

## MINUTES OF THE TRI-COUNTY LOCAL GOVERNMENT COMMISSION MEETING

Held: May 20, 1976, 7:30 p.m.

MEMBERS PRESENT: Cease, Chairperson; Halvorson, Vice-Chairperson; Brickley, Buchanan, Bullier, Frewing, Jaeger, Kalani, Landauer, Lang, McGilvra, Moshofsky, Nees, Opray, Rieke, Roberts, Rosenbaum, Schwab, Stuhr, Telfer, Tippens, Williamson

EXCUSED: Bogue, Burgess, Keller, Kirkpatrick, Mays, Montgomery

Staff: Rich, Bukowsky, Cross, Etlinger, Garbutt, Martin

Chairperson Cease called the meeting to order and introduced the guest speaker, Arthur Naftalin, professor of public affairs at the University of Minnesota, Board Member of the National Academy for Public Administration, and former mayor of Minneapolis.

### NAFTALIN -

"I am here as a resource person to share some of the experiences we have had in the Twin Cities. There seems to be a similarity between Portland and the Minneapolis-St. Paul area.

The National Review Panel is studying the development of the neighborhood organizations in response to local problems. We feel they should and will become a model. We have achieved a good measure of responsiveness which does not disturb the existing structure of governments.

Basic factors which exist in the Twin Cities are, 1) In the Twin Cities we have the usual fragmentation of governmental authority. There are seven counties, which include 137 cities, 52 townships, 49 school districts plus miscellaneous service districts. Within the seven counties we have both wealthy and poor jurisdictions. 2) The Twin Cities area has about one half the total population of the state; 1,900,000. 3) Our population is homogeneous, mostly white, therefore we do not have a sharp division of suburban and central city because of race differences. 4) We experienced a decline in city population from 520,000 to 400,000, which resulted in a steady erosion of the core area, while at the same time the suburbs expanded. However, the central area is still stable and there has been new industrial growth. The combination of the two large cities has been their strength, and has minimized the natural hostility the suburbs might feel for a city.

We have been widely recognized for our high quality of life, as has Portland, which includes recreational and cultural facilities made possible by our strength and cooperation as a region. We have an accessible government and a high degree of political participation with open communication about the local problems and issues.

A history of the Metropolitan Council shows that from the beginning there was some attempt by the two cities to cooperate. By 1930 there was serious thought about the sewer system, which was subsequently built, and is still owned by the two cities. It was built with excess capacity (which was leased to suburban areas) and paid for with federal funds.

By 1940 the airports came into the picture with the development of a major, international airport and a local airport system. The legislature established the Metropolitan Airports Commission which gave us the authority to maintain the International Airport and set up a series of airports in the metro region.

In 1950 the Twin Cities Metropolitan Planning Commission was authorized by the legislature. Transportation was the major issue by 1960, and the Metropolitan Transit System was created.

With the decline of the core of the cities after World War Two came many of the more serious problems. When I became mayor in 1961, I was surprised to learn how few of the serious problems could be dealt with in a meaningful way by the mayor. There was a drop in the population of 40,000 from 1950 to 1960, but a gain of 20,000 over age 65 and 18,000 under age 19, i.e. a loss of the productive age group, and heavy expense in education and welfare. I began to argue with the local people that we needed planning on a regional basis. By that time the sewer problem was desperate, the excess capacity having been used up by the expanding suburbs. The second and third tier suburban areas were threatening to locate their sewage treatment facilities along the Mississippi River above the Minneapolis water supply intake. The suburban areas wanted the city to expand and pay for the sewer facilities and lease the new capacity to them.

From this issue came the idea that there was a need for planning in other areas such as hospitals, parks, etc. At first there was enormous resistance to regional governmental control in the cities as well as in the suburbs. But each of the reports of the many studies done during this period recommended some form of regional planning system. At this point the Citizens League (which was developed in 1952) made it their project to bring together the various interested groups, including the League of Women Voters, Chamber of Commerce, etc. for a meaningful dialogue.

In 1967 the Metropolitan Council was established, and before long was being asked to perform advisory functions. Our Metro Council does not displace any other existing agency. We have created a two-tier arrangement which is a regional body responsible for regional policy setting. Administration and implementation of the programs approved by the metro council still goes through local agencies. The effort is to place under the jurisdiction of the metro council all those activities requiring policy determination of a regional character.

The 17-member council is appointed by the Governor to represent the 16 legislative districts within the seven counties, but does not represent the cities or counties themselves. A chairman is appointed at large, and the members serve part-time for a four year term. The council meets twice a month and the committees meet at least twice monthly. They have a close relationship with the staff of over 100 people.

The council budget of over \$3 million is derived mostly from federal funds, and is earmarked for planning purposes. The council does have property taxing authority and raises over \$1 million from this source.

The Metro Council has three appointed commissions: The Waste Control Commission responsible for solid waste disposal. The Commission owns and operates all the sanitary facilities in the seven counties, and controls and coordinates growth with the approval of the council. The Transit Commission operates the bus system for the seven counties. Their proposal for a large subway system has been vetoed by the council. The Parks and Open Space Commission's responsibilities include land use development and planning.

The Metropolitan Airport Commission makes all major decisions affecting new airports with approval of the Council. So far the council has rejected two proposals for a new major airport. The council was also given legislative power to require a certificate of need for any new hospital. The council is charged with producing a development guide to direct the growth within the seven counties. All local governments must file with the Council land use plans for each of the jurisdictions to conform with the seven-county plan.

To summarize the development of the metro council; it is an evolutionary activity which began essentially with sewage disposal crises and grew in responsibility to include many functions.

We feel the Metro Council has been a success and we are beginning to get some comprehensive planning on land use; we now have better coordination and strengthening of the metro/suburban relationship; we have overcome the disparities of tax districts. In 1971 our state legislature provided that 40% of all new commercial and industrial property valuation would be allocated to all taxing jurisdictions in the area on the basis of a prescribed formula. All of the increased value above the 1971 base line goes into a pool for the seven counties; it then goes back to the areas according to need.

Our seven county area has 562 square miles of land which have sewers, 41% of which is now vacant. We are seeking ways of encouraging the use of this land rather than developing new areas. It is estimated this would save \$2 billion over the next few years.

The problems which confronted government are too complicated for city and county officials to handle alone. At the same time you cannot move any faster than the community is prepared to accept the proposals. Once you succeed in getting the people to look at the problems, an intelligent dialogue can begin. This citizen participation calls for a regional citizens organization that will address itself to regional problems and involve leaders in all aspects of the community.

There followed a question and answer session:

Rieke: What are the affects of the tax arrangement? Is there any advantage to the smaller localities?

Naftalin: If a new shopping center is constructed, the area property value will increase. Forty percent of the increase will go to the general counties fund; 60% remains in the local area and it may receive back a part of the 40%. This represents a compromise and is not considered a perfect solution. It does however help to cover the increased cost of fire protection, water, sewers, etc.

Rieke: Are the schools in your plans?

Naftalin: Yes, in determining school sites, but they do what they have always done programatically. Two years ago the Citizens League did a demographic study and determined some of the schools are loosing population in the cities while some are gaining in the suburbs. We will have a regional education planning body in the near future.

Stuhr: Do the people feel cheated because they don't get to vote on the members of the council?

Naftalin: Usually the public gets involved only when the issue is a dramatic one. There has been a continuing interest in an elected council and this will probably increase as the powers of the council become more apparent.

Etlinger asked about decentralization and the facilities for neighborhood organizations.

Naftalin: The 16 districts are for election purposes only; they do not maintain offices or deliver any services. There are very extensive public hearings, but there is no other public mechanism for citizen participation. But, if the issue affects the public adversely, they become interested and involved. The council's aim is to minimize the resistance and hostility towards planning.

In Minneapolis we have 30 major neighborhood groups, and the council provides opportunities for them to be heard.

A visitor asked - If the governor appoints the same people for another four years, what happens to a builder who has a conflict with the plans?

Naftalin: The governor appointed people have had a very strong feeling for controlling regional development. We have continued our agitation for an elected council. Elected people are likely to go more slowly with the issues than the appointed council.

Halvorson: What is the underlying force to direct and discipline the council?

Naftalin: The council is taking action on matters which may affect the jurisdiction of a municipality. A proposal might be made by a developer; the municipality gets together with the metro council and decides each individual case. Their decision can be appealed. The law provides that the metro council authority is clearly defined.

Roberts: Did you have legal and constitutional obstacles to the formation of the metro council? Did the citizens have to acquiesce to changes?

Naftalin: No, the legislature was acting according to their constitutional authority. There is home rule, but I know of no cases questioning an invasion of home rule. There is no provision for referendum in Minnesota.

Moshofsky: Is the metro council the final word on land use?

Naftalin: We have a state planning agency, but it is to provide technical advise, and has no super power over the council. We have 10 regular development commissions, which are subordinate to the council.

Moshofsky: Does the metro council limit itself to matters of metro significance?

Naftalin: Yes, and it is a problem. The question, What is of metro significance? is again being defined.

Telfer: How are the seven areas financed?

Naftalin: We have a seven county-wide millage system. The other money comes from state and federal planning grants. The municipalities are dependent on property tax. They also have a sales tax that is tied to a ceiling on property tax.

Bayless: What is the Citizens League?

Naftalin (current president of the Citizens League): The Citizens League is an organization of 3,500 members committed to the study of local problems. Each year, as a result of a careful study, there evolves a list of suggested major problems which is worked down to several (six this year) to be examined. The members sign up to study these problems, meeting once a week for about six months to a year. The activities of this group are given wide publicity. The League is a varied group who are interested and concerned with the issues, which provides a climate for exchanging ideas and information.

Stuhr: Are your special service districts consolidated?

Naftalin: The school districts and water conservation districts will stay as they are. There are no special fire or sewer districts.

To what extent are the Citizens League members involved?

Naftalin: Some just pay their dues, others are on study committees, etc. but there is no accurate way of telling how many are active members. There is agreement on the purpose but no beforehand consensus on the issues. Membership dues are \$25.00 per family, \$15.00 for individuals, and is a voluntary organization.

Cease: Where does the funding come from for the Citizens League?

Naftalin: Business provides 75%, but they know they cannot influence the League. These contributions range from \$50.00 to \$7,500.

Schwab: Do the counties and cities contribute funds?

Naftalin: No government money at all.

Frewing: Is the metro council involved in law enforcement?

Naftalin: The council is the distribution point for LEAA grants but is not directly involved in correction.

We do not have a 911 system, but we have toll free dialing in all the metro area. This gives the sense of being part of a single community.

Rieke: Has the number of municipalities increased at all?

Naftalin: We did not put restrictions on incorporating soon enough, but we have slowed it down.

We now have 125 separate police stations and there is no coordination in the training academies. When the metro council gets strong enough this will be corrected and standardized.

The chairman suggested the meeting close and thanked Mr. Naftalin for his fine presentation.

MEETING ADJOURNED 9:30 p.m.

NOTE: A tape of Mr. Naftalin's speech may be borrowed from the Commission library.

AMR/bjg