by Knapp. Since Task Force member, Dan McElroy, was not at the last meeting, he was asked to introduce himself and state interactions he has had previously or currently with the Met Council. Co-chair Arntz also mentioned special guest, Mr. Pat Born, the recently retired Met Council regional administrator.

Approval of Minutes

John Adams moved to approve the minutes as written. Jim Erkel seconded the motion. A unanimous verbal 15-0 aye vote passed the motion. Co-chair Arntz informed the committee that the approved minutes will be posted on the Citizens League website.

Other Communications

In addition to the minutes, Co-chair Arntz informed that staff had asked member Steven Dornfeld if he would be willing to draft blog entries for the Citizens League website from time to time that would provide the public a glimpse of the discussions. These would not take place of the actual minutes. A draft blog entry was shared with the committee.

Citizens League Principles and Draft Charge

Co-chair Arntz called attention to the revised project description with draft charge that was distributed. She asked staff member, Pahoua Hoffman, to explain the revisions. Hoffman informed the committee that Co-chair Knapp had requested at the last meeting to strike the word "governance" from the third bullet under the heading "Key Objective of the Metropolitan Council Task Force" because it was too early to limit concerns to just governance.

Review of Committee Handbook

Co-chair Arntz called on Sean Kershaw, executive director of the Citizens League, to walk members through the Committee Handbook, which was included in each member's three-ring binder. Kershaw walked members through pages 4-8 of the Handbook.

2. Debrief of Last Meeting (September 25, 2015)

Co-chair Arntz indicated that she and Co-chair Knapp would like to provide an opportunity at every meeting to debrief the previous one since members will have had time to reflect. A member asked if the work of the committee was to "start from scratch" or should it focus on the current situation. There was general agreement that the work of the committee ought not be from "a blank sheet of paper" but work forward knowing the current situation and challenges. Another member applauded Ted Kolderie's history presentation, but indicated that what was missing were the ten years of the Metropolitan Planning Commission, the entity that preceded the formation of the Met Council. According to the member, it was the existence of this entity and its professional staff that provided for a strong foundation for the Met Council and contributed to its early successes. A question was asked about the difference between the Metropolitan Planning Commission and the Met Council – what was the Council able to do that the Commission was not? The response was the Legislature. The Legislature gave the Council the needed authority to perform its functions. The Metropolitan Planning Commission did not have the same authority. Accountability was also an important issue during that time and the reason for the change to "serving at the pleasure of the governor" that was to make clear who was ultimately responsible.

3. Met Council Statutes

The presentation of Met Council statutes was given by non-partisan research staffer Deborah (Deb) Dyson, the Legislative Analyst with the Minnesota House of Representatives.

Dyson started her remarks by stating that the Met Council is governed by laws and statutes. Minnesota is a Dillon's Rule state. Dillon's Rule allows a state legislature to control local government structure, methods of financing its activities, its procedures and the authority to undertake functions. Given this, the Met Council can only exercise powers granted to it. Dyson stated that the law mandates activities, authorizes them, or prohibits them.

Thirty-nine states employ Dillon's Rule to all municipalities: Arizona, Arkansas, Connecticut, Delaware, Georgia, Hawaii, Idaho, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New York, North Carolina, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Texas, Vermont, Virginia, West Virginia, Washington, Wisconsin and Wyoming.

Dyson reported that the chapter on Met Council statutes is in chapter 473, one of the largest chapters. She added that in addition to this dedicated chapter, there are many other references to the Met Council in other chapters. A term search for the phrase metropolitan council returned ten pages of results, excluding chapter 473. Before going into her presentation on chapter 473, Dyson informed the committee that the Met Council is subject to the Minnesota Open Meeting Law, Government Data Practices Act, Government Records Retention Act, as well as other laws concerning lobbying and gifts.

For her presentation, Dyson referenced a document that was distributed to members that contained the table of content for chapter 473. She then called up on the projected screen the statutes related to the Met Council from [the Office of the Revisor of Statutes website](#). She referenced section 473.123 on the creation of the Met Council and explained that the Met Council is not a state agency but a political subdivision of the state and as such, powers must be delegated to it. It is under this section in subdivision 2a (Terms) that the "serving at the pleasure of the governor" is stated. This specific language was added during the restructuring that took place in 1994. Also in this section is the requirement that the governor create a nominating committee composed of metropolitan citizens appointed by the governor with at least three members being elected officials. Over the years, Dyson stated, other procedures were added to this section when there have been conflicts over the appointments. She went on to mention subdivision 3a, Redistricting, informing members that the statutes require redistricting after each "decennial federal census so that each district has substantially equal population" and follows the same standards for redistricting for elected officials.

After briefly mentioning section 473.125 which gives the Met Council authority to appoint a regional administrator, Dyson went on to section 473.129 which covers the general powers of the

Met Council. A question was asked whether the Met Council has rule-making authority. Dyson responded yes.

Dyson went on to section 473.24, which requires the Met Council to annually prepare an estimate of population for the metropolitan area. She explained that the Met Council is the demographer for the metropolitan area whereas the state demographer does population estimates for the rest of the state.

In section 473.242, Urban Research, Dyson explained that this is the section that authorizes the Met Council to study issues related water supply, refuse disposal, surface water drainage, communication, transportation, and other subjects of concern to the peoples of the metropolitan area. This section has existed since the beginning. She noted that while the history link below this section indicates the year 1975, she said many of these laws existed before this date but this was the year of the recodification—the reorganizing, removing, and incorporating of provisions. If one wants to see the older versions, they would have to look up the 1974 records. A member asked Dyson to provide examples of recent studies. Dyson reported that the legislature has directed the Met Council to study issues related water supply planning. Special guest Pat Born added that typically the governor directs the Met Council to conduct studies. He provided two examples including the transportation and environmental analysis of the Arden Hill Viking stadium site and an economic impact study concerning the closing of two dams on Mississippi River. A member asked if the legislature could direct studies. The answer was yes but that the governor's requests take precedence. The Met Council can also take up studies in response to other entity's request.

A member noted that under this section, it allows the Met Council to study "other subjects of concern." The member gave the example of a report entitled, *Trouble at the Core* (1992), which was a Met Council staff directed report.

Another member asked if there were topics the Met Council is prohibited from studying. Dyson responded yes and explained that there is a specific section, section 473.173 that articulates what is metropolitan significance. Dyson added that there are a set of criteria that the Met Council needs to meet in order to deem something of metropolitan significance. Once something is deemed to have metropolitan significance and requiring a study, state statute permits the Met Council to automatically put a 12-month stop on whatever is planned. Dyson added that there have been times when the legislature has stepped in via legislation exempting projects from metropolitan significance review. Such projects have included the Vikings stadium and before that, the ballpark. A member commented that under this section, the Met Council has broad powers but it often, it does not exercise its full authority and that they believed the Met Council has never halted a project for 12 months as it is permitted to do.

A member asked if there was a statute on how the Met Council might address issues outside its jurisdiction that may have impact on the metropolitan region. Dyson responded that the Met Council only has jurisdiction per statute within the 7-county metropolitan area and cannot assert metropolitan significance outside this area. It was added, however, that there are joint powers agreements with some surrounding areas outside the seven counties.

Dyson went on to state that statutes 473.194 through 473.199 authorizes the Met Council to be a Metro Housing and Redevelopment Authority (HRA). Deb explained that this was originally enacted at the request of a number of suburban communities who did not want to administer it on their own.

Dyson then moved to the planning sections beginning on 473.145. She explained that the starting point for the Council's planning is the development guide. Over the years, the development guide has been called by different names. Currently, it is referred to as the Thrive 2040 Plan. Despite the various names, the core functions of planning have not changed. Dyson went on to explain that the next aspects of planning are the policy plans in sections 473.146 – 473.147. The transportation guide can also be found in 473.146. This is also where the relationship between the Transportation Advisory Board (TAB) and Met Council is articulated and how it meets the cited federal guidelines, authorizing the Met Council to be the Metropolitan Planning Organization (MPO), eligible to receive federal transportation funding. Dyson reported that often there is confusion as to how the Met Council came to receive this special designation, but in 1973, it was Governor Wendell Anderson who designated the Met Council as the MPO. After that, the

legislature enacted a piece of legislation that confirmed this designation and it has been this way since that time. Time to time, there have been discussions eliminate the Met Council or change this structure, but Dyson cautioned that any changes to the Met Council or the TAB should be considered very carefully because it could threaten federal transportation funding for the region.

Dyson briefly mentioned sections relating to solid waste but explained that these are no longer under the Council and that the responsibilities have been moved under the Pollution Control Agency (PCA).

A member questioned that if MnDOT is a state agency, if DNR is a state agency, and MnDOT is a state agency, what happens when they don't agree? Dyson reminded members that the Met Council is not a state agency. It is a political subdivision. It was explained that so far, there have been coordination among state agencies and the Met Council. A transportation example was given that plans are coordinated with MnDOT, set in the transportation improvement plans, approved by TAB and ratified by Council. Different agencies have different relationships with the Met Council, but often there are state and federal laws that helps to solve disagreements. When they cannot solve a disagreement, the Governor may intervened, which has been done.

After Dyson briefly mentioned sections 473.25 (Livable Communities Act), 473.301 (Parks and Open Space system), 473.371 (Transit), 473.39 (authority to issue debt), and 473.501 (Waste water services), she went on to talk about the Land Use Planning Act of 1976, starting on section 473.851.

Dyson explained that this section connects back to the development guides, policy plans, and implementation plans. She added that ties to what is currently happening. The development guide having been updated, the policy plans been reviewed and now metro systems statements have been sent out, which starts the amendment process in each unit of government. She reminded the committee that systems are defined in statute to only include transportation, wastewater, and parks & open spaces. Dyson indicated this was important to remember because under 473.175 (Review of Comprehensive Plans); the Met Council only has authority to require a change in a local government comprehensive plan related to these systems. There have been controversies over the years on how housing developments affect the systems - for example transportation, which is under Met Council purview.

A member asked for clarification on the Met Council's authority to require local governments to comply with Council plans not just the system itself. The response was that the Council may require modification of a plan if it relates to a system in which the council has the authority. It was further clarified that the Council may require modification of a comprehensive plan if it substantially impacts on or substantially departs from the plan for a metropolitan system, not the metropolitan system itself.

Dyson read aloud the section pertaining to this under 473.175 subdivision 1, "*The council may require a local governmental unit to modify any comprehensive plan or part thereof if, upon the adoption of findings and a resolution, the council concludes that the plan is more likely than not to have a substantial impact on or contain a substantial departure from metropolitan system plans.*" Dyson added that in practice over the years, there have been negotiations and exercises in judgement in this area.

After Dyson concluded her presentation, Co-chair Arntz asked special guest, Mr. Pat Born if he had any comments for the committee. Born began his introduction by stating that he is a Citizens League board member nominee. He commented that he has read the draft charge of the Task Force and at this early stage, it is quite broad. As the committee begins to narrow its charge, he wanted to provide his thoughts and opinions:

- To a previous question about whether the committee should start with a blank sheet, he advised against this. Instead, he advised the committee to "start with where you are."
- He advised the committee not to waste its time on:
 - Questions of whether the council is doing what it is supposed to be doing. His opinion was that the Council is doing exactly what it is statutorily required to do. That said, he said he does realize there are people who object to what the legislature has authorized the Council to do. The committee should listen to these concerns but through that lens.

- In its history, different Met Councils have taken on more broad authority than others. Councils do channel their governors and they should according to the current governance structure. Most criticism has been associated with this, not legality issues.
- Council operations. Born commented that the group could spend several years reviewing council operations but not sure it would be worthwhile to do.
- Transparency. Transparency concerns are often raised by those who don't like what they're doing. Born stated that statutes require the Council to be transparent with its meetings, meeting minutes, and through advisory committees. It is true that there is less interaction with the general public, but many interactions with cities and counties.

Born highlighted two areas that he thought might be fruitful for the Task Force to consider as part of their work:

- Transportation governance. Born stated that this is a very complicated area with many thinking it is needlessly complicated. However, changing it and making it simpler can itself be a complicated task.
 - He referred the members to the 2011 transportation report by the Legislative Auditor. In particular, he thought the report did a very good job describing who's who, who does what, and the planning process. He referenced a diagram in the report.
 - Born commented that many constituencies want it to be the same so members should expect some disagreement.

A member asked Born if he had roads and bridges in mind or something broader. Born responded that that he thinks the committee should look at the broader transportation topic to include transit, planning, and funding.

- The second issue Born though the Task Force should study is water, which he believed to be emerging as a very important topic.
 - Both supply and quality of drinking water.
 - Cities, the Council, and the DNR are trying to understand the issues and try to figure out what to do. Born stated that some cities will simply run out of drinking water, putting pressure on the region and the growth of the region. It will be a problem but not for everybody. Any proposed solution will have regional impact. Not one area can solve this issue alone.

A question was raised about whether the Council has ever raised the issue of community impact fees. The response was that the Council had not raised it but that local governments have raised this issue.

4. Task Force Discussion

Co-chair Arntz addressed the group that as part of the process of collection information, she, Co-chair Knapp, and staff put together a short list of potential individuals for the Task Force to react to today and to consider bringing in as part of the interview process to get more insight. After staff distributed the list, Co-chair asked if there were other names the group should consider.

Staff member, Pahoua Hoffman, explained that now that some history had been established with the previous meeting, the statutes were now presented at this meeting, the idea was that it could be time to invite outside guests who could provide additional perspective and insight not currently represented on the Task Force – similar to what special guest Pat Born did today. By hearing from additional people, this could help the Task Force refine or redefine its charge and begin to narrow down its work towards recommendations.

A brief discussion on who was missing included:

- Those doing work in underserved communities around inclusiveness and equity.
- Demographer. Knowing what the future looks like will help guide work.
- Elected officials are missing.
- Expert on fiscal issues.
- Transportation governance.

- Housing trends.

It was concluded that more time was needed for the Task Force to discuss what they have heard and the names of possible interviewees before inviting them to attend a future meeting. It was agreed that the next meeting would be reserved for discussion. Co-chairs Arntz and Knapp encouraged members to send potential names into staff with short descriptions. The Co-chairs and staff will prepare an agenda for a productive discussion at the next meeting.

5. **Next Steps & Evaluation**

Co-chair Susan went through the next four meeting dates asking members to raise hands if they were not able to attend meetings. Based on the hand votes, the meeting schedule will stand as published since the majority of members will be able to attend.

After Co-chair explained the Citizens League meeting evaluation process of evaluating the meeting on a scale of 1-5, 1 being poor and 5 being exceptional, the members evaluated the meeting as follows: 5, 4, 5, 3, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4, and 3.5 Average 4.03. Members who evaluated the meeting with lower scores indicated the wish for more time to discuss. There were also comments that the committee did not provide presenter Deb Dyson with enough time.

6. **Adjourn**

Co-Chairs Susan Arntz and John Knapp adjourned the meeting at 6:00 p.m.

**Approved Minutes
Met Council Task Force**

Thursday, October 15, 4:00 p.m. – 6:00 p.m.
Amherst H. Wilder Foundation, Room Auditorium C&D
451 Lexington Parkway North - Saint Paul, MN 55104

Members present: John Adams, John Knapp (**Co-chair**), Steve Dornfeld, Acooa Ellis, Jim Erkel, Carol Flynn, Michele Foster, Peter Bell, Sharon Sayles-Belton, Scott Neal, Elizabeth Kautz, Chris Gerlach, Bill Hargis, Dan McElroy, Ravi Norman, and Shannon Watson

Members not present: Susan Arntz (**Co-chair**), Adeel Lari, and Jim Solem

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

Citizens League members and special guests present: Bright Dornblaser, Kevin Terrell, Kate Weyenberg, and Gabriel Flaa.

Proposed outcomes for meeting

- Approve minutes from previous meeting.
- Approve revised agenda.
- Debrief previous meeting
- Review strategic process chart.
- Discuss critical questions and come to consensus on priority areas.
- Agree on next steps.
- Evaluate meeting.

Minutes

Co-Chair John Knapp called the meeting to order at 4:06 p.m.

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

Introductions

Co-chair John Knapp started the meeting by introducing two student interns: Kate Weyenberg and Gabriel Flaa from the University of St. Thomas who will work under Pahoua Hoffman on the Met Council project.

Approval of Minutes

Co-chair Knapp asked if there were any questions or feedback on the minutes from the October 1st meeting. A member raised a concern that the two sentences at the end of the first paragraph on page 4 of the minutes were inaccurate. Co-chair Knapp suggested that these two sentences be struck from the minutes. Member Bill Hargis moved to approve the minutes with the deletion of the last two sentences from the first paragraph on page 4 of the minutes. Jim Erkel seconded the motion. A unanimous verbal 16-0 aye vote passed the motion to approve the minutes with the deletion of the two sentences on page 4.

Approval of Revised Agenda

Co-chair Knapp asked the group if there were any questions or additions concerning the revised agenda that was sent out the day before. Hearing none, Co-chair Knapp asked for approval of the revised agenda. The revised agenda was approved by a unanimous verbal 16-0 aye vote.

Debrief of Previous Meeting

As usual, time was set aside to debrief the previous meeting. Co-chair Knapp informed the group that he had received comments after the meeting from two members, including one that sent a memo to the Task Force group. The member who sent the memo expressed that he did not feel there was enough time allotted to go through the statutory basis for the Council, which led him to draft the memo. He distributed hard copies of his memo and the corresponding chart that was sent by email. Another member provided feedback on special guest Pat Born's opinions on what the Task Force should and should not focus on, indicating that some of Born's comments seemed counter to what the group is charged to do, which is to come up with an appropriate framework to review the various concerns that have been raised: structure, governance, and/or specific issues

in order to come up with recommendations to address them. The member felt some of Born's comments were too limited. Another member chimed in that while he did not disagree, he felt the time allotted to Born was appropriate and could be a model for future presenters.

2. Review Strategic Process Chart

Co-chair Knapp explained that the purpose the meeting today was to flesh out some critical questions by drawing on the commentary the group has heard in order to begin to prioritize areas for the Task Force to focus on and consider guests to bring in to provide additional testimony. To accomplish the task today, co-chair Knapp called on Sean Kershaw to address the group. Kershaw explained that because the work of the Task Force is so big and important and the timeline so compressed, the Citizens League had envisioned all along to bring on more support to assist the Task Force and the small Citizens League staff. Dowell Management is the firm the Citizens League has retained and individuals from Dowell Management have been present at all previous meetings. Kershaw re-introduced Ellen Watters who was at the first meeting on September 25 and he explained that today, she will moderate the critical questions discussion so that co-chair Knapp can also be a full participant. In the future, Watters may also be joined by Larry Dowell.

Watters walked through the strategic process chart and explained that the schematic represents a roadmap for the Task Force. She thanked the Task Force for their patience during the last two meetings listening to and learning from outside speakers who laid the historical foundation and presented statutory information. While the group will not try to answer the critical questions during this meeting, she explained that by narrowing and prioritizing them today, this will help the group focus in on certain areas and create pathways for the group to go down towards setting final recommendations. The agreed-upon critical questions will also help the group determine other outside individuals to invite to provide additional information. It may also help instruct staff to conduct additional research. Co-chair Knapp informed the group that the critical questions that were sent ahead should not be viewed as an exhaustive list but as a starting place for discussion. Watters asked Pahoua Hoffman to explain how the critical questions were compiled. Hoffman explained that the critical questions were collected as-is from minutes of recent meetings, speaker notes, reports from the Citizens League, legislative reports, and reports from other groups. She added that an initial list of questions was also shared with some outside stakeholders for their feedback to ensure that various viewpoints were represented. Lastly, Hoffman explained that she grouped the 31 questions into five categories: role & purpose, governance & structure, scope & authority, issues specific, and other.

3. Discussion of Critical Questions [See list of questions attached.]

Watters noted that while the list is a good one, the Task Force needed to narrow down the list to a more manageable 6-8 if possible. To work as efficiently as possible, she suggested that the group start first with governance and structure, testing her theory that some of the questions under this category are by-products of another decision and could perhaps be collapsed.

A member made the comment that questions 1, 7, and 8 are so closely linked that it would be difficult to separate them. Another member countered it was her hope that the Task Force *would* discuss question 1 separate from the politics of 7 and 8. Related to how members should be selected (question 8); a member reminded the group that one of the guiding principles for the Task Force is that the recommendations be politically plausible and implementable. Another member agreed 1, 7, and 8 were questions to keep, but posited that 7 was the key one because depending who or what it is representing, it will reveal different pathways.

Another member said she did not view this group's work as starting over by questioning the purpose of the Council. What she'd like the group to focus on are questions that get to a rationale for change. Co-chair Knapp reminded the group that the Task Force's draft charge states that as a starting place, the Task Force will continue to support the existence of the Met Council as a regional governmental agency with regional authority, so the group should not question whether it should exist. The question he'd like to focus on is whether the current structure inhibits the Council's effectiveness and if yes, would another structure make the Council more effective. Another member agreed we should see the existence of the Council as a given and focus on what is and isn't working and identify the need for change.

Another member questioned how you can determine what is or isn't effective if there isn't a shared vision, which goes back to question 1 about purpose and mission. She added that from her recollection of Deb Dyson's presentation of the statutes, she did not see a mission being described.

A member proposed a "10,000 foot" mission statement to guide the discussion: *To plan for and operate regional public infrastructure*. He added that the group can and should argue what "regional" means, the group can and should argue what the meaning of infrastructure should be, and that the group can and should argue what things should be planned for and operated. He saw all these things as worthy to argue about and from here, debate the questions. Watters thanked the member for his proposed mission statement but directed the group to the questions at hand. In response to an earlier statement about mission, a member commented that the charge of the Met Council is in statute as: *The Met Council shall prepare and adopt...and prescribe guides for the orderly and economical development, public and private, of the metropolitan area*. The group agreed to keep questions 1, 7, and 8.

A member added that question 4 is an important one to discuss further: how to balance the immediate interest of the present versus the future since decision made will cascade into the future. Someone added that it is part of the mission question.

Question 10: does the Met Council have appropriate measures that hold it accountable was another question suggested to keep for further discussion.

Question 9 was suggested to be set aside but another member asked if it could be added to question 8: how should members be selected and what should their terms of office be. It was agreed that question 9 would be combined with question 8.

After a brief discussion, it was agreed that question 5 is subsumed in question 14. It was further added that questions 5 and 14 could be subsumed under question 1, but it was agreed to keep 5 and 14 together, separate from 1 - keeping mission separate from powers for the time being.

A suggestion was made to set aside question 13: what geographic area should be covered and how should the Council grow beyond its footprint but several members disagreed and argued to keep it in. Another member raised a previous point that if the Met Council's charge is to plan for the orderly and economical development of the metropolitan area, we have to discuss what that metropolitan area ought to be. Related to the charge of the Council, a member commented that concerns have been raised because some of the Council's activities today do not align with it. An example was the operating of the green line. Another member commented that maybe there could be a mechanism to promote greater cooperation with adjacent counties, so it need not be just about defining or redefining jurisdiction but some kind of alternative solution.

A member suggested and all agreed to add "state agencies" to question 6.

Under the Issues Specific category, there was general agreement that many of the transportation related questions were similar but phrased differently. There was a discussion that many of these were transit specific but they should be broader to include roads and other infrastructure. A member noted that part of the difficulty here is that "one part is part of another part" so they need to be planned accordingly and with the overall infrastructure in mind.

Another member cautioned that as we talk about roads and bridges, we need to understand that there needs to be close collaboration with MN DOT, who also knows where the roads are needed. There are different jurisdictions: city roads, county roads, and state roads. We have to be careful here because there are state agencies that have authority and the law states this very clearly.

There was a discussion of question 20 and 21 that focuses on the funding and coordination. It was suggested that 21 be eliminated but the wording be changed in question 20 to now start with: "How should the authority..." and adding in the word "coordinating" so that the question is restated to ask: *"How should the authority for governance, coordinating, planning, management,*

operations, and funding of transportation (including transit systems) in the Twin Cities region be distributed among state and local governments? [It was later suggested to replace the word “transit” in question 20 with “transportation.”]

A suggestion was made to keep question 24: how the Met Council coordinates with stakeholders to prioritize transit ways. Another member commented that currently, the questions are focused on transit and transit ways and suggested that we look at this more broadly as “transportation.” Given this agreement, a suggestion was made and accepted to replace the word “transit” with “transportation” in both questions 20 and 24.

An amendment was suggested for question 28: *“If market demands and existing subsidies support people’s preferences about where to live and how to get around, what is the role of the Council’s housing- and transit-related prescriptions?”* It was explained that market forces have a huge impact in this area. Should the question be: *“How should the Council give consideration to market forces and existing subsidies in its planning and operational activities?”* Another member agreed and provided examples of how local budgets are balanced and how market forces drive development. Another member suggested that “re-development” be added to question 28 so that it includes development and re-development. A member cautioned that zoning is now a local authority and within the local domain and that we should be careful not to disrupt this. A member had concerns with the term “preferences” since many people do not have their preferences acknowledged. It was also noted that market forces affect different people differently and that we need to be mindful of this. A comment was also made that the word “considers” was preferred over “accommodate” as it relates to market forces. A member also mentioned that we should not be naive about what the market is and provided an example that if an area is zoned for single family homes and are what is available, how much of this is affected by market forces? It is affected by various decisions made not just market forces.

A suggestion was made to set aside question 29 concerning climate change, but a member disagreed, arguing that if transportation and the development we put on the land results in certain kinds of climate effects or if the effects of climate change affect these developments, it does, in their opinion, fall under the charge of the Met Council.

Members discussed question 30: should the Met Council plan for economic competitiveness. Several members did not think it should be planned for but that it is a byproduct of a well-functioning Met Council and that it is not a goal in and of itself. The group leaned towards setting aside this question.

Question 26 was discussed and it was agreed that water is both a state issue and a metro issue. A member provided an example of 10 years-worth of work cleaning up the watershed in the metro. Like the amendments before, it was suggested that the question be rephrased from “are” to “should” to now ask: *“What should the Met Council’s powers be over surface and groundwater interaction, and over drinking water – both supply and quality?”* There were also comments made about how many water-related agencies there are and at the municipal level, to drill a well, one has to go to three agencies at the state: Health, DNR, and Pollution Control. It was said that the same was true for private developers.

Question 25 concerning Met Council’s authority over housing was discussed. Members commented that a housing policy plan is in statute. The question was how housing relates to everything else the Council does. A member questioned whether this was a bridge too far - can housing be centrally determined and will this work? He felt it was better left to local municipalities to decide but we should be mindful of exclusionary zoning. Some members did not think this was possible. Some felt the Met Council should just build the environment and not dictate the housing stock. A suggestion was made to delete the second half of the question. After some discussion, it was agreed to keep question 25 but rephrase it to ask: *“What should the Met Council’s authority be over housing?”* This should also include affordable housing.

A member commented that as we look at the final questions, we should not start from the assumption that these things are broken, adding that for most, it is not perfect but closer to right. It was added that asking outside individuals to come before the Task Force after this exercise is

part of finding out what is working and what isn't. Wastewater was given as an example of a major part of the Met Council's work that is working.

Watters asked if there were other questions not on the list that the group might consider.

- The Met Council's role in planning for *and* operating transportation. There are concerns being raised about the Met Council distributing transportation funding and being an operator, therefore also seen as a competitor by also operating. Whether just perceived or real, this is a concern.
- MPO status. A member explained that this is a grey area and is currently being questioned at the Federal level. Some think it has been settled, some do not feel that it has. Others commented that we do not want to mess too much with the MPO, which may disrupt other areas that are working. Another asked whether this is it a question for the group to determine since it will likely be determined by the Feds. It was added that the U.S. Department of Transportation does review MPO certification every two years and the current arrangement has passed each year.
- Aviation. Should it continue to be under the Met Council's purview?
- Sports facilities. They are regional assets and they require huge amounts of funding to build and maintain. Given the different commissions representing various sports, the complexity of funding these facilities, this may be a topic worth reviewing.

Questions 1, 4, 5 (to be under 14), 6, 7, 8, 9 (to be added to 8), 10, 13, 14, 20 (as amended above), 24 (as amended), 25, 26, 28 (as amended), and 29 were kept to discuss further.

Questions 2, 3, 11, 12, 15, 16, 17, 18, 19, 21, 22, 23, 27, 30, and 31 were agreed to be set aside. Watters added that this does not mean we can't bring these back at some later point.

Watters concluded the discussion by stating that staff will work to better word the questions and amend them according to today's discussion. Sean Kershaw commented that although there is a "no live tweeting" rule while in the meetings, he encouraged members to talk to their peers outside of the meetings to get their opinions and perspective. He wanted members to know that they should be open to sharing what is discussed here.

4. Next Steps & Evaluation

Co-chair Knapp went through the next four meeting dates asking members to raise hands if they were not able to attend meetings. Based on the hand votes, the meeting schedule will stand as published since the majority of members will be able to attend.

After Co-chair Knapp explained the Citizens League meeting evaluation process of evaluating the meeting on a scale of 1-5, 1 being poor and 5 being exceptional, the members evaluated the meeting as follows: 4, 4, 5, 4, 4, 5, 4, 4, 5, 5, 4.32, 5, 4.5, 5, 4.5, 4. Average 4.46.

5. Adjourn

Co-Chair John Knapp adjourned the meeting at 6:03 p.m.

Approved Minutes
Met Council Task Force
Thursday, November 5, 4:00 p.m. – 6:00 p.m.
Amherst H. Wilder Foundation, Room 2610
451 Lexington Parkway North - Saint Paul, MN 55104

Members present: Susan Arntz (**Co-chair**), John Adams, Steve Dornfeld, Acooa Ellis, Jim Erkel, Carol Flynn, Michele Foster, Peter Bell, Scott Neal, Chris Gerlach, Bill Hargis, Dan McElroy, Shannon Watson, Adeel Lari, and Jim Solem

Members not present: John Knapp (**Co-chair**), Elizabeth Kautz, Ravi Norman, Sharon Sayles-Belton,

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

Citizens League members and special guests present: Bright Dornblaser, Robert Tholkes, Susan Hammel, Patricia Nauman, Susan Brower, Megan Dayton, and Gabriel Flaa.

Proposed outcomes for meeting

- Approve minutes from previous meeting.
- Debrief last meeting.
- Review project charge and timeline.
- Review critical questions.
- Discuss and confirm individuals to bring in for interviews.
- Listen to demographic trends and conduct Q&A.
- Agree on next steps.
- Evaluate meeting.

Minutes

Co-Chair Susan Arntz called the meeting to order at 4:06 p.m.

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

Introductions

Co-chair Susan Arntz started the meeting by asking guests to introduce themselves. After introductions, co-chair Arntz went through the proposed meeting outcomes.

Approval of Minutes

Co-chair Arntz asked if there were any questions or feedback on the minutes from the October 15th meeting. Member Shannon Watson moved to approve the minutes. Jim Erkel 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. Hearing none, she introduced Larry Dowell of Dowell Management who is providing staff support to the project to go over the project charge and description.

2. Review Project Charge and Timeline

Larry Dowell introduced himself and referred to the Strategic Process Chart that was shared with the group at the last meeting by his colleague, Ellen Watters. He explained that the group currently is in the critical questions phase. Based on the discussion at the last meeting, Dowell summarized that a number of pathways are beginning to emerge including: Mission/Purpose, Governance/Structure, Role, and Scope/Authority. He explained that one of the goals for today's meeting is to prioritize the critical questions that were discussed so that the group could discuss and agree on the individuals to bring in as part of the Gathering Information phase. Moving forward, Dowell mentioned a 1/3 format for the meetings that would include 1/3 housekeeping business, 1/3 education (presentations, testimony, etc.), and 1/3 discussion to get to the decision-making phase.

3. Review of Critical Questions and Discuss Survey Results

In between the meetings, a brief survey was sent to all Task Force members, asking them to prioritize the critical questions that were discussed at the last meeting on October 15th. Citizens League staff member Pahoua Hoffman was asked to explain the brief report she sent out by email summarizing the survey results. She explained that 16 of the 19 members completed the survey. Since the first of two questions in the survey asked members to rank the critical questions from 1-12, she explained that she wanted to capture how members were ranking the 12 questions including which questions were ranked as members' #1 and so forth down to #12. She referred to the report and explained how she presented the top rankings and the bottom rankings. She also explained how she inserted the more qualitative information from the second survey question that asked members to indicate which questions were "critical" to the project, "maybe, if time permits," and no longer a priority. Lastly, she mentioned that she also included the suggested language changes that were offered via the survey. She highlighted what seemed like the top six questions in blue.

Hoffman also shared a comment she received from a member by email concerning the survey results. The member had expressed that the results appeared to skew towards issues of governance, but the member's recollection was that questions related to specific subject issues garnered the lion share at the last discussion. As such, the member wanted to know how these rankings would influence the work moving forward. Hoffman added that she, too, remembered the longer discussion on the issue-specific questions but that could have been attributed to the fact that there were more of issues-specific questions.

A member raised a different comment concerning the question: *How should the authority for governance, coordinating, planning, operations, and funding of transportation be distributed among state, regional, and local governments?* He recalled that when this question was discussed at the previous meeting, it was in the context of transportation. However, in the survey, the word "transportation" was omitted and he wondered if the ranking would have been different had this word been kept in. The member went on to explain that the fragmentation of planning, coordination, funding, and operations around transportation is one of the most critical questions and did not want this to get lost. Staff responded that the word was taken out so that the question would be broader, but agreed to re-insert the word.

Larry Dowell asked members if they thought we were on the right track as far as the prioritization of the critical questions. Members generally agreed that the top ranked questions were the right ones, however there were comments.

A member referred to the critical questions chart that was also included in the meeting packet. The visual chart presented the critical questions in a tree diagram to show their connections to one another. The member found the chart to be very helpful but thought there was one very important and central question missing: *To whom should the Council be accountable to?* He suggested that it come before the box with the question: *Do the mission and powers of the Met Council have the appropriate measures that hold it accountable?* There was agreement by the group to add this to the tree diagram.

A couple of members expressed concern about whether the group was supposed to focus on issues of governance or specific topical issues like sewers, housing, and transportation and connected to these questions, whether there would be enough time. The member clarified that when he wanted the word transportation re-inserted, it was not so we could discuss specific transit lines and where they should be but rather what the governance structure should be to plan, coordinate, fund, and operate transportation in the region. He thought this issue may have gotten worse since the mid-90s.

Another member explained that their #1 ranked question was *"How should the Council better balance immediate needs vs. future needs of the region"* because they thought this group's work should be broader than specific issues.

A different member indicated he was torn because he's not sure whether we should go back to revisit historical decisions made concerning the Council or work to answer more concrete questions about transportation governance. He did not think we had enough time to go back to

revisit the past, but thought that if we could accept the Council for what it is and work on the issues that have risen up politically, he thought that was a better place for the group's work.

A member added clarification to a previous comment that was reported. She was concerned that only those questions ranked high would influence the work of the group when it was her impression that the discussions around specific issues garnered the most discussion time at the last meeting. She said she would rather spend more time discussing specific issues than issues of governance. Another member added that she thought more time was spent discussing the specific issue topics under scope and authority because the members gave themselves permission to do this but have "kept a cork in their mouth" and holding back on discussing governance questions, which she explained was her preference.

A member commented that in terms of allocation of time, he thought there were two major issues: 1) Governance: how are members selected, who they are accountable to, etc., and 2) Scope and Authority. Because he did not think the group had time to take on both, he commented that he'd rather the group take time to discuss and debate these two rather than spend time asking external people to come present. He thinks the members have a lot of ideas about governance and scope and authority but have not had a chance to fully discuss them.

Another member agreed with the two items but added that she felt the group needed to first get through governance and hear from other outside people in order to meaningfully contribute to scope and authority discussion. A different member suggested flipping the order, starting first with scope and policy and then discussing how to govern it. This was supported by other members who did not think you could decide how to govern it before you know what it is: how do you know its form before you know its function? A member commented that in the Citizens League 1967 report, it did recommend a particular governance structure given the specific scope and authority – one was tied to the other and one could not simply pick and choose.

Larry Dowell began to wrap up the discussion by summarizing that there seemed to be agreement among the members that these are the two areas of focus: governance and scope/authority. He asked if anyone disagreed. A member chimed in that he'd rather not have two focus areas and would rather have the group make a decision on which one to tackle first. Another member said he agreed but that we should do that through the lens of an agreed-upon mission.

Dowell proposed that since everyone agreed to take on the first question of what should the purpose and mission be, he asked member to participate in a non-binding vote with a show of hands on what should be the second item the group should take on. Governance/Structure garnered three votes. Scope and Authority received the majority of the votes.

4. Confirm List of Interviewees

Larry Dowell opened up the discussion by asking if people had thoughts on whom we should bring in given the previous discussion and the agreement that the group would first focus on purpose and mission. Suggestions were made to ask Michael Langley from GreaterMSP, Gary Cunningham, Bruce Katz from the Brookings Institute who has studied other regional arrangements, and if possible, get other outside perspectives from Denver, San Diego, and other examples from around the country. It was also suggested that there are many good thinkers within the Regional Council of Mayors who are adept at articulating how each city is part of a larger whole. One member pointed out that there were natural groupings to some of the names on the list and suggested grouping them and creating a panel of speakers as a way to get several speakers to come through. Curt Johnson was suggested by several members as he has studied and written about every metropolitan area in the country. Ethan Seltzer, a Minnesota native but now professor of urban studies and planning in Portland was also suggested. Katherine Kersten was suggested since the views she holds are held by others. Myron Orfield was also suggested to provide a historical perspective.

Co-chair Arntz explained that the next four meetings would be focused on bringing in guest speakers and that by the second meeting in January; the group would then focus where it should go given the information gathering. It may be decided at that time that we can't take on everything discussed today. Larry Dowell closed the discussion by indicating that the intent is not to have

two hours of solid presentations. Instead, staff and leadership would figure out a process and a format that would allow time for presentations and discussion.

5. Presentation: Demographic Trends in Minnesota

Executive Director, Sean Kershaw introduced Susan Brower, the state demographer. Kershaw explained that he asked her to come present on the big trends that are impacting the state and the region. In a future meeting, Todd Graham, the demographer for the Met Council will present more regional and detailed trends. Brower's PowerPoint presentation covered three major trends: population aging, increasing diversity, and labor force growth. She also provided data on projected growth. Some highlights included:

- More people are migrating out of Minnesota than we are gaining. The gap is currently being filled by international migration. International migration is the big wild card.
- The growing younger population is more diverse.
- The state demographer's projected growth for the region has consistently been lower than the Met Council's projections by about 12,000 a year – a difference of about 300,000 people by 2040.

A member asked Brower if her office would be cutting population growth numbers from household type, something the office has not done since 2007. He explained how important it was to see the data cut this way to see housing trends and housing planning.

A member was surprised to see the slower growth in exurban counties and wondered if this decline would continue. Another member commented how technology might change growth patterns.

6. Next Steps & Evaluation

Co-chair Arntz summarized next steps by explaining that at the next meeting on the 19th, the discussion will focus on purpose and mission. She explained that staff and the Co-chairs would put an agenda together to reflect this. After purpose and mission, the group could then shift towards scope and authority then finally to governance and role. Co-chair Arntz suggested the critical questions tree be rearranged to reflect this order. After Co-chair Arntz explained the Citizens League meeting evaluation process of evaluating the meeting on a scale of 1-5, 1 being poor and 5 being exceptional, the members evaluated the meeting as follows: 5, 5, 5, 5, 4, 4, 4, 4, 4, 4, 4, 4, and 5. Average 4.3 Co-chair Arntz polled members on the next meeting dates to see who would not be present.

7. Adjourn

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

**Approved Minutes
Met Council Task Force**

Thursday, November 19, 4:00 p.m. – 6:00 p.m.
Mount Zion Temple, 1300 Summit Avenue, St. Paul, MN 55105
Johnson Social Hall

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

Members not present: Elizabeth Kautz, Ravi Norman, and Peter Bell.

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

Citizens League members and special guests present: Bright Dornblaser, Robert Tholkes, Kate Weyenberg, Gabriel Flaa, Peter McLaughlin, Randy Maluchnik, Curt Johnson, and Terry Schneider.

Proposed outcomes for this meeting

- Approve minutes from previous meeting.
- Debrief last meeting.
- Hear from presenter Curt Johnson on mission/role of Met Council and learn of other regional arrangements.
- Hear testimony from and conduct Q&A with political leaders on mission/role of Met Council, and recommendations for Task Force focus area.
- Discuss presentation, critical questions, and how to define focus areas.
- Agree on next steps.
- Evaluate meeting.

Minutes

Co-Chair John Knapp called the meeting to order at 4:04 p.m.

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

Introductions

Co-chair John Knapp started the meeting by welcoming Citizens League members and special guests. Co-Chair Knapp quickly went through the proposed meeting outcomes.

Approval of Minutes

Co-chair Knapp asked if there were any questions or feedback on the minutes from the November 5th meeting. Member Adeel Lari moved to approve the minutes. Scott Neal seconded the motion. A unanimous verbal 16-0 aye vote passed the motion to approve the minutes.

Debrief of Previous Meeting

Co-chair Knapp asked if there were any additional comments from the previous meeting's discussion. Hearing none, he introduced the first guest speaker, Curt Johnson.

2. **Mission & Purpose and Other Regional Arrangements: Curt Johnson, former Met Council Chair, 1995-1999**

Co-Chair Knapp mentioned that although he missed the last meeting, he had been briefed by staff. Hearing that there was agreement to bring in Mr. Curt Johnson, staff invited Johnson to talk about his thoughts on the mission and purpose of the Met Council and his study of other regional arrangements in the country.

Presentation by Curt Johnson

Mr. Johnson reported that he could recall eight, nine, or ten delegations that have visited Minnesota as part of a leadership visit and wanted to know more about the Met Council, from its history to how it spends its funding. Mr. Johnson said that most visitors left wanting to create a similar model, but all said it would not be politically possible. Mr. Johnson mentioned that if we didn't have it already, he didn't think a Met Council could be created in Minnesota today for the same reasons. The politics, Johnson explained, has shifted and people today are wary of government at any level and they see the Met Council as another layer inserted between the counties and the state.

He explained that he feels the need to mention this because for people who are aware of the Met Council and are aware of what it does, they take it for granted. It has become of our region's framework. But many regions around the country do not have such model and therefore no place for regional conversations. Johnson recalled moderating a group of five counties in the Houston area. He asked them to compile a short list of the major issues they needed to tackle. Predictably, they included flood control, traffic, etc. He asked the county judges if one entity could address these problems alone. The mayor and the county judges agreed that they could not solve these regional problems without the cooperation and help of surrounding counties.

To address these issues, Johnson explained that some regions have adopted a Council of Governments model (COGs). However, Johnson said he could count on few fingers the COGs that are exemplary: who do sound research and have achieved a level respect. In Johnson's view, most COG arrangements have become a place where elected officials come to meet to exchange war stories about what didn't work and they rarely exercise any authority and rarely assemble collective clout to go after a major issue.

A member asked why they don't, to which Johnson responded that they are politically fearful because what the group wants or needs may be counter to what their local constituents want.

Johnson said Minnesota is fortunate to have a model that encourages regional conversations and is charged with making coherent sense of what is needed in the region. He understands not everyone will agree, but a place does exist in the state structure for these conversations to take place.

Johnson felt that by and large, the Met Council has been successful so far. The thing that limits it, according to Johnson, is the way we arrange for its governance. He recalled a tactical; if not a strategic mistake that he felt was made in 1994 during the reorganization of the Met Council. When he was then chief-of-staff for Governor Carlson, he received a call from Senator Carol Flynn, who was then the conference committee Chair. She asked Johnson to ask the Governor if he would be supportive of the idea of all Met Council members serving at the pleasure of the governor. Of course, the Governor was supportive of the change. Johnson felt this was an easy way to settle a contentious issue and conclude the conference committee but he felt it was a mistake. He did not think this should have replaced staggered terms. Staggered terms, Johnson felt, offered a modicum of independence. Because staggered terms overlapped with the terms of governors, there existed members who might likely disagree. Since this change and increasingly, Johnson feels the Council appears to be—and at times may actually be—simply an extension of the governor's office for metropolitan governance. Johnson mentioned that this was not what it was intended to be and felt it is not what it *should* be. Every four years, all new seats are filled yet people complain how the Council is heavily staff driven. The Council staff is the only continuous force that is there. Given the flack the Council has taken, some deserved and some not deserved, Johnson felt some change in governance was inevitable. It is rare, he added, that a legislative session does not have some call for change in Met Council governance: how people are

appointed, what authority, etc. Johnson felt one of these days, something is going to pass and it could be something that is not good for the region.

For those who understand the Council and want to see it preserved, what change in governance would actually give the critics a stronger sense that they have a voice in what the Council is and what it does without doing damage to the Council's capacity to maintain a regional perspective. What solution could be offered that would be at the intersection of critics' concerns and what the Council needs to continue to be successful. Johnson proposed some possible solutions:

- Restoring staggered terms
- Apply the same model used to appoint judges in appointing Met Council members: A high level group screens candidates, recommends a slate to the governor who appoints members from the list he receives. If done correctly, the list should contain highly qualified candidates. Counties could be given the ability to form nomination committees. This would give counties a clear sense that they had a voice in who gets appointed.

Johnson added that this proposed selection process may not be the best or the only one to consider, but it does address a real concern. He advised the Task Force to get ahead of this and propose changes to the current governor, whom he believe should stand up to make some needed changes on his way out. Johnson mentioned that the current Met Council Chair had wanted to institute some changes in January but it did not happen due to other priorities.

A member asked whether there was the danger of creating a COG by adopting some of his proposed changes by having elected officials involved who might only be interested in their parochial interests? Johnson responded that rules for eligibility would need to be established.

A member added that establishing rules is easy enough to do but she thought things started to break down with 200 units of government in the region and the seven counties. It's hard to satisfy all the other units of government who are equally as unhappy. Johnson responded whether the Regional Council of Mayors could make recommendations.

A member commented that so far there have only been discussions on geographic representation, what about descriptive representation of members. That is, should members reflect the people in the region? Johnson responded that it does get discussed but no one has proposed a process for this.

A member asked Johnson that of the few COGs that do work, what do they have in common? Johnson referred to the Mid-America Regional Council (MARC) serving the Kansas City metropolitan area. He attributed the success of this model to long-time executive director, David Warm, who has been with MARC since 1990. Johnson added that no one in the press knows his name because he puts elected officials out front while he does the relationship building behind the scenes. He is very good connecting elected officials. He also mentioned Southern California Council of Governments and Puget Sound Regional Council. Johnson recalled a Richfield city manager who took a position in North Carolina, where there were three COGs, indicating that it was near impossible to get any sort of consensus on anything so people got together "in endless admiration of their problems."

A member added that people ask why the geographic basis for these models and it is due to certain federal requirements.

Johnson said Minnesota often gets compared with the Portland metropolitan council, but they have an elected body, not an appointed and there are only 35 units of government.

A member commented that since the first meeting of the Task Force, the debate has been about local versus regional and now versus future. He felt the staggered terms solution was a small gesture in thinking about the future by instituting some longevity. However, this does not deal with the scope question: local versus regional. Unless there were districts drawn to connect core cities with ex-urban areas like a slice of pie, the member did not know how this could be addressed. Johnson added that if the Council were to be elected, districts would need to be drawn in this way for it to work. He did not think it could look like a giant senate district and get the senate to vote for it.

A member asked Johnson about San Diego Association of Governments, indicating that it was similar to Minnesota. Johnson responded that the staff is very good in San Diego but the elected officials rarely come to agreement to get anything done.

A member asked Johnson about the COGs and despite few that Johnson thought were exemplary; he asked whether the structure of a COG offered the sort of consistency that is needed. If there are votes and a decision-making process, why couldn't it work? Johnson responded that even the good ones often could not adopt an agenda for action and cited the members' inability to vote. Members could not separate the local political impact from the regional need. It is very difficult, Johnson explained, to get members to shift from their local constituents and their city to looking at the region as a whole. Members generally will lean towards representing their city.

A member reminded the Task Force about the size of the Met Council enterprise. It is now an \$800 million operating enterprise. He felt it needs a governing body that will be there long enough to understand the complexity of it. Some continuity of understanding the issues is very important and added that it was his experience that the longer members served; the likelier they were to take a regional view. Johnson agreed and cited Roger Scherer as one individual whose thinking shifted on certain issues after serving several years as a Council member.

A member asked about Johnson's thoughts on the increased fragmentation of transportation planning, funding, and governance. Johnson referred to the city of Denver and their "audacity" to build their system all at once even when they were unsure of funding. In Minnesota, there is a lot of patience to build a little bit at a time and taking a long time to build each little bit. It may take Minnesota 40 years to build what Denver was able to do in 8-9 years. He connected this to the ambivalence of the population. Minnesota wants all the amenities of a large urban setting but it doesn't want to be very urban. It's a paradox. People and neighborhoods are often opposed to large, tall building projects like the Westin in Edina. Although it makes economic sense, it does not fit well with Minnesotan's preferences and values. Johnson thought this was behind the fragmentation and the inability to get things done in a short amount of time.

Co-Chair Knapp thanked Johnson and invited him to stay for the rest of the meeting.

3. Interactive Panel of Elected Officials

Co-Chair Knapp explained that at the last meeting, there was a desire to have some elected officials present to share their perspectives on the Council's mission and purpose and address 1-2 of the critical questions that the Task Force has agreed to continue discussing. The panel members included Minnetonka Mayor Terry Schneider, Hennepin County Commissioner Peter McLaughlin, and Carver County Commissioner Randy Maluchnik. Co-Chair Knapp stressed the importance of striking a balance with all speakers and indicated that while efforts were made to have two county representative and two city representatives, only one city official was able to attend given scheduling conflicts. Co-Chair Knapp did remind everyone that the Task Force is well represented with city officials.

Co-Chair Knapp reminded the panel members that after each responded to the questions that were sent ahead to them, the floor would then open up for an interactive Q&A with the Task Force members. He also indicated that Ellen Watters and Larry Dowell would help to moderate this section.

Terry Schneider, Mayor of Minnetonka

Mayor Schneider informed the group that he has been mayor for six years and on the city council for 23 years. He is also a real estate development consultant and has served on a number of

regional boards and committees including Met Council related committees. While he has different perspectives, he thought it was best to share how the Met Council operates from the practical standpoint when trying to develop land and build buildings and on the public side, how this shapes the region. Despite disagreements on funding and rules and regulations that affect different areas differently, by and large, he thought the Met Council has done well given limited resources and limited authority. He admitted it was not perfect and agreed with Curt Johnson's views on structure. He recalled having considered an elected Met Council in previous committee efforts, and it was determined that it would be disastrous because such an arrangement would enter in partisanship and fundraising. For example, the development community could fund the campaigns of candidates. A primary deficiency, he said was the lack of consistency when a governor turns over. To that end, he supports staggered terms. He would like to see a selection process that would involve not just counties but cities since cities are more affected by sewer, water, parks, etc. He felt this could be worked out. He proposed using existing Met Council districts in this process, not slices of districts that have been proposed. He thought TAB should be left intact since it fulfills a federal requirement. He mentioned that when the Met Council was reorganized, a concern was whether the operations arm would consume the Council and hinder its ability to plan and coordinate regionally. He thought it has affected the Council to some extent. They key, he thought was to maintain the regional perspective with a long-view thinking, not worrying about next year. He also understands the Met Council faces many things the legislature throws at it. Related to scope and authority, he thought there were times when he thought the Council exceeded its true authority by coercing cities into doing things that had a good goal but did not have an impact on regional systems. At the same time, the Council needs the authority to tackle large, regional issues. When the Council first started, Schneider explained that it was trying to address the pollution of Lake Minnetonka. At that time, the Council had to have the authority to require cities to sewer. Schneider felt the Council has done well with limited authority and that it should have limited authority. He thought the Council should not be another state agency with veto and dictatorial powers. They should be working on increasing collaboration. Only when an issue becomes critical should they be able to have such powers.

Peter McLaughlin, Commissioner of Hennepin County

Commissioner McLaughlin opened up his comments with a story of when he was in the legislature and opposed his own Chairman's motion to do away with the Met Council. He went on to announce that he was not a governance guy. He thought a lot of time could be used up on governance and not get the group any closer to where they think they'd like to go. He advised the Task Force to carefully consider the time and political capital on governance. He stated he was not supportive of an elected Met Council. He referenced points made by Curt Johnson and Mayor Schneider on solving regional problems and advised the group to start with what are the problems – what are the list of regional problems only the Council can help solve with regional solutions. Instead of theory, McLaughlin recommended a focus on real issues. He brought up the issue of poverty as a very real regional concern. He referenced a meeting awhile back that involved Sue Haigh and five counties. During this meeting, the five counties shared that poverty was an issue that affected them. He thought she should have grabbed onto that issue that was expressed by the counties at that time. Understanding that there is a differences between concentrated poverty and dispersed poverty, the absolute number of poor people in the city and the suburbs are getting bigger all the time and more diverse. Related to transit, McLaughlin reminded the Task Force that one of the biggest opponents of the investments made in transit was in fact the Met Council. It was local government people who stepped up to support it. McLaughlin attributed the slowness of the approach not to local government or the Met Council, but to the legislature. Other places around the country that have been cited as successful have a regional tax. The Minnesota legislature makes it difficult to get the last remaining 10% from the state.

McLaughlin explained that when the bill passed in 2008, cynics in the legislature were skeptical about local government's ability to create a joint powers board, but it was done in 5 weeks and passed the tax in five of the seven counties. There were others that thought the board would blow up, but it hasn't. He explained that they are approving grants upwards of \$820 million dollars and attracting federal dollars. It is about relationships and making things work. McLaughlin explained the need to help people understand the regional vision and explain that one day; they'll get their project funded. Local government has shown it can work together. Lastly, he thought fiscal disparities should be reconsidered. It was created to support the orderly development of the region, but did not think it scales with the regional issues. Instead, it thought this funding could be directed to the regional issues to be identified like poverty, water, etc. Currently, he thought it was being sprinkled around without impact.

Randy Maluchnik, Commissioner of Carver County

Commissioner Maluchnik conveyed his views and those of Carver County that the Met Council should be limited to metropolitan planning working in partnership with local government. Its purpose should be no more than that. He thought that when an unelected body exceeds this role, the taxpayer was ill served. Maluchnik indicated that the current mission and structure has excluded local government's best interest and its authentic engagement. He added that the current environment does not promote true transparency, resulting in poor policy-making that many times have favored the two major cities. Maluchnik explained that much to his surprise, there have been some improvements under the direction of current Chair Adam Duinink. Maluchnik indicated that much of the issues are not related to the mission of the Council but the governance. Carver County and its elected board proposed that all the members of the Met Council should be locally elected officials. Secondly, membership on the Met Council must include representation from every metropolitan county board, city mayors, and/or council members both large and small inclusively and even rural townships. The terms of Met Council members should be staggered. Maluchnik added that currently, the governor is the only constituent since members are only accountable to him. It was felt that a Met Council was needed that was accountable to the people, especially if it is to have taxing authority. Maluchnik indicated that he was not against transit per se, but at the center of the economic development scheme, the Met Council is seeking to provide extremely expensive transit systems moving workers from one end of the metropolitan area to the other. Instead, he proposed moving living wage jobs to the local communities where people can walk to work and tend to their kids. Priorities should be put on people, not systems. He explained local governments are at the front lines of poverty. He thought Ghandi said it best: "Poverty is the worst form of violence."

Q&A

A member asked Commissioner Maluchnik to define the people and/or the communities that the Met Council is supposed to be serving. Maluchnik responded that there are areas with great disparities such as North Minneapolis. He thought LRT was a lazy way to do economic development. Instead, he didn't know why investments weren't being made in the people. He thought the current plan would kill some communities. Without this, he thought areas of disparities could end up looking like Detroit.

A member asked why the speakers didn't bring up the fiscal systems. Mayor Schneider responded that he did not include this in his presentation because this was not a question he was asked to address. That said, he did think we had a very complex fiscal system, which is difficult to explain. He would rather see communities be responsible for their own well-being and raise their own funds. He also agreed with Commissioner McLaughlin that he thought fiscal disparities was broken and needs to be refined. It should be used to address regional issues.

A member posed a question to Commissioner McLaughlin about CTIB, how it seems to be functional and is made up of elected officials. What prevents it from being too parochial? How does it work?

McLaughlin responded that if he were to turn in a term paper on the current transportation governance/transit finance system in a public administration class, he'd get a D. If he were to turn in the same paper in a politics class, he'd probably get an A-. He stressed that these relationships require constant tending. People need to believe in the regional vision. McLaughlin reminded members that CTIB is very focused.

A member asked Commissioner Maluchnik how he and other county commissioners set priorities other than through the input of elected officials? Maluchnik responded that priorities should be set according to the needs of the people and the greatest number of people. He added that he thought issues of disparities should be among the priorities.

A member asked Commissioner McLaughlin what he thought were the major issues? McLaughlin responded that he thought poverty was an issue that needs to be looked at a regional level. He also felt water needs a regional approach. He also felt transportation and transit will continue to need a regional approach. McLaughlin felt they were near getting the system built and he does not want to mess that up.

A member asked the panel what impact does having an adequate supply of affordable housing have on the region? Commissioner Maluchnik responded with workforce. Mayor Schneider responded that having an adequate supply of affordable housing was critical to the long-term success of the region. He thought the issues was that there isn't enough money to build enough affordable housing to come close to serving that need. He said it would require capturing the naturally occurring affordable housing that is in disrepair. He also thought this idea of people living and working in their community is utopian. People should be able to live and work where they want. They just need to have easy ways to get from one place to the other no matter what mode of transport.

A member asked whether a proposal for an elected Met Council would be politically possible. Commissioner McLaughlin did not think an elected Met Council would address all the concerns that have been raised but said that not having any elected officials has created an opportunity to debate this and it undercuts the Met Council's credibility.

Final comments from the panelist:

- *Commissioner Maluchnik: Local elected officials do have the ability to think regionally. If there is the right leadership, mission, and structure, it is possible.*
- *Mayor Schneider: Regional Council of Mayors do have a very strong sense of regional issues. GreaterMSP was an idea that came out of this group that was handed to Itasca to make happen. It has been a great asset to the region.*
- *Commissioner McLaughlin: One person, one vote matters.*

4. Discussion

Larry Dowell reminded the group of the timeline and confirmed that the next several meetings will be focused on bringing outside speakers to come before the committee. We are on schedule to meeting the objectives by the March deadline. Through a PowerPoint slide, Dowell also went over the committee and project charge.

To test the anonymous *i-clicker* voting technology, Dowell presented a test question to the group.

Larry progressed to the next slide on mission of the Met Council. He explained that we are starting with purpose and mission because when making key strategic discussion, it is best to confirm agreement here. Dowell read the mission/purpose as outline in statute:

The Met Council shall prepare and adopt...and prescribe guides for the orderly and economical development, public and private, of the metropolitan area.

Larry asked if members had any questions/concerns about the mission and purpose as it is stated in statute. A member asked if the “...” indicated missing language since the statutes is not just about guides. Staff responded that the break does indicate missing language.

[The full mission in statute is: *The Metropolitan Council shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development guide for the metropolitan area. It shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for the orderly and economical development, public and private, of the metropolitan area.*]

Dowell moved to the next slide and read the mission statement of the Met Council as the Council has expressed it on their website:

The Council's mission is to foster efficient and economic growth for a prosperous region.

The Metropolitan Council is the regional policy-making body, planning agency and provider of essential services for the Twin Cities metropolitan region.

Breaking the last statement into three components, Dowell engaged members to react to each separately and indicated that the group would be voting (non-binding) on each.

- *The Metropolitan Council is the regional policy-making body*
- *The Metropolitan Council is the regional planning agency*
- *The Metropolitan Council is the provider of essential services for the region*

A member indicated that the policy-making piece is the part that rubs many elected officials the wrong way due to its appointed body. Another member commented that there is a difference between policy-making and implementing that policy. Another member was stuck on the third statement and wanted to know what “essential services” includes - how is it defined? Others thoughts essentials services was too broad a term. Many essential services are already provided by cities, counties, and school districts.

A member referred to comments made by Commissioner McLaughlin, indicating that if the Met Council had the five counties' money, it too, could go to county commissioners to do exactly what he said they've been able to do. They got the money, the Met Council didn't and that is the difference she claimed.

Dowell asked members to vote on the first statement and explained that members could swap “is” with “should be.”

The Metropolitan Council is the regional policy-making body

| | |
|------------------------|-----|
| A) Strongly agree | 62% |
| B) Moderately agree | 23% |
| C) Moderately disagree | 0% |
| D) Strongly disagree | 15% |

62% strongly agreed this statement is an appropriate part of the Met Council's mission. Dowell asked if a member would be willing to share why they voted A. A member who voted A explained that with seven individual counties and over 200 units of government, there are going to be different perspectives and while they may share some regional concerns, that's not going to be their priority. A member objected to the word “the.” Had it been “a” regional policy-making..., he would have been more comfortable with it explaining that they aren't the only one but an important one. Another member added that the Met Council is a creature of statute. They

implement at the direction of the legislature so indicating “the” makes it sound like they get the last word. A member indicated that he voted D (strongly disagreed) because in a democratic society, policy-making should be in the hands of elected officials.

The Metropolitan Council is the regional planning agency

| | |
|------------------------|-----|
| A) Strongly agree | 92% |
| B) Moderately agree | 8% |
| C) Moderately disagree | 0% |
| D) Strongly disagree | 0% |

92% strongly agreed this statement is an appropriate part of the Met Council’s mission.

The Metropolitan Council is the provider of essential services for the region

Before voting, there was a brief discussion on “essential services.” A member indicated that after “provider of,” they would have liked to see a qualifier such as some, selected, all, or even regional. A member asked if the group is voting on the statement as-is. It was suggested that “essential services” be defined as those that transcend city/county lines like water, sewer, etc.

| | |
|------------------------|-----|
| A) Strongly agree | 36% |
| B) Moderately agree | 27% |
| C) Moderately disagree | 36% |
| D) Strongly disagree | 0% |

It was generally agreed that although the group voted A, B, and C, they were all wrestling with the term “essential services,” and that it needed to be better defined.

Dowell closed the PowerPoint presentation and asked the group for feedback on any hot topic he and staff should tee up for the next meetings. Referring to the critical tree chart, Dowell indicated that he and staff did not think we could systematically go through each one-by-one and that they are all inter-related. In other words, it would be difficult to look at scope and authority without also looking at role and governance. He thought we may have to blend these questions.

A member suggested that based on today and previous discussions, we ought to look for ways to improve the Met Council member selection process. Following this point, a member noted that if the selection process were to include elected officials, the current MPO structure may not be necessary. Another member thought the group had already landed on scope and authority at the last meeting, not governance. Dowell suggested we just vote right now on that question:

Is scope and authority generally the next logical set of questions we should ask?

| | |
|--------|-----|
| A) Yes | 73% |
| B) NO | 27% |

A member that he voted “no” because he strongly felt that if you created a strong governance structure, it can address any tough issue, which will always change. You have to have confidence in the structure, people, policies, and plan.

5. Next Steps & Evaluation

Co-chair Knapp summarized next steps by explaining that at the next meeting on the 19th, the discussion will focus on scope and authority. Someone suggested the Regional Council of Mayors as a next guest. Someone asked what we mean by scope and authority and another member responded that we should stick to the scope and authority questions that have been agreed to in the critical questions tree. Cecile Bedor from GreaterMSP and Metro Cities was also suggested. Someone from the Itasca project was also suggested.

The members evaluated the meeting as follows: 3, 4, 4, 3, 4, 4, 4, 3.5, 4, 3, 4, 3, 4, and 4 = Average 3.67. Co-chair Knapp polled members on the next meeting dates to see who would not be present.

6. Adjourn

Co-Chair Knapp adjourned the meeting at 6:06 p.m.

**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 willingness of people to work together. He stressed that no 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.

**Approved Minutes
Met Council Task Force**

Thursday, December 17, 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, Scott Neal, Chris Gerlach, Bill Hargis, Adeel Lari, Acooa Ellis, Elizabeth Kautz, Dan McElroy, Jim Solem, and Ravi Norman.

Members not present: Shannon Watson and Sharon Sayles-Belton

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

Citizens League members and special guests present: Kate Weyenberg, Kevin Terrell, Peter Coyle, Paul Williams, Todd Graham, Ray Schoch, and Libby Starling.

Proposed outcomes for this meeting

- Approve minutes from previous meeting.
- Debrief last meeting.
- Discuss housing and land use development issues as they relate to Met Council.
- Hear testimony from and conduct Q&A with housing, land use development panel.
- Agree on next steps.
- Evaluate meeting.

Minutes

Co-Chair John Knapp called the meeting to order at 4:05 p.m.

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

Introductions

Co-chair John Knapp started the meeting by noting the distinguished panel members and special guest, Guy Peterson, former community development director with the Met Council. After the welcome, Knapp informed the group that based on feedback received that the co-chairs should play a more active role in not only leading the discussion, but also overseeing the questions, he indicated would be moderating today's meeting with Susan assisting him during Q&A to ensure no one will be missed. He asked that all members ask their questions through the co-chairs. Knapp went over the proposed meeting outcomes.

Approval of Minutes

Co-chair Knapp asked if there were any questions or feedback on the minutes from the December 3rd meeting. Member John Adams 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 Knapp asked if there were any additional comments from the previous meeting's discussion. A member commented that he thought the conversation last time on transportation was excellent and that the notes reflected well how complicated the issues are and how they are interconnected. Another member commented that he was late in attending the last meeting and only caught the panel discussion. After talking to other members and reviewing the minutes from the last meeting, he indicated he was overly harsh in his evaluation of the last meeting. Another member thought a strong case was made that CTIB may be overspending on projects that weren't as justified as the region itself might view. A last member commented that one issue that may not have been emphasized enough was the long lead-time on projects, which underscored the need for stability and long-range planning.

2. Data Presentation by Todd Graham, Principal Forecaster & Demographer, Met Council

Before getting into the policy discussion on housing and land use, co-chair Knapp welcomed Todd Graham, the principal forecaster from the Met Council to ground the group in the data, trends, and factors that are driving some of the housing and land use issues.

Mr. Graham took the podium and informed the group that his briefing would cover:

- Why and how the Met Council forecasts,
- How market forces and land plans are balanced in their calculus,
- The data inputs that he and Council staff considers, and
- Finally, what they find from this work.

Graham began his PowerPoint slides and started with why the Council forecasts. [See corresponding PowerPoint.] Graham explained that regional planning is a forward-looking enterprise and that any good plan will include expectations about the future. He added that the Council is called on to answer where and when growth is expected and how much growth. This work matters because the Twin Cities metro—both the Council and local governments—are involved in systems planning, infrastructure provisions, and services delivery and we all need to be planning for this same future. There is a concurrency expectation that local and regional infrastructure investments are going to happen together. Graham indicated this would be a successful view. A failure would be deployment of systems that are hardly used for the first 20 years or putting them in the wrong places. For his part, Graham explained that he wants to bring market reasonableness to the discussion: what do we really expect based on market analysis and valid regional economics.

Since there is no crystal ball into the future, the answers arrive via forecast models. Graham explained that the workflow at the Met Council includes a portfolio of models, but he will only cover three today. The three include a regional model for forecasting region-level economic activities and migration flows, a land use model for allocating locations: future land uses, households, and employment at the local level, and finally a travel demand model that receives the geographic distribution of where we think people, jobs, and destinations will be and predicts future network conditions. Graham added that over time, network conditions can change, accessibility can change, and so there is a cyclical information exchange between the last two models [slide 5 of the PowerPoint], which allows them to consider transportation and land use together.

Graham indicated that the land use model has been the biggest challenge for his team. His local modeling receives the region level forecast: how many people, households, and jobs. The puzzle to solve, according to Graham, is where those jobs will locate.

He spoke briefly on the regional model, indicating that it considers business conditions and competitiveness factors, and that economic growth will depend on workforce availability and productivity, access to markets, supply chains - all the pieces of the economy.

Graham went on to explain slides 6 and 7 on employment growth and population growth. At the Met Council, economic growth, workforce growth, and population growth are being forecasted simultaneously in the same model. Because economic opportunity is what draws people from the rest of the nation and the rest of the world, Graham explained that one would not have a complete population model without factoring in the economic “magnetism.” Graham said that if one were to ask a non-Minnesota native what brought them here, the answer would likely be the economy, work opportunity, and education.

Graham went on to report that the region’s population would gain population at a steady rate of one percent per year. Cumulatively over thirty years, this will add up to 800,000 new residents, but already Minnesota has already captured or attracted 130,000 just four years into the 30-year planning horizon. Moving onto the household slide [slide 9], Graham indicated that the region will gain almost 400,000 new households and increasingly, that household growth is demographically skewed due to the aging of the population.

If the region gains 400,000 households and 500,000 jobs, the question was where those household and jobs would be siting themselves. Graham explained that at the start of the Thrive regional plan cycle, his team selected and implemented a new model that could bring some answers through analysis of the real estate markets including how real estate markets work, and

specifically analyzing, loading to the model, and projecting Twin Cities data. If the region will gain 400,000 households, where will they end up living? What location will best satisfy their preferences? Graham described that the regional model he presented has households by *type of households*, which includes varying age groups, income levels, families or individuals living alone. He explained these are the basic dimensions that help group households into market segments. Graham added that households of different types do have observable preferences and behaviors and this will lead them to make distinct choices for their situations. The way his team segments allows them to make generalizations that capture a lot of the behaviors so that by year 2040, households and locations for each market segment are assigned to the places proportional with calculated preferences. These are limited by local prevailing rent, land supply, and real estate supply. The last bullet on slide 11 outlines the other problem Graham indicated they wanted to solve through the model which is what will developers build and where. Developers will look for projects and locations that will offer the greatest profit potential through high rent or through high sales prices while minimizing costs.

Graham mentioned that he was asked by Citizens League to talk about the data inputs that the Council considers. With this, he moved on to slide 12 and explained that the Council parses the region into 1200 neighborhoods and zones. For each of the zones, they are compiling starting point data on existing land use, existing housing stock with characteristics such as lot size, land consumption per unit, prices, etc. He added that this year, they are compiling population and employment levels as well as additional neighborhood attributes such as urban services availability, public transit availability, proximity to parks and waterfront (which can increase value), and proximity to heavy industry (which can decrease value). These are factors that go into real estate decisions from a homebuyer as well as from a developer perspective.

Graham mentioned that the most common question he gets from planners is how the Council's local forecast relates to each city's land plan. He responded that the Council's forecasting of growth is to places that will be in demand. The local city's land plan effectively serves as the envelope of possibilities. He explained that if a city specified in its plan that a zone can only be industrial, then the Council's forecasting model would likely not project households there. They would have taken that into consideration and cited that as a constraint.

Graham talked about the current remarkable residential development trend is that homebuilding is weighted towards the preferences of the market segments or the demographic groups that are growing and forecasted to grow more. He turned to slide 17 that showed the number of senior citizens to grow by 150% whereas working age households with three or more people will only grow by 10%. He concluded that the growing senior citizen market segment would really define the new homebuilding in the coming decades. His next slide showed that we already have enough housing for working age families with kids. He added that most housing, about 70% to be added would be multi-family or attached housing with about 29% to come from single-family detached.

Graham reported that since senior citizens will want easier-to-maintain housing that is near areas they are familiar with and that will have the amenities they want and need, his slide 19 showed where most of the new housing developments would be located.

Graham reported that stacking all growth in the central cities would be impossible. The Council's actual forecast shows growth in all types of communities and all parts of the urban serviced center of the metro region as illustrated on slide 20.

Graham concluded that the future land uses, future location choices, future travel behaviors are all responsive to direction and choices we make through markets and government actions and this was where Graham thought his modeling team along with policy makers and planners could work together to explore scenarios. He added that if all the factors were weighed, market forces would be more powerful than most policies and that local cities would agree. This is reflected in their market-centered forecasting model, which is playing forward where growth is most likely to occur.

A member asked a question about make-a-map. Graham instructed members to visit and click on maps from left hand menu to get to make-a-map: <http://www.metrocouncil.org/data>. The member

also asked whether the growth numbers shared were net growth. Graham responded that they were net growth numbers.

A member asked Graham whether there is any discussion anywhere about how we might re-direct trends that drive these numbers or does Graham just take the trends and work with them rather than say talking about the nature of the subsidies to help steer the trends or the idea that development impact fees might make a difference in the trends. The member wanted to know whether Graham was aware of corresponding discussions on this topic even if he himself was not part of them. Graham responded that the Council's impact, through capital investment or services, is a question that comes up in just about every Council committee meeting. He added that in some of the systems where the Council deploys resources that this does get factored into the model and it does have influence. Also, where they have defined urban services turns out to be highly influential. Urban services, according to Graham, are something that is really needed makes development practical.

Another member asked Graham if he looks at property tax policy. Graham responded no.

Graham had mentioned that after the projections of population growth and household growth were calculated, they are assigned to specific areas. A member asked Graham if the Council looks at the land classifications that cities adopted 10 years ago in their last comp plan to do this. Graham responded yes.

Another member asked Graham whether he factored in the cost of service delivery in his forecasting. When looking at the 100% increase in senior housing, she thought that this could be a huge cost. Graham responded that they have a simplified model of how real estate markets work and that they have not considered every variable. Graham thought the point she raised could be locally important but that they have not considered it. The member went on to say that while she appreciates the modeling and information, when comprehensive plans do not meet the criteria the Council has suggested, it's helpful to know that sometimes there is a direct cost to property owners and residents.

Another member asked how the models deal with mismatches in projections. Graham reiterated that the Council has a simplified model and they impose some simplified assumptions, including the assumption that everything they're forecasting at the regional level will get placed somewhere. Nothing will be forced outside the region. For each different market segment, they are estimating all possibilities of locations a household could choose to live in or an employer choose to site and evaluating the desirability of the location to the specific market segment while considering the price tag associated with that choice. Graham explained that imbalances are not visible through the model and it probably would be visible looking at real, current conditions from economic sources and the census bureau. It's harder to forecast the imbalances.

A member commented that he thought the four main factors that contribute to where people decide to live were: crime, schools, taxes, and travel time to work. He asked if Graham agreed and wanted to know how these factors show up in the modeling, if at all. Graham responded that he agreed these were important factors but not all these factors are in his model. School quality was not something they thought they could forecast and therefore did not end up being one of the factors in the model. However, Graham reported that school quality seems to correlate with socio-economic factors, which is in the model. Crime was another thing they did not think they could forecast. Local tax differences were considered marginal compared to larger cost items like the cost of buying a house.

Another member asked to what extent the Council looks at land prices in the collar counties and Wisconsin as competition of where development will go. Graham responded that he had not analyzed this but mentioned a land price gradient map, which he did not bring with him.

Co-chair thanked Graham and encouraged him to stay for the duration of the meeting.

3. Housing and Land Use Panel and Q&A

Co-chair Knapp informed the group that as it had done before, the plan was to have a group discussion first followed by the panel presentation. However, he welcomed any suggestion from

the Task Force. After reading aloud the questions that were sent ahead (to both the members and the panel), a suggestion was made to go right into the panel presentation. Members agreed with this suggestion.

While the panel was getting set up, a member commented that while there will be a large aging population, she was concerned about possibly overbuilding to meet that specific need. In the future, we may not have people interested living in those types of homes even with universal design. She cited large schools that later were no longer needed.

Knapp welcomed the panel members, all of whom joined at the start of the meeting and had the opportunity to hear Graham's presentation and the Q&A with members.

Peter Coyle, Larkin Hoffman

Mr. Coyle thanked the members for the opportunity and mentioned he was happy to share his perspectives from a land use practitioner's point of view. He mentioned his firm is well schooled in local governance and Met Council governance. He added that founding member Bob Hoffman and Charlie Weaver were part of the original group that helped the Met Council get traction in its early days.

Coyle commented that in the last ten years up to the current planning cycle, this has provided a unique opportunity to gauge development patterns including housing and how the Met Council has helped and/or hindered that development pattern. He referenced the explosive cycle of the 90s into the 2000s where housing was being constructed everywhere. One of the unfortunate results of that cycle according to Coyle was the land use plans that were approved by cities that were ultimately endorsed by the Met Council did not plan for nor accommodate the kind of growth that actually occurred. The Builders Association of the Twin Cities (BATC), his clients, actually had to initiate its own planning study in the 1990s because it did not believe the growth projections published by the Met Council as part of the comprehensive planning process. The BATC planning study showed that the Met Council's study did not correctly identify where there was going to be demands for growth. Because of a scarcity of land in the last development cycle, developers and builders were going to areas outside of the metro area where they could find land that was available, accessible, and affordable for which to build houses. This was bad for the region and for those companies.

Coyle thought the Met Council has a very important role to play in helping manage infrastructure that has been statutorily directed like wastewater and transportation. The Met Council when it acts as a policy implementer, it does a very good job fulfilling that role.

When the Met Council strays from this and acts as a policy developer, given that it doesn't have an elected body, it runs the risk of going over its head. There was evidence of this with good intentions but with bad effect when it published its growth projections last year, which created quite a furor for his clients and folks who are trying to build based on the projections. He also heard many cities were put off by those projections too since they did not think it reflected the reality of their communities. He realizes the Met Council was trying to do this in a consultative way, but it demonstrated that there may have been more intended by the growth projection than what was really meant to be – maybe just bad messaging. The housing policy plan for the Met Council reinforced the concerns by his clients and some cities since it was seen as another example of the Met Council is getting ahead of itself. Cities are already very good planning for their own growth. Coyle thought the role the Met Council best plays is to help them plan for that growth by giving them good information that bears on the region. When the Met Council tries to stray into the realm of directing/forcing/recommending how growth should occur, Coyle thought they go too far. He thought we were seeing that play out right now.

Builders will build a house wherever they can sell it but it is not just where they can make the best profit. Builders want to go where they can have a viable business opportunity that they can count on long-term. Coyle confirmed comprehensive plans were essential to this. Regional plans were also seen as essential. In addition to land supply, schools were another key factor. Coyle thought this was one of the biggest factors driving building in the region today. Property taxes, according to Coyle, have almost nothing to do with where growth occurs. Schools matter and so does sewer prices. Transportation systems also matter. He thought that if the Met Council focused on

managing sewer price and managing transportation systems, and acts as a consultant to cities and counties and help them best develop their plans to accommodate growth, he thought that would be a home run. Where cities fail is when they show growth opportunities in their comprehensive plans, but the land use designation noted is not really what they intend to use it for. He thought it was within the Met Council's mandate to hold cities accountable for what they say in their plans.

Paul Williams, Project for Pride in Living

Mr. Williams thanked Coyle for going first and added that he thought the private market is the important voice in all of this. Williams explained that his experience and background has been in inner city revitalization. He was born and raised not far from the meeting location and has spent much of his career funding the work to rebuild the core. In all the debates we have heard in the last couple of years, especially about concentrated poverty, and the notion that we have purposefully concentrated poverty is a little bit off base.

He thought we needed to pay much more attention to what the private market is doing or not doing as the real driver of what's going on in the housing marketplace throughout the region. Williams explained that currently, there are three workers for every retiree. By the time he retires in twenty years, it will flip completely to one worker for every three retirees. Part of the message Williams wanted to leave with the group is that affordable housing is a competitiveness issue. When one looks at the projections on population, in particular when one digs into projections of populations of color as a percentage of the total population, with all those retirements, what we're going to see is that lower income folks of color are increasingly going to be a large percentage of the workforce. The kids who are caught right now in the achievement gap is a factor since a workforce will have to be created from those lower income kids of color even if we retain and attract other groups. Right now the housing market is not working for these communities. A third of the Twin Cities households are cost-burdened, paying more than 30% of their income for housing. Housing costs are often upwards of 40-50% of those families' budgets. Given this, Williams confirmed housing is an important aspect of the Met Council.

He thought housing was critical to education and cited poor performing schools having many more students moving throughout the year. Housing is also tied to health in terms of quality housing and jobs as it relates to transit. He did not think there was adequate work to create more resources to do more affordable housing in the suburbs. In the mid-90s, he was sitting on the Met Council in the early stages of the Livable Communities program, where they made investments in Excelsior & Grand in St. Louis Park, Burnsville Town Center, and Ramsey Town Center – all trying to change the development pattern with a carrot approach to draw developers into a different development pattern. Williams explained that what they failed to do was emphasize how important affordable housing was. There was an affordable housing component, but it was 20%. They did not think about what scale was really needed, which should have been more in the 30-40% of median income. To those who think poverty has been intentionally concentrated, he gave examples of St. Paul Midway and Lake Street that are a world different and a world better because affordable housing has been part of the answer in those neighborhoods.

Williams's last comment was on affordable housing production. Adding all housing non-profits together, Williams reported that around 1500 units of affordable housing is produced a year as an industry. For the private sector, it is upwards of 20,000 a year. He cautioned that we must not kid ourselves that non-profit housing groups can solve the problem. One must follow the money and stimulate the private sector's development patterns in the hopes to move the needle on affordable housing.

Jay Stroebel, City of Brooklyn Park

Mr. Stroebel thanks the staff and members for the opportunity. Stroebel recently took the position of city manager for the city of Brooklyn Park after 10 years working for the city of Minneapolis. Brooklyn Park is the 4th largest city in the region with almost 80,000 people. They are also one of two majority/minority communities where they are 50% people of color. It is 85% built out with some room still for new development.

The Met Council has identified portions of the southern end of Brooklyn Park as racially concentrated areas of poverty. The Bottineau line will come up through Brooklyn Park with the

maintenance station housed in Brooklyn Park along with five stations along the western side. There is also significant development along the 610 corridor with residential, commercial, and retail. 15-20 years ago, Brooklyn Park got a bad reputation because of a lot of crime but this year, they are on a trajectory to have the lowest crime rate since 1986 when there were 20,000 fewer residents. The concentration of affordable housing overlapped with the historic crime mentioned earlier which led to a pretty strong stigma of affordable housing. The stigma does not represent the entire city but does represent views of people who have lived there for a long time and is represented on the current city council. To that point, the city council has not allowed any new apartment buildings to be built in the city in the last 20 years with the exception of some luxury apartments near 610 that has no affordable housing units, some senior living facilities, and a youth homeless shelter – the first in the region. The median price for a home is \$180,000 and a year ago, about 60% of the housing stock was deemed affordable.

Concerns related to the Met Council that have been raised by his city/city council have included the Council not being an elected body. It was thought that this can skew for 50% of the people across the region in terms of the perceptions of the decisions made by the Council. As far as the modeling and affordable housing targets, his city council did not believe the Met Council took into consideration the existing market-rate affordable housing in cities like Brooklyn Park or Brooklyn Center. They also did not feel the Met Council considered the cost of maintaining those existing affordable housing. Some of his council members also agreed with comments raised earlier that the Met Council should stick to its core – sewer and transportation.

In terms of positives, Stroebe believed it was important to have an organization like the Met Council that has a focus on the region. The projections from the broad region to the neighborhood level were

found to be extremely valuable for decision-making. In terms of affordable housing targets, he thought they were helpful to have the context but where they can be challenging is that it doesn't take into account local circumstances including the local politics. Concerning the affordable housing equation, Stroebe thought we needed to look beyond just the supply side.

A member asked if there was an argument to be made for a growth boundary. Mr. Coyle responded no. He referred to the mid-90s when there was a rigid line and how the market pretty quickly figured out the limits of that line and land prices skyrocketed inside the line. Development jumped the line and did what markets do and found a new cost model. This was bad for the region.

A member asked about minimum lot and structure size for affordable housing in Brooklyn Park but Stroebe, being new did not have the information on hand. Someone asked if this was a market distortion, and the member said it was complicated and did not know for sure.

Another member commented that people have choices about how and where to live and this is the central element on the demand side. On the supply side, the smaller the unit, the higher the cost per square foot. We can't build new cheap housing that meets all the rules. If local units of government have to pay the bills on the backs of property tax, there is incentive for them to control what happens on their land development so they can pay the bills. The consequence of this is to exclude people who incur or impose more costs than what they pay in tax.

The cost of building a house in the Twin Cities—the regulatory cost imposed—is in the range of 30%. Mr. Coyle talked about a client who is building a very generic housing project and before they even puts a shovel in the ground, they will have incurred \$20,000 in regulatory fees per lot. His clients believe cities view new development as a way to pay their bills. There are also huge disparities across the region.

A member asked whether it was true that the cost of developing affordable housing was more than market-rate housing. Mr. Williams said he did not know but his hunch was that this may be due to soft costs such as regulatory costs, accountants, and lawyers that are working with tax credit investors that can add to the cost. Affordable housing developers are also dealing with tougher, polluted sites and doing projects that the market won't do. The nonprofit affordable housing developers will never solve this problem on their own. Private developers will need to be engaged. Section 8 vouchers are great, but it is voluntary and not everyone will honor it. As a

dispersal strategy, it is much more effective than building a 75-unit housing structure. Williams also noted the new Supreme Court ruling on fair housing and the recent HUD clarification on fair housing. He saw these as two important drivers that are going to be impacting all municipalities. The question that will be asked is what you have done to further fair housing so regardless of what people may think the role of Met Council's role ought to be, this will be a question each municipality will have to face in the coming years.

A member asked Mr. Williams whether he had suggested that housing be added as another Met Council systems plan. Williams responded no although he thought it was an important infrastructure asset in the region and that the Met Council should weigh in on housing, especially in relation to transit. The member asked a question of Mr. Stroebel, asking if he could elaborate further on the views of his city council as it relates to the make-up and structure of the Met Council. Stroebel responded that because of the politics involved, elected officials would naturally be suspect of the decisions being made by the Met Council given its appointment structure.

A member questioned whether we would have the affordable housing we do have if not for the Met Council. A response was that communities would have built affordable housing if nothing else to attract workers and employers.

A question was raised about the connections between transportation, housing, and jobs and what some of the barriers might be. Stroebel responded that transit on the one hand is a good thing because it provides mobility to an area but on the other hand, it drives up property prices on the line causing them to no longer be affordable to those who may need transportation the most. It makes it harder to put in affordable housing on the line.

A member asked each panelist what the Met Council should do more and less of. One responded that the Met Council should be the "truth squad" and hold cities to their comprehensive plan and have them be able to demonstrate they can do what they indicate in their plans.

Co-chair Knapp thanked the panel members.

Knapp informed the Task Force that staff has been working on a tool to capture what has been discussed and help the group focus. Knapp asked Pahoua Hoffman to explain the chart that was being distributed. Hoffman explained that the draft chart contained some criteria or principles that were lifted from the committee's charge along with problem statements under the categories of funding, governance, and scope that have resulted from group discussions. The exercise over the holiday break was for members to review the criteria/principles and problem statements to make edit or additions to them as well as begin to insert possible solutions in the white boxes and see if they align with the criteria. Hoffman indicated she would send an electronic version out after the meeting.

With time left, a question was asked of Guy Peterson about how much money the Met Council has to put towards affordable housing. Peterson responded that it was around \$12-13 million a year plus a few more million from smaller pots of money. There was agreement this was very modest. To provide context, Mr. Williams commented that the modest 108-unit project his organization is working on already costs \$25 million.

Peter Bell mentioned he would remain involved but would be doing so remotely since he will be away for the winter.

4. Next Steps & Evaluation

Co-chair Knapp explained that the next meeting would be focused on regional development and a couple of speakers have already been confirmed. The members evaluated the meeting as follows: 5, 3, 4, 4, 4, 4, 4, 4, 4, 3, 4, 4, and 4 for an average 3.92 Co-chair Knapp polled members on the next meeting dates to see who would not be present.

5. Adjourn

Co-Chair Knapp adjourned the meeting at 6:03 p.m.

**Approved Minutes
Met Council Task Force**

Thursday, January 7th, 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**), Peter Bell (by phone), Steve Dornfeld, Jim Erkel, Carol Flynn, Michele Foster, Sharon Sayles-Belton, Scott Neal, Chris Gerlach, Bill Hargis, Shannon Watson, Adeel Lari, Ravi Norman, Elizabeth Kautz, Acooa Ellis, and Jim Solem.

Members not present: John Adams and Dan McElroy

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

Citizens League members and special guests present: Gabriel Flaa, Tenzin Gakyi, Ray Schoch, Kevin Terrell, Patricia Nauman, Michael Langley, and Kim Crockett.

Proposed outcomes for this meeting

- Approve minutes from previous meeting.
- Debrief last meeting.
- Listen to Chair's Report.
- Hear testimony from and conduct Q&A with panel members.
- Discuss project and next steps.
- Agree on next steps.
- Evaluate meeting.

Minutes

Co-Chair Susan Arntz called the meeting to order at 4:06 p.m.

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

Introductions

Co-chair Susan Arntz started the meeting by introducing Ms. Tenzin Gakyi, Citizens League's newest intern from Mankato State. 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 December 17th meeting. Member Acooa Ellis moved to approve the minutes. Jim Erkel seconded the motion. A unanimous verbal 18-0 aye vote passed the motion to approve the minutes.

Debrief of Previous Meeting

There were no comments from the members about the previous meeting.

2. Chair's Report

Co-chair Arntz informed the group that she wanted to review the project status and where it is headed next. She explained that she and Co-chair John Knapp know one of the things they need to be working towards is focusing the conversation and starting to decide where the group should head down. She added that in the last several conversations, it was intentional not to narrow right away, wanting the group to collect as much information as possible. However, the group is now getting to a point where it needs to start focusing its discussion towards possible recommendations. To that end, Arntz explained that Citizens League staff member, Pahoua Hoffman, shared a tool (decision matrix chart) with the group at the last meeting with an assignment over the holiday break. She reported that about half the group completed the assignment and later, we would be discussing it. For those who did not have a chance to complete the assignment, Arntz explained that there would be an opportunity to add feedback.

Before she asked Hoffman to provide an administrative overview of the decision matrix chart tool, she asked the group if there was any other perspective—in writing or in person—that we have not heard from since today's meeting is scheduled to be the last day with outside guest presenters. A member asked about elected officials, specifically Representatives and Senators. She recalled

that there used to be a Metropolitan Governance Committee but was unsure whether this committee still existed. Someone added that there is a Subcommittee on Metropolitan Council Accountability and Transparency. Another member added that there is no shortage of other perspectives, but is looking forward to digging deeper into the ones the group has already heard from.

Arntz asked Hoffman to explain the assignment that was first presented at the December 17 meeting. Hoffman referred members to the document in their meeting packet, which now has the verbatim responses from those who completed the assignment. She explained that the goal of the assignment was to begin to put in one place the items the group has discussed so far. She added that document attempted to capture the problem statements as well as the criteria or principles so that members could begin filling in possible recommendations or “solutions” into the boxes to see how they lined up. Hoffman explained that when she first distributed the assignment, she pre-populated it with a couple of examples to get members started. As members were completing the assignment, she heard that it became more difficult. In the feedback staff received, there were no additions to the criteria/principles. There were, however, two new additions in the problem statement column on the far left. Of the possible recommendations/solutions that members added to the main section of the assignment, some responses complimented each other while at times, the responses contradicted one another. Regardless, Hoffman explained that it was an important exercise for members to see how their possible recommendations stood against the agreed-upon criteria that were stated in the project charge.

Arntz went on to explain that after the panel presentation, she will be excusing the panel members so that the group can go into an in-depth discussion about the assignment and next steps for the project. The goal of the discussion is to have a good understanding of what we plan to do in the January 21 meeting. Arntz asked Co-chair Knapp if he had anything else to add. Knapp encouraged members to add anything they think might be missing from the list. Sean Kershaw added that the Citizens League’s process is as follows: first findings, conclusions, and then recommendations, citing that people often want to go right into the recommendations without having the findings and conclusion to support them. If there are symptoms, what are the conclusions that can be drawn from that, which could inform the recommendations? Kershaw explained that ideally, it would be great to have near consensus on findings and conclusions. However, there does not need to be consensus on the recommendations. That is, the process does not require 100% agreement on the recommendations in order for them to be adopted by the committee. It is also possible that the committee may simply recommend that certain issues need further study. Not all findings and conclusion will lead to recommendations, but even in this case, Kershaw noted that it is important for the committee to frame the issue or the question that needs further examination.

Lastly, Kershaw mentioned the desire by some committee members to continue discussing between meetings. Realizing that email may not be the best format for such discussions, he explained that staff will be inviting members to join a private group via LinkedIn so that members can continue to discuss in a designated online space.

3. Regional Development Panel and Q&A

Co-chair Arntz welcomed and introduced the three speakers. Ms. Patricia Nauman was asked to start first in responding to the questions that were sent ahead to the panel.

Patricia Nauman, Executive Director, Metro Cities

Nauman informed the group that her organization represents cities in the 7-county metropolitan region at the legislature and the Metropolitan Council. To the question on what should be the purpose and mission of the Metropolitan Council, Nauman responded that Metro Cities recognizes and supports a regional government entity with its current statutorily provided responsibilities. Her organization believes that the purpose of a regional entity is to set a broad regional framework, provide services, functions, and planning that can be most equitably and efficiently provided at a regional level. Nauman added that this would include short-term as well as long-term as in the case of planning.

Metro Cities’ policies also recognize the inherent tensions in having a regional government that has the statutory powers that impact local governments. Nauman added that Metro Cities exists

within that realm of tension to help cities navigate, work with, partner with, respond to the Metropolitan Council. They believe the Metropolitan Council must be diligent and consistent in being responsive to local governments in all of their policy-making, planning, and other activities because cities, a key constituency of the Met Council, are the ones tasked to implement what comes out of the Council. Therefore, Nauman added, it is very important that the Metropolitan Council work in partnership with local governments across all spectrums of their activities. For the most part, they believe the Metropolitan Council does very well in this regard and when they don't, Metro Cities urges them to do so in the form of a working group or a task force. Most recently, Metro Cities was able to get into law a technical advisory committee of city officials to advise the Council on water supply. Nauman noted that the level of partnership does ebb and flow with different Metropolitan Councils. With the work the Metro Cities does with the Council, either formally or informally, cities may not always be happy with the resulting outcomes, but having the ability to provide input does ensure that the positions and policies that come out of the Council have the best shot at being workable for local governments.

To the question of how the Council should balance immediate needs with future needs of the region, Nauman responded that the Council could do better working more closely with not only with cities and counties, but also with the region as a whole – with its citizens and the business community to keep the importance of regional issues front and center. This could include educating people about these issues by really using their convening role to have ongoing dialogue. The perception is that the Metropolitan Council operates in a vacuum, which Nauman said she does not believe to be true but that perception is out there. Many people in the region simply do not know what they do.

On the question of market forces and existing subsidies and how the Council works in that environment, Nauman responded that this is an ongoing challenge. It is something the Council gets pushed on with some consistency, especially with respect to housing policy where they do have some authority but not necessarily strong regulatory authority. This gets pushed onto cities to figure out how to meet the policies coming out of the Council and this is an instance where market forces are very much at work and there is only so much a city can do. Because of this, there is some tension, according to Nauman, between the Council and local governments. In the area of what the Council can do better, she thought they could do a better job advocating for resources.

To the question of whether there is a role for the Met Council in economic development; Metro Cities believes there are many entities already focused on economic development but that the Council does have a role in its existing statutory powers, especially through the Livable Communities Act. Metro Cities believes the Council should continue to focus on the roles that they have, the powers that they have, and the constraints that they have and try to do those the best they can rather than trying to insert themselves into areas that would be the responsibility of other entities or local government.

Generally speaking, Nauman said this is consistent with Metro Cities' position that the Council should stay within its statutory lines of authority and not try to stray beyond.

On comprehensive planning, Nauman responded that this is an area in the statute that is defined broadly and vaguely. Metro Cities has urged the Metropolitan Council to streamline their requirements around comprehensive plans to avoid confusion and try to provide resources. She added that they have pushed back strongly on the current Metropolitan Council to make sure they do not stray beyond their lines of authority. She noted that there have been conversations that would have taken the Council outside these lines by requiring things they do not think the Council has the authority to require and that so far, Metro Cities has been able to stave this off. Nauman thought the new local planning handbook the Council has put out is quite good. Over 50 city officials vetted it and Nauman saw this as progress in terms of the Council and cities working together.

Michael Langley, founding CEO, GreaterMSP

Mr. Langley noted the two board members of GreaterMSP who are also on the Task Force: Elizabeth Kautz and Ravi Norman. He also disclosed that Met Council Chair Adam Duininck also serves on his board. Langley went on to say that the Met Council is a contributing partner of GreaterMSP. He explained that GreaterMSP is the region's 16-county MSAs (Metropolitan

Statistical Areas), a public/private partnership for economic growth and development. The mission is to increase capital investment in job creation in the region with the goal and vision of prosperity for businesses as well as all residents throughout the metro region. Langley explained that he just came from a meeting of their regional competitiveness working group, which includes a wide array of business and government leaders. The goal of this group is to ensure that the region is measuring its progress on a very broad spectrum, not just on traditional business climate issues. It includes looking at issues of equity, disparities, sustainability, environmental, and social. They are proud to be partnering with the Met Council on all these issues.

As a 501c3 and a non-partisan organization, Langley said that the goal of GreaterMSP is to be fact-based. With these facts, they make decisions such as which industry sectors and areas of growth they perceive will occur in the region and from that, determine the needs of those industries against those that the Met Council is charged with in terms transportation, transit, housing, and other infrastructure. Langley added they believe the Met Council provides great efficiency for infrastructure planning and other essential services from an economic development perspective. Before Langley moved to the region six years ago, he held a similar position in Pittsburgh. During this time around 2004, he brought over 100 CEOs and government leaders from Pittsburgh to the region with the purpose to do a comparison on regional planning and infrastructure development since the two regions were similar in population and size. One of the discoveries was that over a 20 or 25-year period, the cost that was incurred by the Minneapolis-St. Paul region versus the Pittsburgh region in terms of water and sewer infrastructure responsibilities was significantly more efficient. During this same period, it was about \$2 billion less in the metro region here than in Pittsburgh. He attributed this to the efficiency of working on a regional level versus working at a fragmented municipality level.

To the question of how the Council should balance between immediate and future needs of the region, Langley responded that he did not see it as a balance, but rather as “both and.” He thought it was important to focus on the current needs and not let future or long term planning get in the way of action on the immediate issues where we are experiencing market failures. He added that this should be done while still planning for the long term.

Langley went on to say that through Council’s leadership and staff at all levels, GreaterMSP has benefited by the research and analysis to support their economic development strategies. He underscored the fact-based focus of GreaterMSP. To the question about subsidies, Langley said it would depend on how subsidies is defined, but that the economic development tools that the Met Council has at its disposal have been very helpful to GreaterMSP in their economic development projects and execution.

He noted the grants for infrastructure developments alongside the transit corridors have been extremely valuable. He encouraged the Council to have more appropriate tools such as these that will spur more companies and investors to continue to make investments in the areas where need those dollars. He also asked the Council for further cooperation on the transfer and utilization of SAC and WAC credits (sewer availability charge and water access charge) to help companies engage in improving their infrastructure and get projects done more cost effectively. He would encourage more of these types of tools.

Kim Crockett, EVP and General Counsel, Center of the American Experiment

Ms. Kim Crockett noted that like GreaterMSP, the Center of the American Experiment is also a 501c3. She started by framing up the two other speakers. She saw Metro Cities as the end user customer base for the services of the Met Council and appreciated Patricia Nauman’s comments about helping to keep the Council in its lane. She saw GreaterMSP as a business group interested in helping to develop the region but also interested in profit and making money.

She went on to say that what she hears from cities (and she noted she was a former city official) is that they are afraid of the Metropolitan Council. They worry about retaliation if they push back too hard. They also find the comprehensive planning process to be frustrating. Prefacing that she did not mean any disrespect nor see it as a reflection of Langley, but Crockett said that what worries her is that organizations like GreaterMSP and other business groups that have been involved in the Thrive 2040 plan are “the trough” to some extent because of there are lots of subsidies coming down for transit, housing, and other development.

She explained that the Center of the American Experiment has had a very big and very public philosophical disagreement with the legislature's approach to creating and overseeing the Met Council and the Center has had an even greater divide on the Met Council's interpretation of what the legislature has asked it to do. For example, the Met Council - best she can tell - has not been tasked to run housing in the region. There are smaller tasks that it has been tasked to do as well as implement the Livable Communities program - a voluntary program - but it has not been asked to run housing and plan for housing for the region. However, she thought that it was using its powers to direct its vision of what that ought to look like.

The Center believes that the region's residents and their elected officials (city, county, state levels) should be driving the conversation about the growth of the region and working with market forces that are, hopefully, are not deeply subsidized. The Center sees the Council as a regional body totally unaccountable to the region's citizens, thumbing its nose at elected officials, and is arrogant with its "we-know-what's-best-for-you" and "what's-best-for-the-region." The Center's objections, according to Crockett, goes back many years but have only intensified since MSPThrive2040. They have called for the legislature to carefully and thoughtfully unwind the Met Council, keeping the valuable services and operations like planning, wastewater treatment, transit operations, and perhaps even spinning them off as state agencies or new regional entities. Gubernatorial candidates have echoed their position, but Crockett noted that when they get to the Governor's mansion, they discover they like the power and they forget what they talked about on the campaign trail. Other elected officials have also supported the Center's view over the years.

The problem with the Met Council is perennial and Crockett said she was thankful for the Citizens League in convening this group together to examine the issues because they are so complicated. If the Met Council was a business, the Center would say it is in big trouble with their customers and she sees the customers as the cities and the citizens of the region. She hopes the arrogance of the MSPThrive2040 will come to some good, but she fears it will be too late in many instances to stop the damage it is going to do to the economic development in the region. Related to this point, she mentioned the laying down of permanent tracks for light rail, which is very expensive to build and very expensive to maintain. She went on to talk about the statutory purpose of the Met Council, explaining that the statute does not state the Council should direct the region's growth but *accommodate* that growth. The big goal was to get all the cities in the region to draft a comprehensive plan, working with cities and counties to assure that we had adequate sewer - growth to meet the region's market growth, while planning for and setting aside sufficient space for airports and green space. She thought this all made good sense but felt that goal has been largely accomplished though she understood planning was necessary since we're not done growing. The thing to keep in mind is who is in charge of how we grow and where we grow. Is it the residents and elected officials or the Met Council? The region has grown up since 1967 but it has not even hit 1 million people in St. Paul and in the Twin Cities, citing that we're only at 2.5 or 2.9 million in the region - not big enough according to Crockett to support all these big plans and big trains. She mentioned the Legislative Auditor's report on transit and noted its recommendation to get elected officials back involved. She added that she hopes the committee will recommend staggered terms to the legislature as a way to create continuity. She also wanted the group to consider undoing what was done in 1994/1995 when a very good regional agency was put in charge of both planning for transit and wastewater and operating both things. She thought there was an inherent conflict there.

Q&A with Panel Members

Co-chair Arntz opened up the meeting to the Task Force to ask questions of the panel.

A member commented that he had not heard nor seen examples where cities were afraid of the Met Council or feared retaliation and thought that if this was true, it would have come out in Patricia Nauman's presentation. He was surprised by Crockett's use of those terms. Kim Crockett responded that as a former city official, this was exactly how they felt and that she hears it constantly from mayors. She added that she has tried to get them to come down to the legislature to testify but they are terrified. She finally had a mayor from Plymouth who was on her way to the legislature but got hung up in traffic and was not able to testify. She assured the member that this is part of the conversation.

Another member asked Patricia Nauman a question related to her comment that they Met Council ought to use its convener role to bring issues to the fore. He wanted to know whether she had an

example where they did that well and whether she thought there was a reluctance on the part of the Met Council to exercise this function because of the criticism they have received over the years. Nauman responded that when the Council was putting together its ThriveMSP2040 framework, it did go out and meet in many places in the region. While she could argue that there could have been more details at those discussions, she did feel the Met Council did a very good and detailed job convening around the development of the housing plan – an area where cities did have major concerns about – to try to get consensus around some issues. Nauman did think the Council can become reticent to be too out front because they are seen as a lightning rod for being criticized. With a full-time chair now at the Council, she was hopeful that changes will be made. With the hire of a new community relations director now, she hopes they will engage more directly with city officials and others in the region. While they do this well, Nauman thought they could do better.

Another member challenged Kim Crockett on the Council's role as simply to accommodate growth. In Statute 473.145, the member read that it directs the Council to prepare a metropolitan development guide for the orderly and economical development, public and private, of the region. He thought this provided a strong mandate than the one Crockett described. Crockett confirmed that this is the language in the statute. She added that what the legislature is asking the Council to do is a very big job, so she did not understand why the Council would be talking about the achievement gap, income inequality, and global warming. She asked whether they have gone a little off the rails. She thought elected people were the ones to deal with those large issues. She asked whether those things are really in their mandate.

Another member asked a question centered around cities and their dissatisfaction with the Met Council. Having submitted several plans to the Met Council herself and having the Met Council disagree with some elements of her plan, she always thought, however, that there was a way her city and the Met Council could find ways to work through it. She asked Patricia Nauman whether she thought the mechanisms in place to help cities and the Council work through difference was adequate. Nauman responded that by and large, there are very good mechanisms in place but they don't often get seen. Because of this, what most people hear about are the tensions and the issues, not the good work that happens behind the scenes. She added that Metro Cities' policies are very explicit in supporting processes that allow for the maximum ability to do this. In the case of Lake Elmo, this was an instance when it went to the courts but in all her years, she's only seen this example. That said, she wanted to be clear that there are tensions and there are difficulties. Kim Crockett added that sometimes it is a resource issue for some cities to be able to comply.

Another member wanted to build on a comment previously made a fellow member because he believed this gets to a fundamental issue that the committee has to address but has not done so yet. He continued that the statute provides the Council the authority to adopt and implement "policy statements, goals, standards, programs, and maps prescribing guides for the orderly and economical development, public and private, of the metropolitan area." The issues the Council may address with any of those kinds of plans can include "physical, social, or economic needs of the metropolitan area and including but not limited to such matters as land use, parks and open space land needs, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, and other public buildings." He underscored the "including but not limited to" language in the statute is very broad. According to member, it isn't that the Council only has narrow statutory authority over transportation, wastewater treatment and parks and open space since the Council has statutorily-designed authority just for those. He stressed that the charter is much broader than that, allowing them to take up other issues that implicate the orderly and economical development of the region by coming up with a policy statement. If they come up with a policy statement, the question becomes how to integrate that with all their other authorities, which is what they are supposed to do. If one is interested in efficiency, this is what they ought to be doing. It's not that their authority is limited to these named tracks, but whether they are getting at their full potential provided in the charter in dealing with the total orderly and economical development of the region.

Michael Langley responded that he was not the right person to get in the middle of something statutory or political, but stressed that the region will have a million more people than it has today over the next 25 years. Over the next 10 years, there will be the potential need for 100,000 more skilled workers to fill the jobs that will be created around the region. We also know that the demographics of the next million people will be significantly different than what we have seen in

the last 50 years. There are tremendous issues in dealing with this switch and regional governance is absolutely critical. Langley added that when GreaterMSP was created, there were 13 MSAs (metropolitan statistical area) and that today there are 16 MSAs because three counties have over 25% of their residents commuting into the metro every day. We are becoming a broader and larger region, so the need for efficiency and a strong regional governance has only increased. Langley added that there is no shortage of responsibilities to go around for everyone - whether those are to fall on the Met Council, local government, county government, state government, nonprofits, or the business community, but we all have our part to play. He thought we should be linking hands and helping each other get better and becoming stronger together as a region so that we can continue to have the prosperity we have enjoyed for decades and not lose the eggs that we have today.

Patricia Nauman responded to the member's comment about how one might interpret the powers of the Met Council. She reiterated that Metro Cities generally takes the stance that we should not be too liberal in the interpretation of their powers and that they should stay within their lane. They look at the Council's powers from this perspective. That said, they also support a study of the Met Council and would argue that the study should occur before any governance changes are recommended. They study should look at what the Met Council should be doing and not doing to position the region for the next 40 years. During this, she imagines the questions about the Council statutory interpretations would come into play.

Kim Crockett added that according to the members read and interpretation of the Met Council's authority, it sounds like it is unlimited.

She thought there has to be some limit to it. She did not think the state's constitution anticipated a regional system. She thought there was plenty for the Met Council to do and again, did not understand the impulse to branch out. She added that the word "social" in the statute could mean anything so she thought the statute might need to be revised. She did not think it was an invitation to crush the desires and preferences of local communities. Lawyers can interpret the words in the statute any way they want, but she asked if this is really what was intended. What did "social" mean back then?

A member asked Michael to talk about the value of addressing things like income inequality or the achievement gap and how do these affect the orderly and economical development of the region. Langley responded that the opportunity for the region will be maximized in terms of prosperity and economic growth if we do not allow anyone to fall through the cracks – both economically and socially. He defined social as quality of life and quality of place to include the social vibrancy like arts and culture. He restated that we cannot allow anyone to fall through the cracks because we could potentially have a 100,000 jobs – a conservative estimate - that will need to be filled. A very diverse business community that is ever increasing will be creating these jobs. Where the region leads globally are in areas of food, water, and health. These are and will be the most critical issues the world will face in the next 100 years and we just happen to be very good at these things in this region. Because of this, we are very relevant on a national and global economic scale. Since we can't afford to lose anyone through the cracks, we need to address issues that will bring everyone along. Some of those issues involve inequities and disparities within our communities. Some of these inequities can be solved by ensuring that we have access to workplace, access to transit, and infrastructure throughout our region, which sometimes means we need help from government due to market failure. Langley said that although he is a pro-market and free market thinker, he also understands that market failures occur and this is where regional government can assist – not solve all the problems, but assist.

Noting a number of elected officials in the room, Kim Crockett asked when we lost confidence in elected officials. She also asked when did we lose confidence in our churches, communities, our neighborhoods. Noting how big and vital the issues are, she wanted to know why we would want to put these issues into the hands of governor appointees.

A Task Force member commented that she was glad we were having this conversation because one of the things the group is trying to do is to have a shared meaning around the roles and responsibilities of the Met Council. She addressed the member who made the comment on the statute's "including but not limited to" language. She agreed this could be interpreted broadly and where she and others at the municipal level would push back is around land use. In law, that is the authority of elected officials at the municipal level. One of the things they continue to work on

and is going well under the leadership of Chair Duininck is that there needs to be a conversation with cities. Data is good but data does not illustrate the lived experience of what is happening in a city. When it comes to the quality of housing stock, the availability of affordable housing, the acknowledgement of aged housing that is now affordable are all things only those at the municipal level know and understand. She explained that her city is completely built out so they are in re-development, which is a completely different conversation. She went on to the subject of water and talked about the number of water management organizations. To drill a well, they have to go to three agencies to accomplish this. What is the Met Council role? These are some of the things she would like to see clarified. There is not an elected official who does not want their community to be economically viable. As far as economic development, she mentioned that there is also DEED. She did not necessarily think the Met Council needed more funds allocated to it since DEED was another place cities go for grants. She would like the legislature to provide more tools to cities besides TIP and abatement.

A member rose to thank Kim Crockett for taking off the gloves because he believed this is exactly the conversation we need to be having. He added to an earlier point about the Council's statutory powers and explained that in plain reading of the statute, the Council can adopt policy statements, programs, etc. for any of those kinds of issues including social and economic needs of the region. If the Council decides that something is important and it does adopt a policy plan, then the statute says that they have certain ways they can make that work. They can give out dollars, through investments, or through their other plans. Metropolitan systems plans must substantially conform to all the other plans and policies that the Council has adopted, so there is a way for all of this to integrate. The Council has this authority and it has been there for a long time. The reason it is there, the member explained, is because cities were building for their own self-interest. The reason the legislature decided against a council of government structure was because they realized local governments would end up pushing the council around. The member thought the legislature has been micromanaging the Council since 1976 on every issue when they felt the Council has pushed a little too hard. Because of this, there have been amendments to the statutes.

Another member recalled that in the first meetings of the Task Force, the committee learned how the Met Council was conceived. The viewpoint at the time was to allow local metropolitan community leaders to pull together, figure out solutions, and take that to the legislature for implementation. Today, it seems to be the complete opposite is true where an agenda comes from the governor's office and is then implemented through the Met Council. He asked the panel if this was a good development or has hurt us as a region.

Langley responded that as someone who has done similar work elsewhere in Pennsylvania and Florida, he has noted that regions that do not have a regional governance executed in a manner that provides efficiency has looked to the Met Council as a model because it has the ability to bond, tax and get things done. He stated that he did not want to engage in the politics of the Met Council since it would not serve its members, but hopes that the Task Force will be able to set aside many of these political arguments that have been ongoing so that we can all get more done.

Patricia Nauman added that she thought the members comment would support staggered terms since what the Council focuses on would depend on the make-up of its members.

Kim Crockett mentioned the 2011 Legislative Auditors report. The report found that the transit governance in the region is completely dysfunctional. She agreed there should be regional planning and regional management of wastewater, but she felt something has gone wrong. What the auditor said was that the Met Council's structure created a lack of credibility among stakeholders and that there were no agreed-upon set of priorities for transit in the region. She believed in regionalism, but regionalism with accountability. She disagreed with Langley that this was political. She saw this more as philosophical and a governance issue. She added that when there are 25 organizations involved in transit, something was wrong.

4. Group Discussion

Co-chair Arntz referred to the Decision Matrix Chart as a tool to help frame tonight's conversation. She and co-chair Knapp both agreed that they needed to help the group start narrowing and focusing the discussions. Based on Arntz' observations, she noted a lot of conversation around

governance and a lot of conversation around transportation. She did not notice as much on other issues such as housing or other elements that were on part of earlier questions in the process. Referring to the Decision Matrix Chart, she asked the group if anything was missing that should be added.

Due to the spirited presentation by the panel members, there was interest from the group to discuss what the committee heard tonight. A member commented that for him, the concepts that have been expressed by Kim Crockett and the Center of the American Experiment have limitations because for one, there is a small homogenous group represented, secondly the data may be limited, and three, he did not know anyone who could predict the future like Nostradamus. He thought this was something the group needed to also consider: the forecasting of what might occur. As a board member of GreaterMSP, he is a supporter of regionalism and appreciates the work it is doing based on data. He thought Michael Langley should have shared the Regional Indicators Dashboard.

If one believes in markets and free market concepts, then one needs data like this to show what is and isn't working and here is market failure. To the question of whether the Met Council should be reaching into areas like the achievement gap and income inequality, the indicators of our current market show that there are big, glaring issues that impact the competitiveness of our region as highlighted by the data. If the market is showing that this is a problem and if areas that the Met Council has the authority to coordinate like the planning for housing and transportation/transit, which can positively impact the achievement gap and income inequality by providing stable homes and better and more reliable transportation to job opportunities in the marketplace, but the need isn't being met, then something is not working.

Given the dollar figures that Michael Langley threw out as savings due to the efficiency of the Council and the comments raised by Kim Crockett about the rights of local communities, the member wanted to know what is the value of the local government.

Another member commented that she wanted to re-enforce the idea of the Met Council as a convener in the context of its statutory authority. She explained that in the Met Council's history, there have been times when local communities have not been able to move forward together in a positive way with the Met Council to the benefit of the region and that this happens all the time around different topics and issues. She pointed out housing and the time when there were fights around housing between urban cities and suburbs. The Met Council at that time convened conversations not because they had the statutory ability, although they did, but because they knew it was what was needed. Someone needed to step in to do this. Today, there are similar thorny issues that no one wants to take responsibilities for in our region. She hopes that as members of the Task Force, if we want the region to be strong, we will not be afraid to put forward recommendations even though they might rub some people the wrong way or put at risk someone's authority because it is in the best interest of the people in the region.

A member commented that there seemed to be a special status held for elected officials and she's not sure she shares that view. She did not think Metro Cities shared this view either. She recalled what happened in 1994, which was how do you hold anyone accountable if it is spread it over various units of governments. How do you make someone accountable if the governor is not the right one? Would it make sense to elect the Council chair region-wide and make that person in charge? She also noted that county commissioners ended up getting the money for transit because they were elected officials but how many county commissioners lose their jobs these days? They're basically in there for life. How many people know what their county government does? Given this, she thought the arguments made for elected officials were unfounded.

A member commented that so often in these conversations, the people impacted by all of these decisions are often absent and she did not know whether this was something we could mention in whatever is brought forward.

Another member commented that one of the things she thought the group should be focusing on is a shared meaning on the role of the Met Council and the role of cities. She added that cities do understand that a stronger region positively impacts them.

A member said that she would like to take the group back to something Sean Kershaw said earlier in that we should start with findings before we get to the recommendations. She thought

the conversation today was illustrative on where we can start. She thought many findings were stated in the last ten minutes including the consensus on the importance of regionalism, the lack of understanding of the Met Council among individual citizens, and the fact that the market does not work sometimes in some areas. She thought there were other findings that have been mentioned and would like to see the group reach some consensus on those and by doing that, some recommendations might come forward.

A member commented that having served as an election judge for many years, many voters expressed not knowing any of the city or county officials who are running for office.

A member commented that despite what one of the speaker said, as a city official, he is not scared of the Met Council. In the circles he is a part of, he knows that other city officials are also not afraid of the Council or fearful of retribution but they are annoyed by the Council are a pretty regular basis and do have a sense that there are people at the Council who are dabbling in what may be considered regional issues. One of the assumptions he has gotten out of this process is that elected officials are seen as not having the ability to make the tough decisions for the long-term. He didn't agree with this but thought there was the perception that only people "above it all" can do this.

A member commented that having worked in four cities over the past 20 years, she has never been afraid of the Met Council, but has experienced retaliation when an action was not well received by the Council.

Another member noted that when he was an elected official, he too, was not afraid of the Met Council. He added that he thought people need to feel they have a chance and this starts with better representation in government. He added that the Met Council should approve comprehensive plans and infrastructure plans and deal with big strategic issues, but allow the boots-on-the-ground people have the ability to do what is best in their community without being micro-managed.

5. Next Steps & Evaluation

Co-chair Arntz closed the meeting by restating the Citizens League process of findings, conclusions, and recommendations; she wanted to start the conversation on the 21st with what are our findings and start creating conclusions. It was asked and members agreed it would be good to start some of that work before the meeting.

The members evaluated the meeting as follows: 5, 5, 5, 4, 4, 4, 5, 5, 4.5, 5, 5, 4, 4, 4, 4, 4, and 4 for an average 4.4.

6. Adjourn

Co-Chair Arntz adjourned the meeting at 6:08 p.m.

**Approved Minutes
Met Council Task Force**

Thursday, January 21, 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**), Steve Dornfeld, Jim Erkel, Carol Flynn, Michele Foster, Sharon Sayles-Belton (by phone), Scott Neal, Chris Gerlach, Bill Hargis, Shannon Watson, Ravi Norman, John Adams, Dan McElroy, and Acooa Ellis.

Members not present: Peter Bell, Adeel Lari, Elizabeth Kautz, and Jim Solem.

Staff & staff support present: Pahoua Yang Hoffman and Sean Kershaw (on phone)

Citizens League members and special guests present: Citizens League board member Heidi Larson, Gabriel Flaa, Kate Weyenberg, Bright Dornblaser, Paul Taylor, and Ray Schoch.

Proposed outcomes for this meeting

- Approve minutes from previous meeting.
- Debrief last meeting.
- Review project status.
- Discuss Findings and Conclusion.
- Agree on next steps.
- Evaluate meeting.

Minutes

Co-Chair John Knapp called the meeting to order at 4:04 p.m.

1. Welcome, Introductions, Approval of Minutes, Debrief of Previous Meeting, Review Project Status

Introductions

Co-chair John Knapp started the meeting by introducing Citizens League members and board member, Heidi Larson. Knapp went over the proposed meeting outcomes.

Approval of Minutes

Co-chair Knapp asked if there were any questions or feedback on the minutes from the January 7th meeting. Scott Neal moved to approve the minutes. Acooa Ellis seconded the motion. A unanimous verbal 15-0 aye vote passed the motion to approve the minutes.

Debrief of Previous Meeting

In the last meeting, a panel member made references to local officials being afraid of the Met Council. A member noted that over the last four decades, the Met Council has reviewed 2,099 local comprehensive plans and plan amendments and has required plan modifications in just 25 cases, with the last one being the Lake Elmo case in the early 2000s. Given this, the member did not think the Met Council has been heavy handed in using its authority. Another member thought it was unfortunate that Kim Crockett used the word “fear” because it detracted from some real concerns. Had Crockett nuanced it and said something like, “there is no question that local government officials have some concerns and that some do weigh the potential consequences of disagreeing with Met Council policy statements, etc.,” he thought Task Force members would have taken her point more seriously. The member believed this concern was real and that it does influence local official’s decision-making about whether to openly disagree with the Met Council or not because of its power and authority in so many areas. It’s not quite as simple as “being afraid of the Met Council,” which to some sounds absurd.

Another member recalled a time when there were discussions about whether to expand the Met Council’s jurisdiction to include collar or neighboring counties because local officials in these areas were concerned about impact. A working group in 2002 brought an idea to the legislature to have observer members from collar counties, but this was viewed as dangerous. He did not know whether it actually required legislation, but legislation did not make it out of committee.

A member commented that she lived in a neighboring county and the fear was that it was “a communist takeover.” It had nothing to do with reality.

Review project status & share plans for upcoming meetings

Co-chair provided a brief overview of the project status. He reminded members about the Citizens League process, to first embark on fact-finding, which the group has done by inviting external speakers to come in and present. The next step is for the group to agree on findings and conclusions based on what the group learned from the presentations. From the findings and conclusions, he hopes the group will come to some recommendations. The task for today is to come to agreement on the findings and conclusions. With lots of work to still complete, the next meeting on February 4th has been extended and will start at 2:30 p.m. instead of 4:00 p.m. but will end at the usual time of 6:00 p.m. At the meeting on the 4th, the group will be using a tool called the Implications Wheel to educate the group on the potential consequences from some of the recommendations. Staff member Pahoua Hoffman informed the Task Force that the Citizens League has used this tool for internal decision-making and found it useful. Hoffman mentioned that she would be sending members more information that would prep them for the exercise.

A member raised some concerns that while the group has heard from a number of external individuals; he did not feel there has been enough time to discuss among the members about what they have heard. He did not feel comfortable talking about possible recommendations without doing this since people’s minds might change if there were such discussions. Co-chair Knapp responded that this was the goal for today’s meeting and future meetings and that the entire time would be devoted to discussion today. He also mentioned that an appropriate recommendation could be that an issue needs further study since the committee could only do so much in the six-month timeline it had.

2. Discussion on Findings & Conclusions

Prior to the meeting, the Task Force received a number of findings and conclusions through an online survey where members were asked to indicate their level of agreement or disagreement as well as offer up new ones. Many of the findings and conclusions were sourced from meeting notes and previous exercises including the decision matrix chart. This pre-work served as the starting place for the discussion today. A member noted that there were a couple findings that were unclear and she hoped that after they get clarified in the discussion, the group could take the survey again. This would also address the previous member’s comment about people’s opinions could change after discussion. A suggestion was made that the Citizens League clickers could be used, if not the survey again. Co-chair Knapp agreed.

After a decision was made to first discuss the findings and conclusions that had the most agreement, Knapp referred to the survey result handout that was in the meeting packet. Of the findings/conclusions included in the survey, the one that received 100% agreement was:

Water supply is a regional asset with regional implications for local decision-making, and should be governed regionally.

A member mentioned that five or six years ago, the legislature directed the Met Council to do a regional water supply master study and make some recommendations. This included an advisory committee of local officials. He believed there were developments since the study. He did not think the Task Force has done enough fact-finding in the area of water. A brief discussion took place on who has the authority over water. Several state agencies were mentioned: the Department of Natural Resources, Minnesota Board of Water and Soil Resources, and all the watershed districts. It was also mentioned that to drill a well, one needs to get a permit to drill it and then a permit to connect it. It is an already layered process and the member was concerned about adding yet another layer of governance. Another member noted that this issue could be a good one to use the Implication Wheel since the “what happens after that” can affect so many areas. Another member added that while there are many entities involved in water governance, she did not think there was one entity that had a regional perspective and that the issue of water requires coordination.

A member took issue with the clause, “...and it should be governed regionally.” This was not a finding but a recommendation. She believed the group could draw the conclusions that water is a

regional asset with regional implications and it should be planned regionally, but did not agree the group should state that it ought to be governed regionally – at least not until more discussion and research was done on this issue.

Another member commented that when he reviewed this statement, he had in his mind the success the Met Council has had with waste water. It was his thought that perhaps water in general could be managed in the same way. Another member added that water deserved more attention and wished we had brought someone in to talk about water management, planning, and governance. Given the discussion, the group re-revised the statement to now read:

Water supply and storm water are regional assets with regional implications for local decision-making and should be planned regionally, with which agencies to have jurisdiction to be further studied and determined.

Co-chair Knapp read the second statement under the “Other” category from the survey results document:

The needs of an aging population, which includes housing and transportation, may likely be a new regional issue.

Co-Chair Knapp added that 2/3 of members agreed with this statement. Another member commented that there used to be a council on aging to the Met Council. There was also a hospital board, a health board, and even one on criminal justice within the Met Council. These were in place because there was money from the Federal government.

Another member commented that in the context of the above statement, both housing and transportation are already within the wheelhouse of the Met Council. As the Met Council looks at population trends, the changing demographics, and an aging population, the question is really can or should the Met Council make certain assumptions that a portion of the population is going to need multi-unit dwellings rather than single-family detached homes spread out through the region. If that is the case, this immediately gets into population projections and the amount of land that is required. This would fit within the planning authority the Council already has. Although people can choose to disagree with the changing demographics, they are coming. The question is whether they can be translated into work that the Met Council is already doing in terms of looking at land use consumption.

3. Next Steps & Evaluation

Co-chair Knapp closed the meeting by restating the Citizens League process of findings, conclusions, and recommendations; she wanted to start the conversation on the 21st with what are our findings and start creating conclusions. It was asked and members agreed it would be good to start some of that work before the meeting.

The members evaluated the meeting as follows: 5, 5, 5, 4, 4, 4, 5, 5, 4.5, 5, 5, 4, 4, 4, 4, 4, and 4 for an average 4.4.

4. Adjourn

Co-Chair Knapp adjourned the meeting at 6:08 p.m.

**Approved Minutes
Met Council Task Force**

Thursday, February 4, 2:30 p.m. – 6:00 p.m. (special extended meeting)
Mount Zion Temple, 1300 Summit Ave, St Paul, MN 55105
Meeting Room: Margolis Hall

Members present: Susan Arntz (**Co-chair**), John Knapp (**Co-chair**), Elizabeth Kautz, Jim Erkel, Michele Foster, Scott Neal, Chris Gerlach, Bill Hargis, Shannon Watson, Ravi Norman, John Adams, Jim Solem, and Acooa Ellis.

Members not present: Steve Dornfeld, Sharon Sayles-Belton, Peter Bell, Adeel Lari, Carol Flynn, and Dan McElroy,

Staff & staff support present: Pahoua Yang Hoffman and Sean Kershaw

Citizens League members and special guests present: Gabriel Flaa, Kate Weyenberg, Bright Dornblaser, Ray Schoch, and Implications Wheel facilitator Jim Schreier.

Proposed outcomes for this meeting

- Approve minutes from previous meeting.
- Debrief last meeting.
- Review project status.
- Participate in Implications Wheel exercise.
- Agree on next steps.
- Evaluate meeting.

Minutes

Co-Chair Susan Arntz called the meeting to order at 2:33 p.m.

1. Welcome, Introductions, Approval of Minutes, Debrief of Previous Meeting, Review Project Status

Introductions

Co-chair Susan Arntz started the meeting by introducing special guest Jim Schreier, the facilitator of the Implications Wheel tool. 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 January 21st meeting. Shannon Watson moved to approve the minutes. Jim Erkel seconded the motion. A unanimous verbal vote passed the motion to approve the minutes.

Debrief of Previous Meeting

Co-Chair Arntz provided a brief re-cap of the previous meeting on January 21. The Task Force reviewed and began to refine the list of findings and conclusions in order to prepare for final recommendations. A lot of work was completed at this meeting, but since the Task Force did not finish going through the entire list, a small sub-group convened to refine the remaining findings and conclusions. Arntz indicated that the full Task Force would have another opportunity to review the final list of findings and conclusions, offer language changes, and prioritize them via Survey Monkey.

Review project status & share plans for upcoming meetings

The group agreed to review the findings and conclusions again to prioritize them. Arntz asked Pahoua Hoffman to walk through the draft table of contents. Hoffman explained that she and Sean came up with the outline for the final report to get members feedback. A member suggested the addition of the *1976 Metropolitan Land Planning Act* under Major Changes to the Metropolitan Council in the draft table of contents. Hoffman responded that this was the kind of feedback she would like from members. Hoffman responded to a question about audience for the final report. She explained that while the Governor, the Met Council, and the Legislature were all key audiences for the final report, the Citizens League also sees its members and the general public as an important audience. Because of this, the report should be comprehensive: covering the

history of the Met Council, major milestones, and the conclusion of this Task Force. She thought it would be a disservice if someone who wanted the full picture had to go to three different Citizens League reports to get it.

Co-Chair John Knapp mentioned that he and a few Task Force members including Pahoua Hoffman attended the Legislative Commission on Metropolitan Government hearing chaired by Rep. Tony Albright on Wednesday, January 27. Senator Scott Dibble, a member of the Commission, called attention to the Citizens League's Task Force and how the work would be shared with the Commission once completed. Due to legislative committee deadlines and the compressed session, it was suggested that the Task Force come out with its findings and recommendations in two phases: a preliminary release in time for session start and final report later in March.

2. Implications Wheel Exercise

Co-chair Arntz turned the meeting over to Implications Wheel facilitator, Jim Schreier.

Background and context

As Task Force Members confirm findings/ conclusions and begin to consider recommendations, a decision was made to introduce the [Implications Wheel Exercise](#) into the Citizens League process on Thursday, February 4 in an extended meeting. During the facilitated exercise, Task Force members would be exploring consequences/implications--both positive (opportunities) and negative (risks)--of a few possible recommendations in order to inform the group's decision-making process for final recommendations.

The Pre-work and Exercise.

The Implications Wheel exercise begins by phrasing possible outcomes/recommendations in the form of a question. These questions are referred to as "center" questions. After these center questions have been developed, participants build out from this center by identifying several "first-order" implications. One does this by considering "what might happen next if this were to happen?"

In order to identify two questions for the facilitated exercise, four center questions were developed and loaded onto an online platform. They included:

1. What are the possible implications of Met Council members having staggered terms and no longer serving at the pleasure of the Governor? (Example of a positive implication: *"The Met Council is strengthened by more institutional stability and memory."* Example of a negative implication: *"Met Council is fragmented due to disagreements among members and the Governor."*)
2. What are the possible implications of the Met Council having a member selection process similar to the Minnesota Commission on Judicial Selection (which solicits candidates, evaluates applicants, and recommends nominees to the Governor for appointment)?
3. What are the implications of maximizing transit options for low income people as a top priority for transit planning and infrastructure decisions?
4. What are the possible implications of the Met Council considering adopting measures that hold it accountable for closing economic disparities?

Note: The center questions above below were crafted for the exercise only and should not be considered final recommendations by the Task Force.

In the pre-work, Task Force members were asked to identify six "first-order" implications for each of the four center questions. For every positive implication, they were instructed to also list a negative implication and vice versa. The results from this pre-work were shared with the facilitator, who then selected the final two questions for the in-person exercise. The facilitator based his decision on the specificity of member responses and the likelihood to generate second and third implications. The two questions used in the facilitated exercise on February 4 included:

1. What are the possible implications of Met Council members having staggered terms and no longer serving at the pleasure of the Governor?

2. What are the possible implications of the Met Council having a member selection process similar to the Minnesota Commission on Judicial Selection (which solicits candidates, evaluates applicants, and recommends nominees to the Governor for appointment)?

After the facilitator provided an introduction and instructions, the Task Force broke into five small teams to complete the Implications Wheel exercise.

Results from the Implications Wheel

All of the results, including interactive displays and multiple reports, are available here:

<http://www.the-learning-depot.com/citizens-league/> Password: [future2016](#). (See handout on the reading and scoring of an Implications Wheel.)

3. Next Steps & Evaluation

Co-chair Arntz closed the meeting by informing the Task Force that members will receive another online assignment to confirm the revised findings and conclusions so that the Task Force can begin finalizing recommendations from these at the meeting on February 18 and March 3. She also reminded members that while the Task Force's last meeting will take place on March 3, work on the final report will continue after this date. To that end, members were informed they would be self-selecting themselves into one of two teams: writing team or editing team to help staff complete the final report. It was also mentioned that while the final report may not be completed until later in March, it was suggested earlier that a preliminary summary with findings and recommendations be released in time for the start of the legislative session with a final report to follow. Lastly, Arntz reminded Task Force members to provide staff feedback on the draft table of contents for the final report, which was distributed earlier.

The members evaluated the meeting as follows: 5, 5, 5, 4, 4, 5, 4, 4, 4, 4 and 4 for an average 4.36.

4. Adjourn

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

**Approved Minutes
Met Council Task Force**

Thursday, February 18, 4:00 p.m. – 6:00 p.m.
Amherst H. Wilder Foundation, Auditorium A
451 Lexington Parkway North - Saint Paul, MN 55104

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

Members not present: Elizabeth Kautz, Peter Bell, Carol Flynn, Ravi Norman, and Dan McElroy,

Staff & staff support present: Pahoua Yang Hoffman and Sean Kershaw

Citizens League members, Board members, and special guests present: Patricia Nauman, Gabriel Flaa, Kate Weyenberg, Ray Schoch, Juventino Meza, Pat Born, Kevin Terrell.

Proposed outcomes for this meeting

- Approve minutes from previous meeting.
- Debrief last meeting.
- Review project status.
- Discuss revised findings and conclusion.
- Review Implications Wheel results.
- Discuss Recommendations.
- Agree on next steps.
- Evaluate meeting.

Minutes

Co-Chair John Knapp called the meeting to order at 4:03 p.m.

1. Welcome, Introductions, Approval of Minutes, Debrief of Previous Meeting, Review Project Status

Introductions

Co-chair John Knapp started the meeting by welcoming Citizens League members and Board members Juventino Meza and Patrick Born. Knapp went over the proposed meeting outcomes.

Approval of Minutes

Co-chair Knapp asked if there were any questions or feedback on the minutes from the February 4th meeting. Scott Neal moved to approve the minutes. Shannon Watson seconded the motion. A unanimous verbal vote passed the motion to approve the minutes.

Debrief of Previous Meeting

Co-chair John Knapp asked what members thought about the Implications Wheel exercise. A member thought the exercise was very useful and they liked the speed in which participants were encouraged to come up with possible implications – both negative and positive. Staff member Pahoua Hoffman added that the League has been interested in adding an exercise like the Wheel to the Citizens League process and so she was glad to hear members thought it was useful. Hoffman added that if staff were trained in the Implication Wheel, she could imagine running the exercise several times throughout a project like this one. Co-chair Knapp asked Hoffman to walk members through the results from the Implications Wheel exercise that took place on February 4th.

Results from the Implications Wheel

Hoffman explained that she had a phone conversation with facilitator Jim Schreier after the results were loaded into the software so that he could instruct her on how to read the results. (All of the results, including interactive displays and multiple reports, were made available to members here: <http://www.the-learning-depot.com/citizens-league/> using password: [future2016](#).)

Hoffman explained that Schreier walked her through how to read the results from two points of views: risk standpoint and benefits standpoint. She reminded members that after the in-person Wheel mapping, the group had agreed to score all the implications identified from the perspective of the Governor. That is, how would the Governor view these implications? Scoring ranged from +5 to -5 for desirability to 9 to 1 for likelihood and captured like this (Desirability/Likelihood). A sample score of (-5/7) would denote a low desirability but a somehow high likelihood from the perspective of the Governor.

Risk standpoint

Hoffman explained that the identification of risks (*likely strong negative*), particularly at the second- or third-order, created the opportunity for earlier prevention or mitigation. Similarly, earlier identification of potential benefits (*likely strong positive*) would increase opportunities for leadership to take actions necessary to realize them.

Benefit Standpoint

She walked members through some examples from a benefits standpoint from the perspective of the Governor (*likely strong positive*). That is, what the Governor would want *and* is likely to happen if the above happens.

- *The Council has greater political freedom to advocate for the best interest of the region. (-4/7)*
- *Council has to improve communication with local governments (+4/7)*
- *The Governor uses their budget authority as a backdoor influence. (+4/8)*
- *Greater democratic participation because greater interest group participation. (+4/7)*

Hoffman noted that in this benefit standpoint scenario, the *likely strong positive* implications do not occur until after a barrier is removed or in this case, the Governor gets over this negative implication: *The Council has greater political freedom to advocate for the best interest of the region*. This illustrates that sometimes it may be worth it to get over a barrier knowing the benefits on the other side.

After reviewing the results, Hoffman received these questions below from members:

1.

Since at least two groups worked on one question, does the software allow one to overlap the results to see how they compare? ANSWER: No. Although some teams may have started off with the same question, the first-round implications were different and therefore second- and third-implications were different. The software does not allow the mapping of same or like implications from different teams. However, the results can be downloaded in Excel format for easier comparison.

2. **Some implications are in red, blue, and white. What do these colors mean?**

ANSWER: Colors are designated first by the desirability score. Implications with desirability score of positive 4 or higher are noted in blue. Blue with a yellow ring denotes that the likelihood is strong with a score of 7 or higher. Implications with desirability score of negative 4 or lower are noted in red. Red with a yellow ring denotes that the likelihood is strong with a score of 7 or higher. Implications with a desirability score between +3 and -3 are noted in white.

3. **How will these results be used in final report?** ANSWER: Hoffman responded that depending on what the final recommendations are, some of these results could be noted in the final report.

Hoffman also explained that the two questions that were used in the Implications Wheel exercise were selected by the facilitator based on the results from the pre-work that members completed online before February 4. The facilitator picked the two that he thought would generate the most implications and discussion.

Review project status & share plans for upcoming meetings

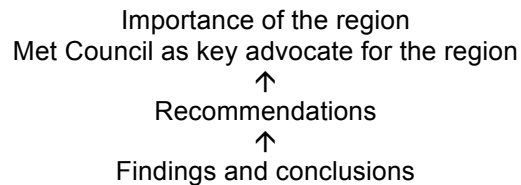
Co-chair Knapp thanked members and staff for their efforts and commitment to the process. He noted that when the Task Force first met, it was a warm fall day and now spring is fast approaching. Knapp informed the group that he and co-chair Susan Arntz recently met with staff to go over the results of the recent Findings/Conclusion online assignment. Based on the findings

and conclusions, what were some recommendations that the group could reasonably come up with.

He added that the recommendations needed to be supported by what the Task Force heard, read, or discussed. Since each Task Force member is a representative of the effort, he wanted members to feel comfortable with what the group ultimately recommends. By doing this, he hoped this would address concerns some members have had about rushing to some recommendations when we have not had enough discussion or enough information to support them. Knapp added that in addition to some concrete recommendations, it was likely that a set of recommendations would be the framing up of issues for further study since the group simply did not have enough time to fully explore everything. He reminded members that the six-month timeframe is a departure from the usual Citizens League timeline of 12-18 months. The Citizens League settled on the shorter timeline to see what could be accomplished and revealed by the beginning of the 2016 session.

2. Group Discussion

Based on the discussion the group has had, Knapp concluded that the Task Force strongly supports the concept of regionalism and the Met Council - understanding that it can and should be improved. The recommendations, based on the findings/conclusions should then support this.



Given this consensus and the prior discussions, Knapp laid three draft recommendations on the table for discussion:

- Terms of Met Council Members

The Citizens League Met Council Task Force recommends fixed four-year, staggered terms for Met Council members. Members' terms would not be coterminous with the governor, nor would members serve at the pleasure of the governor.

- An Improved Selection Process for Met Council Members

The Citizens League Met Council Task Force recommends a member selection process that includes input by local officials, strengthens the credibility of the Council, and encourages long-term regional planning.

- Possible Items for Further Study

- *Changing demographics*
- *Poverty/Equity*
- *Relationship with the Legislature*
- *Water governance*
- *Transportation funding & transportation governance*
- *Housing/Land Development*

After staff distributed the handout with draft recommendations, Knapp encouraged members to offer feedback including suggestions to reword them. He also invited members to add additional recommendations for discussion. To set the context for the discussion, Knapp went over the key objectives of the Task Force (previously shared with the group before project began):

Key Objective of the Metropolitan Council Task Force

Reviewing the history to better understand the current concerns around the Metropolitan Council. This will include a thorough review of the Met Council's history and data to be used in assessing the current system, reviewing the use of available resources (expert testimony, reports, interviews, etc.) in order to fully examine the role of Metropolitan Council.

Develop a shared vision for the Metropolitan Council. What do we need from the Metropolitan Council in light of the rapidly changing economic and demographics challenges we face? How can the current model be improved to achieve the future vision for the Council's work?

Recommend a set of actionable solutions that will address the concerns while representing the Metropolitan Council's regional view. What are the priority issues and actions that need to be taken to ensure a highly effective and trustworthy Council?

Knapp also went over the previously agreed upon **Task Force Recommendations Criteria**:
Be politically plausible and implementable.
Honor the criticisms and addresses them.
Support the Metropolitan Council as a regional entity with a regional mindset.

A member responded that while he did not disagree with these recommendations, he did not feel the Task Force has fully acknowledged the situation that cities and counties face when they are saddled with the kinds of responsibilities they have to respond to local constituents and to finance their operations with financing systems that are artifacts on the 19th century. The reason for the Met Council was to plan long-range for infrastructure and let what happens at the city and county level hang on that infrastructure. The tension from the beginning has been between local interests and the here and now. He went on to add that programs like fiscal disparities have muted some of the pressure on local government but not all and these pressures are some of the reasons underlining city and county concerns. He did not think these were items for further study but that they provide the context for the Task Force's work.

Another member added that a valid finding is the inherent tension between regional and local government along with limited resources. She confirmed that while there is not a solution for this since it is and will be the ongoing reality, the group could comment on the implications of this since it does cause concern in various circles.

Another member commented that she hopes the group would dive a little deeper in the appointment process by outlining detailed criteria for Met Council member selection in a way that would address the concerns that have been raised. Related, she raised the issue of whether the make-up of Met Council members should reflect the changing demographics, currently an idea listed for further study. Another member agreed that the group should articulate detailed selection criteria if it is to put forward improvements to the current selection process. The current draft recommendation, she thought, did not provide any guidance.

Co-chair Arntz referred members to the draft table of contents for the final report that was distributed in the meeting packet. She echoed the previous members' comments and underscored the importance of setting the context for the issues discussed and the recommendations the group will be making.

Another member commented that many of the concerns have been short-term and there needs to be more emphasis on long-term planning. Because of this view, he was intrigued with the Implications Wheel exercise because it encouraged alternate analyses and allowed for planners to see different possible routes: a plan A, plan B, and so forth.

Although the judicial selection process was suggested as a possible model for the Met Council to consider, not everyone was clear on that process and how it was the same or different than the current Met Council selection process. Because some Task Force members examined this during the Implications Wheel and had questions, a Task Force member did additional research and crafted a side-by-side comparison of the current Met Council member selection and the judicial selection process. He explained that he created this chart by reviewing the Met Council statutes and the Commission on Judicial Selection process. The chart was distributed in the meeting and the member briefly walked members through it. He noted that while there are qualifications for Met Council members, they are very broad.

A member commented that one of the problems is that the appointment process for the Met Council is part of a larger elaborate process in state government for all the boards and commissions that the Governor makes appointments to fill. There is an appointments office staffed by a few people and when there is a new Governor, the office is inundated with hundreds

if not thousands of applications for all the boards and commissions. In his experience, the Met Council gets lost in all of this. This makes the Met Council no different than the Minnesota Board of Barber Examiners and other boards. Staggered terms could help to alleviate some of this but it would be better if the Council was seen as different and distinct from these other boards.

Another member added that regardless of improvements to the recruitment process, it breaks down at the actual appointment because the Governor will do what he wants to do.

It was added that the nominations committee is seen as an extension of the Governor's office because they conduct the interviews and privately forward the names to the Governor who makes the appointments. The member thought that if the names of finalists for each seat were made public, at the very least, people would know who the Governor was choosing from, adding some pressure if the Governor were to choose from outside these names.

A member suggested that in reviewing the draft recommendations, it is helpful to ask what the problem the recommendation is trying to solve is. For the staggered term recommendation, the problem is clear and the recommendation addresses it. For the appointment process recommendation, it was unclear what the problem the recommendation is trying to solve. Is it to get at the capabilities of Met Council members? Some members commented that it is a matter of trusting Met Council members as effective listeners and carry the messages from the districts into the work of the Met Council.

A different member commented that the problem isn't that the Governor selects the members but that there is a perception that the members selected are not credible and that an improved process could help to restore credibility.

It was also suggested that adding additional local government voices to the nomination process could make the Council more credible. After trust was mentioned again, a member asked for clarification or an example of "what not trusting" means in the context of the Met Council. A member responded that to her, it is a matter of integrity. Is the Met Council member representing the district and making decisions with integrity? She told the story of an exchange she had with a Met Council member whom she did not believe listened to her concerns or knew enough about the issue to effectively bring it back to the Council for further action.

A member shared a story of an elected official she knew who was part of the Met Council nominations process. Although many names were forwarded to the Governor from the nominations committee, none of them were selected. Further, it was discovered later that the final candidate did not show up for the interview but was still selected. This contributes to the lack of trust for the nominations process. It was added that in more recent years, the Governor has selected from the pool of candidates that have come forward from the nominations committee.

Another member questioned whether it was really trust or integrity since no one is asserting that a Met Council member has been involved in nefarious activities. He instead offered that it might be more of a question of political legitimacy.

In addition to the staggered terms and an improved nominations committee, a member encouraged the group to come up with a recommendation about the importance of educating the public on the Met Council and its work. Not enough people know what it does and therefore many are suspicious about its activities. Even if it is not a formal recommendation, she also thought the group should encourage the Met Council with some urgency to take some responsibility in convening the region around issues related to the changing demographics. In her mind, this cannot wait to be studied at a future date since it is happening right now. Someone has to take responsibility to take a look at these issues at a regional level. Another member rose to support this. She added that issues related to changing demographics including growing poverty does not need to be studied further since we already know enough about the issue and we cannot continue to admire it.

A member suggested that time commitment and a commitment to regionalism should be criteria for member selection. He also wanted the group to debate and discuss whether elected officials should serve on the Council.

Pahoua Hoffman added that in typing up the notes from the meetings and reviewing them afterwards, issues of trust, credibility, and political legitimacy permeated every discussion the group has had. A reason staff and the co-chairs presented these draft recommendation for the group to discuss today was that until these issues were addressed, she did not believe the public would see the Council as trustworthy enough, credible enough, or politically legitimate to address many of the issues on the “to be studied further” list. To this point, she added that the vision for the items to be studied is that these would be fully articulated and framed up in such a way that they would be ready to be examined further by the Citizens League or another group. It would not be just a couple of sentences.

Co-chair Arntz suggested that the group focus on putting more details into the two draft recommendations at this time and use the meeting on March 3 to discuss the items for further study. She also thought it would be good to get some writing done and perhaps meeting one more time after March 3.

A member added that she did not think some of the items in the “to be studied” list actually needed further study. She did not think changing demographics, poverty, or housing needed further study. Instead, she would like to see a call to action for the Met Council that involves a subset of these issues. They should include workforce development. There should be additional word-smithing around these three before we come back together again.

A motion was moved by Shannon Watson to adopt the first recommendation as written on staggered terms. Member, Acooa Ellis, seconded it. After a brief discussion, the Task Force agreed to the following recommendation with no objections:

The Citizens League Met Council Task Force recommends fixed four-year, staggered terms for Met Council members. Members' terms would not be coterminous with the governor, nor would members serve at the pleasure of the governor.

Co-chair Knapp read the second recommendation:

The Citizens League Met Council Task Force recommends a member selection process that includes input by local officials, strengthens the credibility of the Council, and encourages long-term regional planning.

A member inquired whether it was possible to require that the Governor only appoint names provided by the nominations committee. Other Task Force members had asked House researcher Deb Dyson on this point and her response was that it was not constitutional to require this of the Governor. The legislature cannot constrain the Governor's powers to appoint.

Co-chair Arntz asked members to step back and ask whom they want to serve on the Council because this could illuminate what the process should be to get them there.

Jim Erkel moved the motion to accept the second recommendation with the addition of the word “citizens and” so that it now read:

*The Citizens League Met Council Task Force recommends a member selection process that includes input by **citizens and** local officials, strengthens the credibility of the Council, and encourages long-term regional planning.*

It was understood by the group that they were approving this as the heading for a more detailed recommendation with criteria/qualifications yet to be determined. The motion was seconded. A member rose to oppose and asked for clarification on the problem the recommendation was trying to solve. If the problem is trust, credibility, caliber of the candidates, and political legitimacy, he did not know how this recommendation addresses those concern if at the end of the day, the Governor can still make political decisions and political appointments on his own. The power still resides with the Governor. If this is the case, what do we achieve with this recommendation, even with well-intended adjustments? A member responded that an improved process would solve the issue of transparency. A member added that this recommendation should include the requirement

that the final three candidates per seat be made public before the Governor makes his final selections.

The Task Force voted on the recommendation as amended above with the addition of criteria/qualifications to be determined and the public notice of final three candidates per seat to be made public. All but two members were in favor of the amended recommendation. They did not think it did enough to address the concerns. One of the members in opposition would like to see the Governor appoint some but not all the Met Council members. Any process that still leaves all the appointing authority to one person would not be doing enough. He recalled that several weeks ago, no one objected to the group's finding that the Met Council is governed as a state agency. What the Task Force has not done yet is ask whether this is good or bad. In his view, this is bad because it leaves local government out. Local government should be able to appoint his or her own, thereby dispersing the power and not have it concentrated in one person. There should be a broader base of participation. This is how democracy is supposed to work. With the current arrangement, the agenda comes from the top down and not from the bottom up when the Met Council was first conceived. Co-chair Knapp encouraged the member to draft a recommendation that reflects his perspective to be discussed at the next meeting.

3. Next Steps & Evaluation

Co-chair Knapp closed the meeting by indicating that additional meeting dates may be added. The Task Force ran out of time and did not evaluate the meeting.

4. Adjourn Co-Chair Knapp adjourned the meeting at 6:12 p.m.

**Approved Minutes
Met Council Task Force**

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

Members present: Susan Arntz (**Co-chair**), John Knapp (**Co-chair**), Jim Erkel, Michele Foster, Scott Neal, Chris Gerlach, Bill Hargis, Shannon Watson, Adeel Lari, Jim Solem, Steve Dornfeld, Sharon Sayles-Belton, Peter Bell (via phone), Dan McElroy, and Acooa Ellis.

Members not present: Elizabeth Kautz, Carol Flynn, Ravi Norman, and John Adams,

Staff & staff support present: Pahoua Yang Hoffman and Sean Kershaw

Citizens League members, Board members, and special guests present: Patricia Nauman, Gabriel Flaa, Kate Weyenberg, Tenzin Gakyi, Caroline da Silva Barbosa, Pat Born, Cyndi Leshner, Eric Schubert, Mike Luke, and Kevin Terrell.

Proposed outcomes for this meeting

- Approve minutes from previous meeting.
- Debrief last meeting.
- Review project status.
- Discuss draft recommendations.
- Agree on next steps.
- Evaluate meeting.

Co-Chair Susan Arntz called the meeting to order at 4:04 p.m.

1. Welcome, Introductions, Approval of Minutes, Debrief of Previous Meeting, Review Project Status

Introductions

Co-chair Arntz started the meeting welcoming Citizens League members and Board members Cyndi Leshner, Eric Schubert and Patrick Born. She also acknowledged the four Citizens League interns. 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 February 18th meeting. Scott Neal moved to approve the minutes. Jim Erkel seconded the motion. A unanimous verbal vote passed the motion to approve the minutes.

Debrief of Previous Meeting

Members did not have any comments about the previous meeting.

Review Project Status

Co-chair Arntz informed the group that two meetings were recently added but depending on the discussion tonight, there may or may not be a need for one or both meeting dates.

2. Group Discussion

The Task Force began the discussion by taking up the first two draft recommendations on Met Council member selection. Since two small teams authored each option, Co-chair Arntz asked each team to present their respective draft recommendations. It was agreed that a vote would be taken after both teams have presented their

Member Selection, Option 1

Background: At the last meeting, the Task Force discussed and voted on the following draft recommendation (all but two members were in favor) with the understanding that additional details including member qualifications would be developed and brought forward for another discussion.

The Citizens League Met Council Task Force recommends a member selection process that includes input by citizens and local officials, strengthens the credibility of the Council, and encourages long-term regional planning.

The first team walked members through the first draft recommendation. They proposed increasing the nominations committee membership from the current 7 to 13 as a way to increase the number of voices on the nomination committee. Seven would represent citizens and six would represent local government: 3 counties and 3 cities. They also proposed additional public announcements to include: A) Detailed position description with required skills, time commitment, and connection to district to be clearly articulated and posted in advance of the nominations process. B) Require the nominations committee should recommend three finalists for each council seat, and their names and qualifications should be made public at least 14 days prior to final selection by the governor. They also proposed adding qualifications: A) Experience in local government and/or experience in key subject matter such as transportation, housing, and environment. B) Diversity representative of district/region. C) Specify time commitment required to attend Council and community meetings. By increasing the nominations committee membership, this would increase local voices and contribute to more buy-in. Additional notification would increase transparency and elevate Council credibility. Additional and specified qualifications would strengthen Council membership and elevate Council credibility.

Member Selection, Option 2

The second team walked members through the second member selection recommendation. The recommendation supported an agreed-up finding from a previous Task Force meeting that for all intents and purposes the Met Council is governed and managed as a state agency with decisions, policies and actions flowing downward from the Governor's office to the Council membership.

They proposed decentralizing the governance structure to allow for Council members to be appointed by counties and cities within the region and developing a system for proportional voting with checks and balances to achieve geographical balance. They also proposed that the Chair of the Met Council be elected from among the Council Membership and not appointed by the governor. The team explained that these changes would allow for greater independence of Council actions and make the Council more representative of the region's interests. They added that this would also significantly enhance the acceptance of local governments and citizens and make the Chair and staff more accountable to the Council rather than the Governor.

Hybrid recommendation proposed.

After the committee discussed the merits of both, it was asked whether members would be open to blending of the two recommendations. It was suggested that in a hybrid scenario, the Governor would appoint some members and elected officials would appoint some members. A member rose to support a hybrid if this meant elected officials would sit on the Met Council, thereby meeting the requirements to act as the MPO and eliminating the need for TAB. It suggested that non-elected or elected officials serving on the Met Council be discussed further.

After some discussion, a member suggested a hybrid that would allow local elected officials to appoint 7 members while the Governor appoints 9 members plus the Chair. Because this member did not want this to turn into a COG, he suggested that the members appointed by elected officials be non-elected officials.

It was suggested that the Met Council membership be increased from 16 to 23, with the additional 7 to be appointed by elected officials (counties and cities). Another member suggested at-large members.

Co-chair Arntz commented that given the feedback on a possible new hybrid recommendation for member selection, she suggested that more work be done to craft this new recommendation for discussion. A member agreed, but suggested that the committee come to some consensus on the components that have been discussed to help craft the new hybrid version.

Co-chair suggested that the committee formally vote on either one of the two draft recommendations or vote on a new hybrid to be developed, which could be informed by the two.

A motion was moved by Michele Foster and seconded by Sharon Sayles Belton to draft a new hybrid recommendation for discussion at the next meeting. All members but one voted in support of the motion.

To further aid in the draft of the hybrid recommendation, a series of votes were taken up on various components:

- Of the Met Council members to be selected, a motion was made and seconded that the Governor-appointed members should be more than members appointed by local elected officials.

During the discussion, a member added a new suggestion that would allow the Gov and elected officials to appoint the same number of members. It was noted that this would solve the district problem. It was clarified that the Gov would appoint 8 members and the Chair (so 9), but the Chair would only vote in the event of a tie. Ties would be rare.

- VOTE: 10 voted in favor. 5 opposed.
- A motion was made and seconded that the Governor should continue to appoint the Chair.
 - VOTE: 11 voted in favor. 4 opposed.
- A motion was made and seconded that Met Council members to be appointed by local units of government be non-elected officials.
 - VOTE: 13 voted in favor. 2 opposed.
- The last question on the table was whether to retain the existing number of 16 members or expand the membership to a number like 23 to include local government representatives.
 - VOTE: 10 voted to stay with the existing 16 seats. 4 voted for an increase. 1 member abstained.

Inequity/Poverty in the Region

The committee discussed the draft concerning inequity/poverty recommendation. After a good discussion, it was suggested that the draft be re-worked, incorporating the feedback from the discussion. The group agreed to discuss a new draft at the next meeting.

Recommendation for Water Study

After a discussion on the draft recommendation, a vote was taken to include water as a recommendation for further study, but it was suggested that the narrative be scaled back since the committee did not hear from water experts and did not have enough time to discuss the topic. VOTE: 14 voted in favor of a recommendation to study water. One member opposed.

3. Next Steps & Evaluation

Co-chair Arntz closed the meeting by informing the Task Force that the committee would meet on both March 10 and March 17.

The members evaluated the meeting as follows: 4.5, 3, 4, 4.5, 4, 5, 4, 4, 4, 5, 5, 5, 4, 5, and 5 for an average 4.4.

4. Adjourn Co-Chair Arntz adjourned the meeting at 6:00 p.m.

Approved Minutes
Met Council Task Force
Thursday, March 10, 4:00 p.m. – 6:00 p.m.
Mount Zion Temple, 1300 Summit Ave, St Paul, MN 55105
Meeting Room: Johnson Hall

Members present: John Knapp (**Co-chair**), Jim Erkel, Michele Foster, Scott Neal, Shannon Watson, Adeel Lari, Steve Dornfeld, Sharon Sayles-Belton, Dan McElroy, Elizabeth Kautz, Carol Flynn, and Acooa Ellis.

Members not present: Susan Arntz, Ravi Norman, Jim Solem, Peter Bell, Chris Gerlach, Bill Hargis, and John Adams

Staff & staff support present: Pahoua Yang Hoffman and Sean Kershaw

Citizens League members, Board members, and special guests present: Patricia Nauman, Gabriel Flaa, Tenzin Gakyi, Caroline da Silva Barbosa, Eric Schubert, Mike Luke, Bob Armstrong, and Kevin Terrell.

Proposed outcomes for this meeting

- Approve minutes from previous meeting.
- Debrief last meeting.
- Review project status.
- Discuss draft recommendations.
- Agree on next steps.
- Evaluate meeting.

Co-Chair John Knapp called the meeting to order at 4:05 p.m.

1. Welcome, Introductions, Approval of Minutes, Debrief of Previous Meeting, Review Project Status

Introductions

Co-chair John Knapp welcomed Citizens League and Citizens League Board members and went over the proposed meeting outcomes.

Approval of Minutes

Co-chair Knapp asked if there were any questions or feedback on the minutes from the March 3rd meeting. A member requested two corrections on page three:

- In the first paragraph, the word “including” should be replaced with “plus.”
- In the motion after the fourth paragraph, add “Belton” after “Sharon Sayles.”

Scott Neal moved to approve the minutes as amended. Shannon Watson seconded the motion. A unanimous verbal vote passed the motion to approve the minutes as amended.

Debrief of Previous Meeting

Members did not have any comments about the previous meeting.

Review Project Status

Co-chair John Knapp asked Sean Kershaw to provide a status on the project and the timeline for approval by the Citizens League Board. Kershaw stated that work is underway to draft various sections of the final report and that the discussions on the final recommendations at today's meeting and next were critical so that staff could deliver a penultimate draft to the Task Force the week of the 21st for feedback via email. Staff will present key findings at the Citizens League Executive Committee meeting on March 21st and the plan is to have a final draft by March 31 so that it can be approved by the Citizens League Board at its April 4th meeting. Kershaw informed the committee that all are welcomed to attend the April 4th meeting if they'd like to offer comments to the Board, but not required. Kershaw clarified that the board has agreed it would be approving the Citizens League process that led to the findings, conclusions, and recommendations. The Board would not be editing or adding to the final report. A member asked what happens if the

decisions on recommendations are not unanimous. Kershaw responded that the report should indicate this and stressed the importance of being as transparent as possible.

2. Group Discussion

Draft hybrid recommendation on Met Council Member Selection

The Task Force began by discussing the draft hybrid recommendation. At the meeting on March 3, although it was not unanimous, the majority of Task Force members voted to see if was possible to blend the two very different Met Council member selection recommendations into a hybrid version for discussion. Also voted on at the last meeting were four different components that the Task Force wanted to see in the hybrid recommendation. They included:

- Governor-appointed members should be more than members appointed by local elected officials.
- Governor should continue to appoint the Chair.
- Member appointed by elected officials must be non-elected officials.
- Retain the number of 16 member seats/districts.

After Co-chair Knapp explained that a small group convened to come up with the hybrid draft which was included in the meeting packet, Knapp and Sean Kershaw walked members through the hybrid recommendation, also known as the 8-8-1 model. The recommendation assumes the adoption of staggered, fixed terms, which the group unanimously approved in a previous meeting. The recommendation outlined four main components:

- The Governor would appoint eight (8) Met Council members using the Dornfeld-Solem recommendation that was discussed at the last meeting. A change was made to the original Dornfeld-Solem recommendation. Instead of 3 counties and 3 cities in the expanded six local government roles in the nominations committee, they would all be represented by cities due to the county representation note below.
- The Governor would appoint the Chair, whose term would be coterminous with Governor.
- County Boards would appoint eight (8) members through a yet-to-be-defined process.
- To maintain the existing 16 member districts, after the initial appointments as specified above, future district appointments would alternate between Governor-appointed and County Board-appointed.

Knapp read through the list of possible benefits of the hybrid recommendation. They included:

- This recommendation emphasizes and strengthens a regional approach.
- Increasing nominations membership would increase local voices and contribute to more buy-in.
- Additional notification would increase transparency and elevate Council credibility.
- Additional and specified qualifications will strengthen Council membership and elevate Council credibility.
- The ability of County Boards to directly appoint non-elected members would allow for greater independence of Council actions and make the Council more representative of the region's interests.
- The ability of County Boards to directly appoint non-elected members may also significantly increase legitimacy and create deeper connections to local officials.
- The rotation of appointments between Governor-appointed and County-appointed would encourage relationship building with the appointing bodies and the Governor – especially with staggered, fixed terms.

Co-chair Knapp also mentioned that the draft hybrid recommendation was shared with Patricia Nauman, the executive director of Metro Cities, who provided feedback, which was distributed via email. Hard copies were also provided at the meeting. Co-chair Knapp called on Ms. Patricia Nauman, who was in attendance, to see if she had further comments. She informed the group that Metro Cities, a regional organization representing cities, was created in response to the creation of the Met Council. Recently, Metro Cities did conduct its own review of Met Council governance and the views shared in her written responses reflected this effort.

Several Task Force members, especially those representing cities, vocalized they and/or their City Council would not be in favor of the hybrid recommendation. Some did not understand why County Boards would be the appointing body. Some members questioned whom these members

would be accountable to – the county? It was noted that that question has been raised with the current model because it is not clear now.

A member recalled that at the last meeting, there was also the idea of the Governor appointing nine (9) and local government officials appointing seven (7) so she wanted to know why that was not being proposed. Co-chair Knapp and Sean Kershaw explained that they did not propose it today simply due to a “math issue” of not being able to make the numbers work while trying to maintain a balance.

Task Force members also indicated that they were unsure what problem this was fixing. Co-chair Knapp responded that the intent behind this hybrid recommendation was to provide counties more of a direct connection to the Met Council and vice versa and by doing so, this would increase political legitimacy.

A member did not think this would be a proposal that the Governor would likely approve and questioned whether this met the Task Force’s criteria for recommendations since it was agreed that recommendations should be “politically plausible.” A member also commented that it was noteworthy that Metro Cities and its members do not support this recommendation.

Co-chair Knapp asked if the proposal would be more acceptable if instead of the County Board appointing the eight Met Council members, they were appointed jointly by city and county governments. Members responded that this would not make it more acceptable. A member commented that at the last meeting, there was an interest to see if a blended version of the two recommendations previously discussed was possible. Now having done so, perhaps it is not possible. It was suggested that the Task Force go back to review the previous options.

A motion was moved by John Knapp and seconded by Shannon Watson to adopt the hybrid recommendation as written.

- **VOTE: 0 voted in favor. 11 opposed. 1 member abstained.** The motion did not prevail.

Since the hybrid recommendation did not prevail, Task Force members went back to review the two previous recommendations on Met Council member selections, Option 1 and Option 2. Option 1 (the Dornfeld-Solem recommendation) was discussed again.

A motion was made by Sharon Sayles Belton and seconded by Adeel Lari to adopt Option 1, the Dornfeld-Solem recommendation. During discussion of the motion, a language amendment was suggested so that item 3A in the recommendation be re-worded to now state:

*“Experience in local government and/or experience in **such areas including, but not limited to transportation, housing, environment, and regional development.**”*

- **VOTE: 10 voted in favor. 1 abstained.** (1 member left the meeting early and did not vote.) The motion to adopt Option 1, the Dornfeld-Solem recommendation, as amended, prevailed.

Revised Recommendation for Further Study on Water

At the last meeting, the Task Force had a discussion on the draft recommendation to further study water since the committee did not hear from water experts and did not have enough time to discuss the topic. Since it had been recommended that the previous draft recommendation be pared down since the length and amount of detail may suggest that the committee spent more time on it than it did. The revised draft recommendation to further study water was included in the meeting packet. It was debated whether the recommendation for further study should be included in the final report. A member recalled comments by Michael Langley of GreaterMSP citing water as a regional asset that provides Minnesota a competitive advantage. Since water does affect the orderly and economic development of the region, he thought the Task Force should offer a recommendation.

A motion was made by Shannon Watson and seconded by Jim Erkel to adopt the recommendation to study water further as written.

- **VOTE: 6 voted in favor. 4 opposed. 1 member abstained.** (1 member left the meeting early and did not vote.) The motion to adopt the recommendation to further study water, as written, prevailed.

Revised Recommendation on Social Equity

At the last meeting, it was suggested that the draft be re-worked, incorporating the feedback from the discussion and brought back to the group for further discussion. Sean Kershaw presented the draft recommendation, informing the committee that the chief author, Acooa Ellis, had to leave the meeting unexpectedly.

A motion was made by Sharon Sayles Belton and seconded by Jim Erkel to adopt the recommendation.

After the motion was moved and seconded, co-chair Knapp invited discussion. A member commented that he wondered if it was a good idea to include this recommendation since on one hand it may not go far enough for people who want to see the Met Council do more around equity and on the other hand, it may make some nervous that we are making recommendations in an area not all see as within the purview of the Met Council. A different member commented that Minnesota is not ahead on this, but lagging behind because other MPOs have equity as a lens through which to make transportation decision. He believed there ought to be a recommendation in the area of equity. A member commented that while there has been work on equity in the past and being done currently, none of them have a long-term perspective and a regional approach. She added that the legislature has taken these issues up but she did not think the legislature in the short 10 weeks that they meet can properly address these challenges.

A member added that she had suggested the “opt-out” language be removed from the previous version of this recommendation at the last meeting and she suggested it be removed again.

A motion to amend the recommendation was moved by Scott Neal to remove the last sentence related to the Minnesota Legislature conducting an independent review to explore the impact of opt-out transit systems on regional equity.

- **VOTE: 10 voted in favor. 0 opposed. 1 member abstained.** (1 member left the meeting early and did not vote.) The motion to adopt the amendment prevailed.

A motion to amend the recommendation was moved by John Knapp to remove the first two bullet points under “Full utilization of Met Council authority includes” leaving just the last bullet point.

A member questioned why aging was included in the third bullet when this recommendation is on equity. Sean Kershaw reminded members about the state demographer’s presentation and that linked issues of equity with the changing demographics, which includes an aging workforce/population.

- **VOTE: 7 voted in favor. 3 opposed. 1 member abstained.** (1 member left the meeting early and did not vote.) The motion to adopt the amendment prevailed.

A motion was made by Sharon Sayles Belton and seconded by Jim Erkel to adopt the recommendation as amended.

- **VOTE: 9 voted in favor. 2 opposed.** (1 member left the meeting early and did not vote.) The motion to adopt the recommendation as amended prevailed.

3. Next Steps & Evaluation

Co-chair Knapp closed the meeting by informing the Task Force that the committee would meet on March 17 to discuss the transit study recommendation and confirm next steps.

The members evaluated the meeting as follows: 3, 5, 4, 4, 5, 4, 4, 5, 2, 4, and 4 for an average 4.

4. Adjourn Co-Chair Knapp adjourned the meeting at 6:03 p.m.

Draft Minutes
Met Council Task Force

Thursday, March 17, 4:00 p.m. – 6:00 p.m.
Amherst H. Wilder Foundation, Auditorium A
451 Lexington Parkway North - Saint Paul, MN 55104

Members present: John Knapp (**Co-chair**), Jim Erkel, Michele Foster, Shannon Watson, Adeel Lari, Steve Dornfeld, Dan McElroy, Carol Flynn, Ravi Norman, Jim Solem, Chris Gerlach, Susan Arntz (**Co-chair**, via phone) and Acooa Ellis.

Members not present: Sharon Sayles Belton, Peter Bell, Scott Neal, Elizabeth Kautz, Bill Hargis, and John Adams

Staff & staff support present: Pahoua Yang Hoffman and Sean Kershaw

Citizens League members, Board members, and special guests present: Patricia Nauman, Gabriel Flaa, Tenzin Gakyi, Caroline da Silva Barbosa, and Bob Armstrong.

Proposed outcomes for this meeting

- Approve minutes from previous meeting.
- Debrief last meeting.
- Review project status.
- Discuss and finalize recommendations.
- Agree on next steps.
- Evaluate meeting.

Co-Chair John Knapp called the meeting to order at 4:04 p.m.

Welcome, Introductions, Approval of Minutes, Debrief of Previous Meeting, Review Project Status

Introductions

It being the last meeting, co-chair John Knapp thanked staff members Sean Kershaw and Pahoua Hoffman for their support over the course of the project. He also thanked interns Kate, Gabriel, Tenzin, and Caroline.

Approval of Minutes

Co-chair Knapp asked if there were any questions or feedback on the minutes from the March 10th meeting. Dan McElroy moved to approve the minutes. Adeel Lari seconded the motion. A unanimous verbal vote passed the motion to approve the minutes.

Debrief of Previous Meeting

The member who had scored the meeting a “2” at the last meeting rose to explain her score. She felt that outcome of the discussions around the member selection recommendation was based on who was in the room. Understanding that decisions can only be made by those who are present, she could not help but think that the decision to go back and review (and eventually vote on) the Dornfeld-Solem recommendation after the hybrid version did not prevail was not in the spirit of reaching a compromise. Another member commented that while he scored the last meeting higher

than a “2,” he also shared the same frustration and it had to do with a language change in the hybrid recommendation. The earlier concept for a hybrid had local governments appointing some Met Council members, but the final version discussed at the last meeting was more specific and named County Boards as the appointing body. This concerned task force members, especially those representing city interests.

Review Project Status

Co-chair John Knapp asked Sean Kershaw to provide a status on the project again and confirm the timeline. Kershaw commented that today being the last meeting, we lose the ability to see each other face-to-face to ask each other questions or confirm specific language. Because of this,

he stressed the importance of clarifying and confirming the final recommendation language today through the discussion.

The plan is still to have a rough draft out to members by Monday, March 21 with a request for feedback by Friday, March 25th. A final draft will be confirmed by March 31 so that it can be approved by the Citizens League Board at its April 4th meeting. Kershaw informed the committee that all are welcomed to attend the April 4th meeting if they'd like to offer comments to the Board, but not required.

Co-chair Knapp mentioned a hearing called by the Subcommittee on Metropolitan Council Accountability and Transparency Committee tomorrow morning. At the end of the discussions today, he wanted to see if it would be premature to share something from the Task Force.

Group Discussion

Transit Questions

Co-chair Knapp referred members to the first item for discussion, the recommendation for further study on transit, entitled "transit questions." He asked Steve Dornfeld, who staff asked to help draft the recommendation, to walk members through the draft recommendation. Dornfeld confirmed that staff members Sean and Pahoua had asked him to frame up questions that the task force did not have time to fully examine and discuss. He added that he was disappointed that the task force did not have time to explore the fragmented transportation governance, but tried as best he could to state the issues in a neutral manner in the draft recommendation for future study. He framed the questions into three areas:

- Accountability and transparency
- Efficiency and effectiveness
- Equity

In the area of accountability and transparency, he explained that currently it is difficult to figure out who is responsible for what. Even if someone were to have a specific question, it is difficult to find the answer. It's hard to know to ask the Met Council, the rail authority, CTIB, or maybe all of the above. Dornfeld has tried to get answers to his own questions, and with every website different than the other, it is not an easy task. For example, he tried to go to the CTIB website to find out where their grants were going and could not find an easy way to do that.

In the area of efficiency and effectiveness, the big question is whether the county rail authorities and CTIB have the proper roles and how have these roles affected the Met Council in the area of transit planning. He also thought the process of deciding whether light rail or bus rapid transit is unclear. The task force also did not have time to explore the relationship with the six suburban transit providers. Are these higher subsidies justified by their costs and the level of service they provide? Lastly, he thought it would be wise to examine the relationship between the Met Council and TAB and their joint responsibility in programming federal funds. How is this system really working and are there inefficiencies that could be improved?

In the area of equity, he stated that as road and transit investments are being made, there are some communities who are feeling left behind. There are only so many dollars to go around for projects, but do current plans raise equity issues? Are we treating different parts of the region differently? Opt-out communities versus the non-opt-outs. Inner cities versus suburbs.

The idea for the recommendation was to tee up the questions for further study by the Citizens League or by another entity.

Co-chair opened the floor for discussion. A member commented that the transportation governance structure and how the entities within it function are opaque. One reason it is opaque is that the Legislature time and again have created more processes rather than try to substantially address issues. There has been a long history of starts and stops by the Legislature, especially concerning rail transit. It may not be the fault of the Council.

A member raised what he described as a philosophical question: can a system that has been made to be complex by involving different units of government also be transparent?

In discussing efficiency and effectiveness, a member commented that she did not think it was appropriate monies for rail development or new projects be put in the hands of the seven counties, which has been reduced to the five counties, and at some point, it could drop to three counties. She did not think it was efficient to do it that way. She strongly believed it belongs with the Met Council. Change, according to her, can only come through the Legislature if they are willing to make some hard decisions.

Co-chair Knapp referenced the equity questions and commented that he had supported the deletion of a transit-related component in the social equity recommendation because he did not think it was one the task force was ready to make, but supported how Dornfeld framed the questions since it is more neutral. A member added the questions raised in the equity section of this document were also relevant to roads not just transit.

A different member suggested a friendly amendment to add example of inequities or disparities. Issues of equity may mean different things to different people. She suggested specific language such as the disparities between suburbs and core and between opt-outs and other suburbs, and so on so that it is clearer. Dornfeld responded that he had done that in an initial draft but felt he was pitting one against the other, and in the end took it out. A suggestion was made to add roads to the recommendation. In the last sentence under the equity section, Dornfeld indicated he would add vehicles in addition to riders given the change to include roads. A suggestion was made to retitle the recommendation from transit to transportation planning and governance.

A member asked Sean Kershaw when the Citizens League completed its last report on transit or transportation. He responded that it was the *Driving Blind* report in 2005.

A motion was moved by Shannon Watson and seconded by Acooa Ellis to adopt the recommendation as discussed in concept with pending changes.

- **VOTE: 12 voted in favor. 0 opposed.** (One member arrived late and did not vote.)

Governance Recommendation on Member Selection

Co-chair Knapp reminded members that since the hybrid recommendation did not prevail at the last meeting, Task Force members went back to review the two previous recommendations on Met Council member selections, Option 1 and Option 2. After a discussion on Option 1 (the Dornfeld-Solem recommendation) a motion to adopt the recommendation with minor language changes was voted on and prevailed with no opposition. One member did abstain.

A member commented that since he was unable to join the meeting last week when the vote took place, he had some thoughts and comments. A few meetings ago, he was pleased that the group decided, almost unanimously to consider a hybrid option. He did not know whether his attendance last week would have made any difference but he was disappointed. He had hoped the task force would recognize a greater role for local governments – counties and cities. Though he would have preferred his original “pure” proposal with the appointees being the elected officials, the Chair being appointed by the membership etc., he would have been willing to accept a hybrid proposal since this would be moving in the right direction. The member read in the minutes that one of the factors was that the hybrid may not be viewed as “politically plausible,” one of the criteria for task force recommendations. He reminded the committee that the staggered terms recommendation that has already been unanimously adopted by the task force has, in fact, been vetoed many times by different governors so it, too, would not meet the politically plausible threshold. He mentioned that he had talked to staff and understands there will be an opportunity to draft a minority report and he planned on submitting one to be added to the report. He appreciated the time members have devoted to this discussion, respects the final decision, but noted that he is just approaching it from a different point of view. He added that he had been afforded every opportunity to put forward his position and proposals. He was just unable to persuade enough members on the merits of his position. He thanked the task force.

Co-chair Knapp thanked the member for sharing his point of view throughout the project and because of this, his mind has been changed now knowing more about the tensions between local government officials and the Met Council.

A member rose to offer her reflections from the discussion on the member selection recommendation and the final decision. She found the discussion on the merits of the hybrid proposal to be thoughtful, and multi-faceted. It was a good discussion on a complex proposal and how it would be perceived not just by the governor by other local government officials, especially municipalities. She felt good about the discussion and the final decision since a lot of time was spent on it. It was not a quick decision. [No vote was taken since it was adopted at the last meeting and no new language was being proposed.]

Revised Recommendation on Social Equity

The member who was the chief author on the recommendation was not present when it was discussed at the last meeting. She commented that she was disappointed to learn that there were substantial components of the recommendation that were deleted from the recommendation. While she understood why the bullet on housing was deleted, she was troubled by the deletion of the recommendation that sought to align existing resources to better serve the region. She suggested adding back in “but is not limited to” the last sentence to the recommendation so that it reads:

Recommendations

To promote the orderly and economic development for the benefit of the metropolitan region and to advance its social and economic needs, the Citizens League recommends the full deployment of the Metropolitan Council’s authority through the creation of an equity policy plan to reduce concentrations of poverty in the region and foster increased connections to social and economic opportunities. Full utilization of Metropolitan Council authority includes but is not limited to:

She also offered amended language to replace the first bullet that was deleted from the last meeting:

The evaluation of existing transit routes to ensure the best means to more directly connect areas of concentrated poverty with job centers and high-growth industry clusters. Determine and communicate current capacity to do so, as well as potential barriers that need to be addressed;

A motion was made and seconded to adopt the amendments. Co-chair asked for discussion.

A member had some concerns that other important recommendations that will be included in the report such as staggered terms and the enhanced member selection process may be put at risk in the legislative process by this recommendation since it is asking the Met Council to use its authority to advance concepts of equity that are still in the discussion stages. They are concepts not fully understood at the Legislature and may cause some to be alarmed. He supported the recommendation with the deleted language but will vote against this new version with the added language.

Co-chair Arntz, who joined by phone, clarified that this recommendation was originally written as a recommendation for further study but two meetings ago, it was agreed this should be an actual recommendation to the Met Council and the Legislature. She indicated she was supported of the added language.

A member commented that this ideas around equity as a radical notion. It is one of the arguments for the Southwest rail line. It is one of the arguments for the Bottineau line. It was added the there is already an equity advisory committee to the Met Council. The vision is that the recommendation would support and inform the work they are already tasked to take on. To not have this recommendation would be to be tone deaf to work that is already happening at the Legislature and through the Governor’s office.

A member added that aligning resources to close disparities is already behind the scenes for many federal funding allocations. His view of this recommendation is that it sets a direction and is telling the Council to adopt a policy plan, which has the authority to do on any issues that implicates the orderly and economic development of the region. Many transportation planning organizations already has this as a goal. This region is actually behind.

A member rose to support the new language and added that if the downside is that the language is going to frighten some people, he believed they may already be frightened by the idea of social equity as a whole, not two bulleted recommendations from this task force.

A different member commented that half of what counties already do is provide social services. He believed four to five of the seven counties will not look favorably on this recommendation because they already are burdened by federal and state mandates. To have regional body direct efforts that they are already providing will not be well received.

A map of transit routes and areas of concentrated poverty was distributed. The member explained that while counties are providing many social services, they are not planning transit routes and described how transit routes were not connecting to job centers. A different member added that the response that counties are already providing needed social services is a fine answer in an environment where things are working. But it is not a good answer in a region in a state like Minnesota that has the economic and income inequalities that it has.

A member asked whether it was possible to put forward a strong recommendation around equity without calling out a policy plan as the vehicle to do that. A different member responded that the regional architecture provides for a policy plan and to have this be the vehicle puts intentionality behind the recommendation at the Council level. If a policy plan is called out, it will be more than what a couple of staff members at the Council can crank out and put on the shelf.

Co-chair asked staff to read the full recommendation with new language so that members could vote:

Recommendations

To promote the orderly and economic development for the benefit of the metropolitan region and to advance its social and economic needs, the Citizens League recommends the full deployment of the Metropolitan Council's authority through the creation of an equity policy plan to reduce concentrations of poverty in the region and foster increased connections to social and economic opportunities. Full utilization of Metropolitan Council authority includes but is not limited to:

1. *The evaluation of existing transit routes to ensure the best means to more directly connect areas of concentrated poverty with job centers and high-growth industry clusters. Determine and communicate current capacity to do so, as well as potential barriers that need to be addressed;*
2. *Use of its research and convening authority to align regional stakeholders on pursuing strategies that will reduce poverty and its concentration, increase economic and social opportunity to advance future economic growth and mitigate the impact of demographic changes, including aging, in the region.*

A motion to approve the recommendation as amended was moved by Acooa Ellis and seconded by Steven Dornfeld.

- **VOTE: 11 voted in favor. 2 opposed.** The motion to adopt the amendment prevailed.

Recommendation for Further Study on Water

Co-chair Susan Arntz reminded members that at the last meeting, the committee agreed to pare down language since the original length suggested that the committee spent more time on it than it did. A member asked whether this was a recommendation to the Council or the Citizens League. It was confirmed that the recommendation is not necessarily for the Met Council. It was suggested that language should be inserted to make that point clearer. It was proposed that the phrase "by the Citizens League" be added to the recommendation to read:

The task force did not study this issue in sufficient detail to provide a recommendation on such an important, regional issue. As such, the task force recommends that this issue be

further studied [by the Citizens League](#) to ensure that water supply remains adequate and sustainable across the region, involving all entities involved in its regulation.

A motion was made by Carol Flynn and seconded by Adeel Lari to adopt the recommendation as amended.

- **VOTE: 13 voted in favor. 0 opposed.** The motion to adopt the recommendation to further study water, as amended, prevailed.

Next Steps & Evaluation

Sean Kershaw thanked staff member Pahoua Hoffman on the project, her first study committee. Kershaw also thanked Co-chair Susan Arntz and John Knapp for running a great study and putting in the needed time to keep the project going.

A member expressed concern that the Legislature is already moving forward with hearings. She understands the task for work is two weeks behind and wondered about options. Given the level of discussion that the task force has had and agreement on the recommendations, Sean Kershaw responded staff would be scheduling meetings with key stakeholders. He reminded members that the recommendations are not secret and encouraged them to share. He thought it was fine to mention the recommendations if it is made clear that they are pending Citizens League board approval.

Pahoua suggested an executive summary that could be released sooner but there was a concern it would not accommodate a minority report that was forthcoming.

The hearing by the Subcommittee on Metropolitan Council Accountability and Transparency Committee that was to take place the following morning was discussed. After the two bills that will be heard were described, it was explained that the bills would be moving on to the Government Operations and Elections Policy committee in the next couple of weeks. Amendments there would be possible. The hope was that by then, the Citizens League would have completed their approval process for the final report. Given the discussion, co-chair Knapp confirmed it would be premature to say anything during the hearing tomorrow.

Adjourn

Co-Chair Knapp adjourned the meeting at 6:03 p.m.

END OF REPORT