

Citizens League  
545 Syndicate Building  
Minneapolis, Minnesota 55402

Minutes of Meeting

BOARD OF DIRECTORS

Thursday, March 20, 1969

Room 216 Minneapolis Public Library -- 4:00 p. m.

PRESENT: Dr. Francis M. Boddy, President, Charles Backstrom, Fred C. Cady, Homer A. Childs, Earl F. Colborn, Jr., John A. Cummings, Mrs. Nicholas Duff, Harold D. Field, Jr., Mrs. Ralph Forester, Greer Lockhart, Charles Lutz, James Martineau, Donald W. McCarthy, John W. Pulver, Peter H. Seed, Paul Van Valkenburg and John W. Windhorst.  
Guests: Robert Ehlers, Tom Anding and Gordon Moe. Staff: Paul Gilje, Jim Carney and Neill Carter.

1. President Boddy - called the meeting to order at 4:17 p.m. Minutes of the March 5 Board meeting were approved as distributed. Minutes of the March 14 Board meeting were approved with the following corrections:

Insertion of a sentence under Item 7, near the bottom of Page 3, to the effect that Mr. Boddy relinquished the chair to Mr. Lockhart; reference in the 3rd paragraph on Page 2 to utilities should be to "electric" utilities, and deletion of an extra phrase (we could say) in the second paragraph under Item 6 on Page 3.

2. Staff Reports -- Mr. Gilje reported that the Executive Director was on vacation this week and next. He also reported that today's breakfast in St. Paul had an attendance of 75, which was a record for the year for all Citizens League Breakfasts, and was the highest attendance ever recorded for a St. Paul Breakfast. Mr. Gilje said the thrust of Senator Rosenmeier's talk was "most positive" on the Metropolitan Council as a coordinating body.

Other items reported: The Citizens League will co-sponsor a legislative improvement conference to be held April 11 and 12.

3. Mr. Martineau, a member of the Nominating Committee, reported that the following had been nominated as candidates for three-year terms on the Board of Directors: Gordon M. Donhowe, John G. Harrison, Paul H. Hauge, C. Paul Jones, Charles Lutz, John F. McGrory, William E. Mullin, Jr., Peter H. Seed, Mrs. Kenneth J. Sigford, S. L. Stolte, John M. Sullivan, and Mrs. T. Williams.
4. The Board resumed discussion from its March 14 meeting of the report from the Fiscal Disparities Committee. Mr. Colborn, chairman of the committee, explained changes in a March 17 redraft of the report, which had been mailed to all Board members. The redraft contains no substantive revisions, he said, but it does embody some editorial changes, particularly in relation to questions raised at the last Board meeting by Mr. Cady and Mr. Field.

Mr. Colborn also called attention to a March 19 memorandum which listed additional changes, all in the question-and-answer sections starting on Page 13. Item A, he said, is intended as a clarification of the tax base being prorated on the

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basis of assessed valuation. Items D and E clarify how the non-residential property would pay the tax. He observed that the committee is talking here about a long-range concept.

Mr. Colborn noted that several members of the committee had dissented from the majority report, and he summarized their positions as follows: Mr. Ehlers feel we don't really have a fiscal disparities problem if we analyze the whole tax system; Mr. Whitney feels we are treating the symptoms and not providing a cure; Mr. Shaw had submitted a moderate dissent, copies of which had been distributed to the Board; Mr. Vasaly had written a letter in which he questioned whether the recommendations go far enough and asked why we did not propose taking 25% of the whole tax base and throwing it into a metropolitan pool. Mr. Colborn summed up the situation by saying this majority report is a meeting ground for many points of view.

Mr. Cady seconded the motion to adopt the report, but called attention to three minor changes needed on the March 19 memorandum. The first would insert the words "would apply to" in the second sentence under Item D, as a replacement for "means." The second change is in the fourth sentence under D, which should read "the net growth" rather than "the total growth." The third change is in the next-to-the-last sentence on the page, where reference is made to "all homesteaded property" when it should be "most homesteaded property." Also, the phrase "if any" should be added to the end of the last sentence on the page. Mr. Colborn said he had no objections to these changes. President Boddy said that the changes should be included in the motion, therefore.

Mr. Cady recalled that it had been said at the last meeting that a summary statement of Mr. Ehlers' dissent would be ready for the Board, but that it had not been furnished. Mr. Ehlers replied that he had been told to reduce his statement to two pages or less, but had not been able to do so. He said he could, perhaps, reduce it to eight pages. Mr. Colborn commented that this goes to the policy the Board has had in the past -- it has not had long dissenting opinions. He suggested it may be worth the Board's time to consider whether dissenting or concurring-but-differing views of committee and Board members should be distributed. Mr. Ehlers said this problem was not a simple thing, having occupied the committee for 40 meetings, and maybe this is why the League has not had long dissenting opinions in the past. Mr. Seed said he feels the integrity of the report requires the Board to include dissent.

President Boddy agreed, but noted that the Council for Economic Development includes dissents only as short footnotes in its reports. The reasons for dissent are stated, but are not argued. Mr. Boddy said he is against long dissents and dissents that argue at length. An additional issue is raised by the Shaw dissent, he said, because it was not made to the committee or to the Board. Mr. Colborn added that, in fairness to the committee, it should be noted that Ehlers, Shaw and Whitney were the only dissenters. He said he did not want to leave the impression that the report doesn't have committee acceptance. Mr. Van Valkenburg commented that it would be tempting to attach a dissent saying the report does not go far enough or fast enough, but he said that a dissent should not run more than two pages. Mr. Gilje observed that, in fact, only the first two pages of Mr. Ehlers' dissent seem to be addressed to the content of the report, and that the remainder of the dissent, dated January 6, seems to set forth Mr. Ehlers' philosophy. Mr. Ehlers disagreed, saying that what he wrote January 6 pretty much

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applies now, and that he was attempting to be more than just an "aginner". He said he had felt obligated to present some "proof."

Mr. Backstrom asked if there were any points in the dissent that were not heard by the committee and therefore are not answered satisfactorily in the report. Mr. Colborn said there were not. Then he sees the dissent as less harmful if the points were considered, Mr. Backstrom said.

President Boddy asked for a show of hands on whether dissents should be attached. The vote was 7#6 in favor.

Mr. Field referred to Mr. Shaw's dissent, in which he makes reference to a 2-car garage under Item 5 of Page 5 of the report, and he asked how that can be answered. Mr. Colborn said it was not necessary to make a specific reference to a 2-car garage, that the discussion of lot size, house size, and house valuation all went to the point that local officials are making such decisions to protect their tax base. Mr. Field then suggested that a sentence be added at the end of the paragraph to say that whatever the purpose of these actions, their effect is to do thus-and-such. It was moved, seconded, and carried that such an amendment be made.

The Board, by voice vote, approved adoption of the report as amended.

Discussion resumed on the dissent question, and Mr. Childs suggested including dissents as an addendum to the report, which now had been adopted as the official position of the Citizens League. He moved that the addendum say that certain members dissented on the following points, then the points should be listed, and it should be announced that copies of the dissents are available at the League office. The motion was seconded. President Boddy questioned whether Mr. Whitney's dissent should be included, too. Mr. Gilje noted that Mr. Whitney, while he had expressed his opinions orally at the last Board meeting, had not taken the initiative to furnish a written copy of his dissent. Mr. Van Valkenburg said that names of the dissenters should be included in the addendum.

Mr. Seed said it seems a fair requirement that a dissent have a sharper ;focus than the 21 pages written by Mr. Ehlers. He suggested three pages. But, he said, he thinks it is terribly important that the dissenter be allowed to write his own dissent, rather than have it be summarized in shorter form by the League's staff. He said the whole deliberative process is at stake if this is not allowed. Mr. Ehlers explained that he had not had much time to write a dissent, that the majority report had been adopted the previous Thursday and had been presented to the Board the following Friday noon, and he had to take what he had available.

Mr. Lockhart questioned whether the League should publish dissents. He noted that we are allowing every committee member to write a dissent and are willing to say that these statements are available. He reminded the Board that both it and the committee had rejected Ehlers' point of view. Mr. Cummings agreed, saying he can see that the League ultimately would be providing a printing press for anyone who wanted to express an opinion. But just listing the items of dissent is not freedom of dissent, argued Mr. Martineau.

Mr. Ehlers said he would like his statement accepted as a minority report to the majority report and would have no objection to condensing it. Mr. Gilje reported

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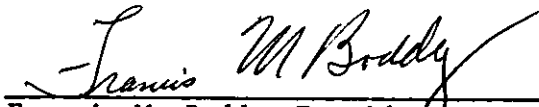
that the Ehlers' report had been distributed to all members of the committee, that it had been written up in newspapers, and that copies had been furnished to legislators.

President Boddy then asked for a show of hands on Mr. Childs' motion to add that a minority report had been written by Mr. Ehlers that it expressed dissent on certain listed points and that copies were available upon request at the League office. The vote was 15 to 1 in favor, with Mr. Seed opposed.

5. Mr. Gilje reported that he had received a letter from John Shannon of the Advisory Commission on Intergovernmental Relations, and that he said he would try to get the ACIR to endorse the report. He also said Lynn Stiles of the Federal Reserve Bank in Chicago had written a letter in agreement with the report, but had added that he personally thought it should go much further in its recommendations.
6. The Board applauded the work of the committee, its chairman, Mr. Colborn, and Mr. Gilje. President Boddy adjourned the meeting at 5:20 p.m.

Jim Carney  
Staff

I have read the above minutes and find them to be in the form approved by the Board of Directors on April 9, 1969.

  
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Francis M. Boddy, President