



Summary of Meeting with Terry Stone

Civic Caucus, 8301 Creekside Circle, Bloomington, MN 55437

Friday, January 9, 2009

Guest speaker: Terry Stone, International Falls business owner and frequent responder to Civic Caucus emails

Present: Verne C. Johnson, chair; David Broden, Marianne Curry, Bill Frenzel (by phone), Paul Gilje, Jim Hetland (by phone), Dan Loritz, and Wayne Popham (by phone)

A. Context of the meeting —Over the last few months, **Terry Stone**, a business owner in International Falls, became a participant in the Civic Caucus, having heard about the organization from an acquaintance. Stone began offering commentary, often accompanied by detailed information that seemed to reveal considerable knowledge on a host of topics. In addition Stone expressed interest in how the Civic Caucus conducts its work. In response to an inquiry about a possible conference call with the Civic Caucus, Stone said he'd prefer to make the 10-hour round trip from International Falls at his own expense, to visit in person. For today's meeting he said he left home around midnight and had breakfast with Verne Johnson and Paul Gilje before the 8 a.m. meeting.

B. Welcome and introductions —Verne and Paul welcomed and introduced **Terry Stone**, owner, Soundnorth Electronics, International Falls. He is the current chair of the Gateway City Corridor Taskforce, a group of federal, state, county, city and citizen representatives in International Falls. He previously served as chair of the International Falls Chamber of Commerce. He has served as consultant, speech and letter writer, debate preparation specialist, **policy writer** and analyst for several candidates for political office. He was born and raised in International Falls. He attended Bemidji State University and the University of Minnesota, Duluth. For a time he was a stockbroker in the Twin Cities area.

C. Comments and discussion —During Stone's comments and in discussion with the Civic Caucus the following points were raised:

1. Possibility of too much emphasis on LRT —Stone was asked, as a resident of International Falls, for observations on the state's discussion of transportation needs. The debate over Light Rail Transit (LRT) seems to be "sucking the oxygen out of statewide objectives" for transportation, he said. He harkened back to 1922 when the state enacted a constitutional amendment that created 70 constitutional routes for highways. That was during the heyday of trolley cars, which were the responsibility of the city, not the state, he said, and they were financed privately without subsidy.

Clearly the Minnesota Constitution makes an informed exclusion of state-financed light rail. When he drives to the Twin Cities area, he said, he always times his trips in and out to avoid the rush hour pileups on freeways, with idling cars adding to pollution and subtracting from productivity.

2. Using transportation to guide development —Stone isn't a fan of using roads and rails to guide new growth. One of the attractive aspects of living in Minnesota is the ability to select a wide range of lifestyle options. State government should respond to the choices we make—not endeavor to make those choices for us, he said. He doesn't like the idea of social planners getting into the game of guiding development.

3. Place improvements where the jobs are —Stone said he has read in our previous summaries about whether LRT and other transportation improvements should be primarily oriented to the downtowns. He favors transportation infrastructure development that both connects residents with their jobs and connects goods and services with their markets. Frequently, this means infrastructure outside the core city environment. Driving from International Falls to the Twin Cities, Stone said he now finds peak period traffic backing up at the North Branch exit, a far cry from 20 years ago when he worked in the Cities.

4. Transportation working well in International Falls —Stone is satisfied with city, county, and state highways in the International Falls area. All governmental entities do an excellent job in clearing snow. He sees no conflict or duplication among crew on city, county and state highways. Because of the 1922 constitutional amendment that specified 70 constitutional highway routes, Stone said the state should continue to give top priority to state highways until there is a constitutional statement to the contrary.

5. Question of merger of adjacent low population counties -Due to the economies of scale, there may be an argument for some counties with chronic population loss to merge. Lake of the Woods County (2010 population probably 4,000) and Koochiching County (2010 population probably 13,200) seem likely candidates for such a merger, Stone said. The people of these counties should be the ones to decide any merger. A Civic Caucus member noted that the state has 11 regional development commissions, through which counties might perform some functions cooperatively without removing their autonomy. Another member noted that cities, school districts and counties throughout the state have used a joint powers act for years for handling functions together.

6. Use of rail to move goods —Stone noted that rail rights-of-way are located throughout the state and have great, and probably under-developed, potential for moving raw materials to producers and finished goods to market. Trucks are pounding the freeways to death, he said.

7. Comment on "shovel ready" projects —The group moved to a discussion of a likely major infusion to Minnesota of federal economic stimulus dollars. One member noted that funds would likely be used for projects that are ready to go, that is, "shovel ready". The member wondered whether such projects haven't been able to garner sufficient support within the state. The member said that the history of federal public works for recession fighting is slow, fraught with earmarks, and tends to make overtime rather than new jobs because new jobs require training time. Moreover, the member said, much of the work is seasonal, which defies speedy scheduling.

8. Future of precinct caucuses —Stone said he went to his first precinct caucus last February, hoping to find lots of people with good ideas for the state. But the meeting was a "zoo" because of all the attention to a presidential straw vote. For the benefit of both events, the straw poll needs to be removed as far as possible from the party-run precinct caucuses, he said.

9. Discussion of other economic stimulus strategies —As the discussion continued, a Civic Caucus member suggested that public works are not as good as tax cuts, but neither is highly efficient. The member felt that buying of securities to loosen the money markets is a better strategy. Some spending is also needed, the member said, but the national government doesn't do a very good job of managing Social Security or defense spending. Stone interjected that changes should be made at the federal level to improve efficiency. For example, he said, as a business owner in electronics, he sees no more need for a federal department of electronics than a federal department of agriculture. Too many subsidies are provided in agriculture, he contended.

10. Dealing with the state's \$4.8 billion budget shortfall —Minnesota's \$4.8 billion shortfall for the biennium is much more modest than California's, a member noted. Some members agreed that the state should use the shortfall as an occasion to accomplish significant structural changes in such areas as transportation and education. A member suggested we should make sure the non-metro parts of Minnesota are strengthened.

The major business of state government is distribution of money to units of government within the state, a member observed. Running state government only involves about 1.2 percent of all expenditures. Thus, the state ought to look how to make the system of distribution of funds more efficient. Another suggestion was that the civil service system should be evaluated. Broadening the sales tax is another possibility.

11. Watch what's going on in Minnesota counties —Members noted that Minnesota counties are suggesting ways to cooperate on delivery of human services. Perhaps we should invite Jim Mulder, executive director of the Association of Minnesota Counties, to meet with us, a member said.

12. Direction on nuclear power —In light of the fact that Stone offered his first input to the Civic Caucus by commenting a few months ago on nuclear power, he was asked if he had further observations. Stone said he is optimistic about the potential of fast neutron reactors. Major parts of these reactors are modular, he said, which makes the reactors much easier to build and maintain. The federal permitting process has been streamlined. The construction permit and the operating permit are now granted concurrently. At a minimum Minnesota should lift a ban on new nuclear plant construction that has been in existence since 1990, Stone said.

13. Thanks —On behalf of the Civic Caucus, Verne thanked Stone for meeting with us today.