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Minnesota House of Representatives

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TO: Legislative Commission on Metropolitan Government

FROM: Deborah A. Dyson, Legislative Analyst (651-296-8291)

RE: Written copy of my overview of the Metropolitan Council to the Commission, October 4, 2011

I was asked to provide an overview of the Metropolitan Council. I want to keep this fairly brief so you can spend most of your time today on the council's presentation, current issues of interest to you, and your review under the law (enacted in 2001) establishing this commission, Minnesota Statutes, sections 3.8841 and 473.246. A copy of the statutes is in your handouts. Looking specifically at subdivision 8:

Subd. 8. Powers; duties; Metropolitan Council levy, budget oversight. The commission must monitor, review, and make recommendations to the Metropolitan Council and to the legislature for the following calendar year on:

- (1) the tax rate and dollar amount of the Metropolitan Council's property tax levies and any proposed increases in the rate or dollar amount of tax;
- (2) any request for an increase in the debt of the Metropolitan Council;
- (3) the overall work and role of the Metropolitan Council;
- (4) the Metropolitan Council's proposed operating and capital budgets, work program, and capital improvement program; and
- (5) the Metropolitan Council's implementation of the operating and capital budgets, work program, and capital improvement program.

Subd. 9. Powers; duties; Metropolitan Council appointments oversight. The commission must monitor appointments to the Metropolitan Council and may make recommendations on appointments to the nominating committee under section 473.123, subdivision 3, or to the governor before the governor makes the appointments. The commission may also make recommendations to the senate before appointments are presented to the senate for its advice and consent.

The second handout I provided is from the January 2011 *Minnesota Government in Brief* that the House Research Department publishes. It provides a snapshot of metropolitan government, the

Metropolitan Council, and other agencies existing today that were created by the legislature to fulfill specific functions. I do not intend to go over it at this time, but I thought it might be useful for you to get a sense of the agencies and their budgets, and the sources of funding for operations, debt service, and pass-through spending.

The Metropolitan Council was created in law in 1967 and is a political subdivision of the state. (As an aside, in addition to a couple of books describing its early history, there is now a documentary film by TPT and the council on the creation of the council and I saw that it is available on the council's website.) The council has jurisdiction in the seven "metropolitan counties" – Anoka, Carver, Dakota (except for Northfield), Hennepin (except for Hanover and Rockford), Ramsey, Scott (except New Prague), and Washington. It has 16 members appointed from districts established in statute, and a chair appointed from the region at large, all appointed by and serving at the pleasure of the governor. The next redistricting takes effect in 2013.

Since 1994, council members are paid \$20,000/year plus expenses and the chair is eligible for up to 85 percent of the governor's salary (up to \$102,000) and it is my understanding that since 2003 has been at about \$58,000/year.

The last handouts I provided are maps of the region that show the current districts and the districts as they were in 1967. Comparing the two maps shows how the region's population has shifted as it has grown. In 1967 it was much more concentrated in the central cities and, for example, this resulted in Minneapolis having four council members. Now, Minneapolis has two. The 2010 census for the region shows a population over 2.8 million (2,849,567 – state total is 5,303,925; so just over half the state population is in the metro area). There are 142 cities, 50 towns, and other special districts.

I believe that the council's status is unique in the country. It is not a voluntary association of governments like a COG (council of governments), it is not regional government created by the merger of city and county (Miami/Dade; Indianapolis/Marion county), and it is not an elected home rule charter regional government like Portland. It is a limited purpose political subdivision of the state, created by law.

The council has two broad functions: Planning (and coordination) and Operations.

Planning and Coordination

One of the original functions of the council, preparation and adoption of the Metropolitan Development Guide, remains at the core of the council's responsibilities. The Metropolitan Development Guide—called the Regional Development Framework—is, to quote the law, “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.” Minn. Stat. § 473.145

The law requires the council to adopt long range policy plans for the region for transportation, including aviation, parks and open space, and wastewater collection and treatment. Among other things, to develop these plans, the council is authorized to conduct research and serves as the demographer for the metropolitan area.

Since 1976 and the enactment of the Metropolitan Land Planning Act that requires metropolitan area local governments to adopt comprehensive plans, the council also has had authority to review local comprehensive plans for compatibility with plans of neighboring local governments and conformity with metropolitan systems plans. The council may require changes in a plan if upon adoption of findings and a resolution, the council concludes it is more likely than not to have a substantial impact on or contain a substantial departure from metropolitan system plans (the airports and transportation portions of the MDG, the policy plans, and capital budgets for metropolitan wastewater service, transportation, and regional recreation open space). In large part, this authority to review local comp plans is to protect the public investment in regional infrastructure. In 1995, the law was amended to require local governments to review and if necessary update their local comprehensive plans at least every ten years. The first updated plans were required to be completed by 1998.

The council provides transit service coordination and financing for about 30 transit providers in the region (other than Metro Transit, owned and operated by the council). In addition, and very important to the region, the council, working with the Transportation Advisory Board (TAB), is the designated Metropolitan Planning Organization or MPO. The MPO is responsible for developing the Transportation Improvement Program (TIP) which governs use of federal transportation funding in the region. An MPO is required by federal law in order for the region to receive federal transportation funding.

In addition, the council administers the Metropolitan Livable Communities Act (1995).

Operations

The second major function of the council is its operation of services. The council is responsible for three main operations:

- It owns and operates Metro Transit, the single largest transit provider in the region, providing about 90 percent of all rides.
- It also owns and operates the metropolitan disposal system – collecting and treating over 250 million gallons of wastewater a day from approximately 90 percent of the population in the region from over 100 communities and 800 industrial users. It owns the 600 miles of interceptors and seven regional treatment plants.
- It has been the Metropolitan Housing and Redevelopment Authority (Metro HRA) since 1974. It is one of 11 HRAs in the metropolitan area. The Metro HRA responsible for administration of over 6000 Section 8 vouchers and certificates in 97 suburban and rural communities. The council also owns 150 affordable family housing units in suburban areas of Anoka, Hennepin, and Ramsey counties (related to implementation of the consent decree in the *Holman* case).

The council's role as an operating agency for transit and wastewater began in 1994. From the time the council was created in 1967, it was debated whether the council should have a role in the direct operation of any regional services, and often that corresponded to whether the council should be elected or appointed. Up until 1994, the conclusion was that the council needed to focus on planning; that dealing with the day-to-day problems of operations would detract from that focus. Therefore, the legislature had established separate metropolitan agencies to handle operations and short-term planning and coordination of transit and wastewater systems. (Transit operations have been provided on a regional level since the former Metropolitan Transit Commission—MTC—was created in the same year as the council, 1967. Wastewater treatment has been a regional service to some degree since 1933 and in its current form since the creation in 1969 of what became known as the Metropolitan Waste Control Commission.)

Before 1994, with separate operating agencies, the council adopted the long-term policy plan, the other agencies adopted short-term implementation plans and budgets, subject to council review and approval. In addition to the normal friction between the agencies in such a relationship, the public and elected officials grew more and more concerned with the perceived lack of accountability for how the operations were handled. That is, these agencies were governed by appointees of appointees. These appointees, responsible for major systems, were generally unknown and seemed unaccountable for the quality of service and use of public dollars. Some of you may remember when the governor called out the National Guard to operate Metro Mobility when the Regional Transit Board's transition to a new service arrangement totally failed.¹ That was in 1993. During the 1993 session, there were at least three different approaches to restructuring metropolitan government introduced in many bills that were debated. (One committee meeting held at night heard bills to elect the council, abolish all of metropolitan government, and to study the issues; all three bills passed the committee.) But in the end, the State Advisory Council on Metropolitan Governance was established. It met through the 1993 interim and proposed legislation for 1994. The Advisory Council legislation abolished three agencies – the RTB, MTC and MWCC, merging their operations into the council. It also proposed making the council an elected body. The legislature adopted the changes except for the election of the council. However, under the 1994 law, council members no longer served staggered four-year terms, but instead serve at the pleasure of the governor.

The discussion has not ended, however, and the need for any particular function and the appropriate level of government to perform it continues to be raised. Is the council accountable to the right constituency; does it perform its functions and services efficiently, effectively or equitably; should another entity should take over those functions and services; should some of its functions or services be discontinued?

I know this has been somewhat sketchy but hope it was helpful. I believe you will get into greater detail on the council's functions as you examine the council's budget and work program.

Thank you.

¹ The RTB was created in the mid 1980s to provide the mid-range planning and to coordinate transit operations and financing. It was appointed by the council and it was the RTB that appointed MTC members.