

Report of The Governor's Blue Ribbon Committee on the Metropolitan Council's Structure and Services

1. Role of Elected Versus Appointed Metropolitan Council Members

Given the Metropolitan Council's significant responsibilities as a policymaking body, planning agency and regional services provider for the Twin Cities metropolitan area, Executive Order 20-88 directed the Governor's Blue Ribbon Committee to explore the role of elected versus appointed Metropolitan Council Members.

The Metropolitan Council has 16 Members who each represent a geographic district and a Council Chair who serves at large. They are all appointed by and serve at the pleasure of the Governor.

Additionally, Minn. Stat. § 473.123 provides:

- Members of the Council must be appointed to reflect fairly the various demographic, political, and other interests in the metropolitan area and the districts.
- Members of the Council must be persons knowledgeable about urban and metropolitan affairs.
- Council Members are subject to Senate confirmation and must file personal financial disclosure forms.

Committee Conclusions and Findings: The current process of appointment is robust and transparent. Council vacancies are announced and posted through the Secretary of State's open appointments process, which allows all interested and eligible persons to apply for a seat. A nominating committee, established in Minn. Stat. § 473.123, is selected by the Governor and Lt. Governor. The nominating committee goes through an extensive evaluation process that includes a review of application materials and candidate interviews. Candidate interviews have been open to the public to maximize transparency. At the conclusion of the review and interview process, the nominating committee forwards its recommendations for each Council district to the Governor for consideration.

Per statute, the Governor must notify the Senate of the intention to appoint five days prior to the deadline, at which time the appointment becomes official, pending confirmation by the Senate.

The panel agrees with and supports the current structure of Governor appointed Council Members. While there is always room for enhancement, the current process is effective for fostering efficient and economic growth for a prosperous region.

Therefore, the Blue Ribbon Committee finds the following:

- Council Members should not be directly elected. The Council needs to focus on the entire region and not just be beholden to the specific area a Council Member represents. A directly elected Council also raises concerns about creating a “mini-legislature” for the metropolitan area that would be implementing laws enacted by the state.
- Council Members should not be sitting local elected officials. A Metropolitan Council made up of elected local government officials raises serious concerns about parochialism and real or perceived conflicts of interest inherent with one person holding dual offices. The Council operates a regional transit system and wastewater enterprise, administers land planning laws, and distributes grants to municipalities, among numerous other duties. At times, specific local interests may not align with needs and goals of regional systems and long range plans.
- Serving on the Metropolitan Council requires a significant commitment of time. Local elected officials often have jobs and other obligations in addition to their elected office that would limit their ability to take on another role. This would create a limited and self-selected pool of local elected officials who would have the ability to dedicate the time necessary to also serve as a Metropolitan Council Member.
- There is a lack of consensus among local governments in the region supporting a change to the current appointment structure. While some local governments support a structural change to Council governance, there is not a consensus within the metropolitan region that supports an identified reorganization or fundamental change to the Council.

Potential Actions for Consideration:

- Consider providing in statute for staggered four-year Council Member terms. This action would provide continuity of knowledge and experience when an administration turns over. With all Members serving the same term of service, it is possible to lose the entirety of institutional memory on the Council gained over four years. Staggered terms would provide staff with greater consistency and stability in implementing the policy decisions of the Council. With staggered terms, sitting Council Members can help with the onboarding process by acting as mentors to appointees. Experienced Council Members could share operational expertise and rationale for policies with newer Members. The Governor would maintain accountability by appointing the majority of the Members including the Chair along with half the Council Members in the first two years of his/her term.
- Consider requiring in statute that the nominating committee be expanded and comprised of a majority of local elected officials.
- Consider requiring that the Governor provide an explanation in writing if he or she appoints a Council Member that was not included in the slate of candidates recommended by the nominating committee.

Committee Minority Counterpoint:

Appointments can provide for an effective Council, but at times only represent the agenda of the administration making the appointment. Requiring that Council Members also be elected local officials adds a layer of accountability and makes it less likely to have major swings in regional planning or abrupt changes in policy.

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2. The Metropolitan Council's Role as a Metropolitan Planning Organization (MPO)

Executive Order 20-88 directed the Blue Ribbon Committee to explore the Metropolitan Council's role as a Metropolitan Planning Organization ("MPO") and identify and evaluate the ways this federal designation may complement and conflict with the Council's responsibilities under Minnesota law.

Committee Conclusions and Findings: The Council has served as the designated Metropolitan Planning Organization (MPO) for the region since 1973 when it was designated as such by then Governor Wendell Anderson and in 1975 this designation was codified in state law. Federal law requires that MPOs be designated in regions over 50,000 in population. MPOs are responsible for multimodal transportation planning, providing an ongoing, cooperative regional planning process and approving federal transportation funds for expenditure within the region. Large MPOs in regions with over 200,000 in population, such as the Council, also are responsible for directly allocating federal transportation funds provided to the region.

Over time, federal law has changed to require that MPO board membership include representation of local elected officials, state transportation agencies and transit providers among its board members. However, federal law also grandfathered in MPOs that had existed and been designated prior to December 18, 1991. These grandfathered MPOs continue to legally exist provided the membership and voting structure of the board does not significantly change, which could require a re-designation. In the recent past, there have been assertions that the Council is either not a legal MPO or that changes in the Council structure since 1991 have caused the grandfathering law to no longer apply. High level officials from the USDOT have addressed these issues on at least four occasions over the past decade and have consistently found that the Council does serve as a legally designated MPO under the grandfather clause and that no actions have significantly changed the membership or voting structure of the Council in such a way as to require a re-designation.

Therefore, the Blue Ribbon Committee finds that absent a ruling from the USDOT, FHWA or FTA overruling previous determinations that found the Council to be a legitimate MPO in compliance with federal law:

- The USDOT, FHWA and FTA have acknowledged that the Council is the legitimate regional MPO, is covered under the federal law grandfather provision and have confirmed that it continues to apply.
- The federal agencies are fully aware of, and in approval of the Council's status as the legal MPO; have provided numerous certifications of the region's planning processes; and have recognized the legal status of the Council as the recipient of regional federal transportation funds and approver of the region's long-range transportation plan and annual Transportation Improvement Program.

- Re-designating the regional MPO would be a complex process that, under federal law, must include the approval of the Governor and agreement of local units of government representing at least 75% of the region's population, including the region's largest city, Minneapolis. Due to the current urbanized area extending into Houlton, Wisconsin (near Stillwater) re-designation may also potentially require approval of the Governor of Wisconsin.
- The region has developed an effective, collaborative, working process whereby the Transportation Advisory Board (TAB), which does include a majority of local elected officials, is responsible for allocating the region's federal transportation funds.
- TAB is integral to the regional planning processes under long-standing protocol. The Council and the TAB have adopted a process whereby the Council can only concur with the TAB's recommended program of projects for federal funding or send it back to the TAB for revision. This process allows for the TAB and Council to work out any differences, and on only one occasion in 30 years has this occurred.
- The existing planning process also requires that the TAB provide positive recommendations on the region's long-range plan, TIP, public participation process and other planning studies prior to the Council adopting or approving these documents. The process has rarely been contentious and provides good representation, review and participation by local elected officials, state transportation agencies, transit providers and the public.

Potential Actions for Consideration:

- Given that the regional planning process is focused on assuring cooperation and agreement, the Council and TAB could consider requiring a super majority 3/5ths vote (60%) on actions and recommendations from the TAB to the Council.
- Given that the TAB acts in more than an "advisory" capacity and develops and recommends a program of projects for federal funding, the Council and TAB could consider eliminating the term "Advisory" in the TAB name to be replaced with another term or simply dropped (e.g. Transportation Board, or Transportation Planning Board).

Committee Minority Counterpoint:

While the regional planning process does work, local elected officials have voiced dissatisfaction with the current process and that absent the grandfather provision, the current MPO structure does not adhere to federal law. A few committee members expressed casual support seeking a re-designation, but also but also recognize it would be a complex and contentious process.

3. Effectiveness of Delivery of Regional Transit Services

Executive Order 20-88 directed the Blue Ribbon Committee to explore the effectiveness of delivery of regional transit services. The Committee explored services provided by the Council and Metro Transit, Suburban Transit Providers, MnDOT, and county roles in transitways.

Committee Conclusions and Findings

The Committee reviewed the various transit services provided within the region including Metro Transit and Suburban Transit Provider regular route bus services, light rail transit, bus rapid transit, commuter rail, Transit Link dial-a-ride, and Metro Mobility ADA mandated services. The various purposes, structure of the services, ridership levels and general operating measures, such as cost and subsidy, were presented. The role of the counties and Council in developing and funding transitways was discussed and MnDOT provided information on transit services in Greater Minnesota.

The Committee found that the region's transit governance structure is complex, but that services are generally efficient and cost effective when compared to similar services provided in peer regions. Adequate funding for regional transit, particularly for service expansion and transitway development, has been a recurrent issue and in the past has led to measures that further complicate the governance structure (i.e. creation of suburban providers, regional transit board, and Counties Transit Improvement Board). In addition, the ridership and costs of Metro Mobility, which is a federal and state mandated service for persons with disabilities, has been growing well beyond the rate of inflation with little ability for the Council to reduce or control its cost.

The Blue Ribbon Committee finds the following:

- The Committee generally agrees that if the region's transit system were designed today, the current structure would not be recommended as it leads to inefficiencies and conflicting priorities for investment.
- The Committee recognizes the value of local input that is part of the suburban transit provider model and that their dedicated funding allows them to try innovative ideas. However, the committee also recognizes that this model can lead to inefficiencies due to small size, inefficient service designs that end at or skip over service area boundaries, and duplication of administrative functions. The committee concludes the suburban transit model should not be expanded in the region and regional transit governance should continue to be evaluated for efficiencies.
- The Committee recognizes that transit funding shortfalls have been an ongoing issue for decades and that past legislative actions have provided short-term solutions that at times have further complicated the region's transit governance and funding structures without necessarily providing the necessary level of funding to maintain and grow the system.
- The necessary level of state and federally mandated Metro Mobility ADA service is substantially more expensive to provide than regular transit service. The service has a

growing financial need that competes for funding with general public transit service provided by the Council and the Suburban Transit Providers.

Potential Actions for Consideration:

- Continue to evaluate transit governance options that provide service efficiencies and allow for strong local input into decisions about investment and operations.
- Consider transitioning the Metro Mobility budget from a base general fund appropriation to a forecasted budget program separate from funding for general public transit. Appropriations for forecasted programs are based upon forecasted usage (ridership) and will increase as ridership grows. This action would help assure that the growing mandated Metro Mobility service demand does not lead to budget shortfalls for general transit services.
- Seek long-term funding solutions that allow for system growth and do not further complicate the region's transit governance structures.