



Office of Mayor Betsy Hodges

350 S. Fifth St. - Room 331

Minneapolis, MN 55415

TEL 612.673.2100

[www.minneapolismn.gov](http://www.minneapolismn.gov)

January 27, 2016

President Wielinski  
2217 West River Road  
Minneapolis, MN 55411-2227

President Wielinski,

As we have discussed, I support the efforts of the Park Board and supporters of our Minneapolis Parks to seek additional revenues for capital improvements to our parks. Furthermore, I believe referenda are a legitimate policy option to be put in front of the City Council as a tool for raising those capital funds.

The need is real. Both our parks and our city streets suffer from an infrastructure deficit. Large cuts in state funding, unnecessarily large pension costs prior to the 2011 reforms, and other factors have led to years of underinvestment in both our parks and our streets. Quite understandably, both City and Park leadership needed to prioritize operations over capital, keeping cops of the streets, firefighters on the job, and park centers open. None of us at either the City or the Park Board welcomed those bleak choices, but it was good that we had the flexibility to do so and preserve essential services.

As a result of those choices, we must reinvest in the years ahead in needed capital for both parks and streets. Referenda are a legitimate tool to address these needs. So it is with disappointment that I must veto Resolution 2016-112 (also called Resolution 2015-116 on the submittal page) due to several flaws in the language. These flaws are correctable and do not speak to the inherent value of the action. If the language is redrafted, this will increase the chances of success.

#### RESOLUTION OF BALLOT LANGUAGE

Unlike our annual levy which collects a precise dollar figure, this language would collect a percentage of estimated market value of the city. This means we can only estimate how much revenue would be collected. That approach may nonetheless be worthwhile, but there is no language that addresses what is done with dollars collected in excess of the projected need of 14.3 million a year.

A lot can happen in the 20 year lifespan of this ballot measure. As just one example, a hostile Governor or Legislature may target Minneapolis for disproportionate funding cuts, even though Minneapolis is a net contributor to the state. We know this could happen because it has happened before. In that event, we would want the flexibility to use excess funds to preserve essential services.

#### PROPOSED AGREEMENT WITH THE CITY

This brings us the proposed agreement with the City, which is part of the same action which I must sign or veto. If implemented as written, it would dramatically restrict the flexibility the City needs to respond to respond to unforeseen fiscal pressures. In the future scenario I describe, City leaders would certainly be trying to prevent cuts to police, firefighters, and other services. If there were \$4 million in excess funds collected for the park levy, they could be available to be used to free up the needed revenue. But that option would not be available to Council Members under the extremely aggressive language of the proposed agreement. That section of language would also diminish the flexibility of CLIC, which strikes me as outside the scope of this endeavor. They too, will want to preserve flexibility to handle future challenges.

I completely understand why you might seek maximum protection to ensure that the dollars raised for park capital are spent for that purpose. None of us want to see those dollars diverted. But this language simply goes too far toward that goal. It would provide an unprecedented level of guarantee for park dollars, a guarantee that does not exist for essential services including police and fire. This language would constitute a significant change to the fiscal relationship between the City and Park Board. Any such change should not be required as an addendum to a worthy endeavor as the pursuit of a park referendum.

Again, I strongly support your work to increase funds for park capital. The need for increased capital dollars for both parks and streets is increasingly evident. So I hope you will read this letter in the spirit intended. I recommend that you draft new language that addresses funds collected in excess of projected need and also amend the language of the proposed agreement to balance avoiding diversion of park capital dollars with the need to maintain flexibility to respond to serious challenges. I further recommend that you separate the ballot measure language and the proposed agreement into two separate actions. Taking these steps will increase the chances your work, which I support in concept, is successful and our parks get the capital dollars that are needed.

Sincerely,

A handwritten signature in blue ink, appearing to read "Betsy Hodges", written in a cursive style.

Mayor Betsy Hodges  
City of Minneapolis