



CONNECTING & INNOVATING
SINCE 1913

League of Minnesota Cities
Board of Directors' Meeting
April 16, 2009

MINUTES

Members Present: Doug Anderson (Dayton), Jeff Bertram (Paynesville), Richard Brainerd (Mahtomedi), Ardell Brede (Rochester), John Chattin (Bemidji), Chris Coleman (St. Paul), Jerry Faust (St. Anthony Village), Matt Fulton (Coon Rapids), , Betsy Hodges (Minneapolis), Ron Johnson (Lake City), Mark Karnowski (Princeton), Dave Osberg (Hastings), Todd Prafke (St. Peter), Lauri Winterfeldt (Moorhead), Wayne Wolden (Wadena), Wendy Wulff (Lakeville), Joel Young (Chatfield)

Members Absent: Tim Breza (Winona), Mary Hamann-Roland (Apple Valley)

Staff Present: Gary Carlson, Sarah Dirksen, Marky Engler, Kevin Frazell, Anne Finn, Lena Gould, Tom Grundhoefer, Laura Kushner, Donyelle Mikacevich, Jim Miller, Hue Nguyen, Don Reeder, Brian Strub, Pete Tritz, Mary-Margaret Zindren

Guests Present: Tim Penny (Southern Minnesota Initiative Foundation), Wendy Underwood (Minneapolis)

Call to Order

First Vice President Brede called the meeting to order

Agenda

Faust moved approval of the agenda, seconded by Wulff. Motion carried.

Presentations/General Communications

- 3.1 Appreciation to Del Haag for Service as the LMC Ambassador
Karnowski moved to table this item until the June Board meeting as Del was not in attendance to receive the recognition, seconded by Hodges. Motion carried.

Approval of Consent Items

Fulton moved approval of the consent items, seconded by Bertram. Motion carried.

Brede then asked for Board and staff introductions and introduced Tim Penny with the Southern Minnesota Initiative Foundation.

Action Items

5.1 Presentation by Tim Penny, Southern Minnesota Initiative Foundation
Penny provided the Board with some background on the Foundation and their mission which is to “invest in the region’s future growth through grants, loans, technical expertise and partnerships that foster community assets via workforce readiness and entrepreneurial activity – especially in areas of bio-medical, bio-agriculture and alternative energy.” He went on to state that they have invested over \$36 million in the southern region through loans and grants. The foundation is looking for organizations to partner and collaborate with to ensure that Southern Minnesota continues to prosper and grow vibrant communities. Miller asked Penny what he sees as the most pressing needs for communities. Penny indicated that living opportunities for the retirement population and entrepreneurial opportunities are major issues Southern Minnesota will be faced with. Brainerd asked Penny what the League could do in a partnership with the Foundation. Penny indicated that possibilities could include becoming a funding partner for economic development authorities and to provide start-up business loans. Brede thanked Penny for his presentation and indicated that the Board would consider possible future partnerships with the Foundation.

5.2 Adoption of 2009 Board & Officer Nominating Process and Selection Criteria
Grundhoefer indicated that approval of the process and criteria is done annually by the Board to assist the Nominating Committee with their process. Changes are usually minor and relate to dates within the document, however, this year the Governance Committee was recommending some additional changes. Grundhoefer summarized the changes, which included having three members of the Governance Committee sit on the Nominating Committee each year, expectations of the current Board in regard to recruitment of new Board candidates, expectation of the Executive Director’s communications with the Nominating Committee, and the creation of a debriefing process where the nominating committee would provide feedback to candidates who were not selected.

Faust questioned whether having past candidates fill vacant seats was discussed. Prafke indicated that it had not, however, that has been done in the past.

Coleman questioned why the process was being changed. Prafke indicated that the Nominating Committee has such a small timeframe with each candidate that any additional information that either the Board or the Executive Director has about a candidate would be helpful to the committee.

Bertram questioned whether term limits were discussed. Prafke indicated that term limits were not discussed this year however the committee will be reviewing a number of items over the next few years. Miller indicated that term limits have been discussed in years past and could be looked at again.

Wolden moved approval of the Board & Officer Nominating Process and Selection Criteria 2009, seconded by Faust. Motion carried.

5.3 Model Code of Ethics and Conduct Program for Minnesota Cities

Frazell indicated that the Ethics Advisory Panel convened approximately one year ago and has been developing a model ethics program. He then presented four recommendations from the committee which included a model values-based ethics code, model law-based code of conduct, LMC certification of Cities of Ethics program, and the development of some resources and training on ethical issues.

Several Board members applauded the committee for their hard work on this project. After some discussion, Hodges made a motion recommending that the model values-based ethics code be renamed to Statement of Expectations, approve the codes as models to provide to cities, and have staff bring back a recommendation on how the certification process would work.

Karnowski made a motion to divide the question, seconded by Hodges. Motion carried.

Motion to rename the model value-based ethics code to statement of expectations. Motion carried with Brainerd and Faust voting no.

Motion to disseminate as models to cities. Bertram felt that the models are not ready to be presented to cities and suggested staff seek feedback from cities.

Karnowski asked for clarification of the motion was it to adopt or disseminate? Hodges indicated it was to disseminate. Grundhoefer stated that if these are disseminated, cities will take them as being endorsed by the League. Coleman suggested sending to cities indicating that the League is considering adoption but would like feedback.

Faust indicated he would need more time on this issue and would like to get feedback from his council.

Brainerd moved to table until the next Board meeting, seconded by Winterfeldt. Hodges indicated she had no problem with tabling the item. Frazell indicated there will be an ethics session at the LMC Annual Conference in June and attendees could provide some feedback at that time and then the Board could address at the July meeting. Brainerd and Winterfeldt accepted this as a friendly amendment to table until July. Grundhoefer asked for clarification if the Board's direction was to seek input. Bertram indicated yes. Hodges offered a friendly amendment to instruct staff to seek input from cities on both documents including at the LMC Annual Conference. Winterfeldt accepted the friendly amendment. The motion carried.

5.4 LMCIT Trust document amendments – attendance policy and teleconference meetings

Tritz explained the Trust Board's recommended changes to their attendance policy which could remove a Trustee from the Board if he/she misses three consecutive meetings or four meetings in a 12 month period. The Trust Board also recommended clarification that the

LMCIT Trust Board may meet by teleconference to the extent permitted by the Open Meeting Law.

Winterfeldt moved approval, seconded by Wulff. Motion carried.

5.5 LMCIT trust document amendment – Trustee compensation

Tritz explained that the LMCIT Board would like to amend the Trust document to allow Trust Board members to be compensated for attending meetings. They are requesting \$150 per diem payment for any Trustee that is not compensated by their own city. Faust questioned whether there was a limit on per diem payments by statute and Grundhoefer indicated he was not aware of any. Coleman asked how it will be determined who gets the per diem. Tritz indicated that it is on a request basis, each Trustee would have to complete a reimbursement form in order to get the per diem. Winterfeldt opposes paying Board members. Brainerd felt that it was wrong to pay the Trust Board and not the LMC Board and indicated in tough times he would have to vote no. Faust indicated he was not opposed to the concept, however, questioned the \$150 because of the times. Prafke spoke in favor of the per diem stating that the nature of the Trust Board's work is different and the per diem could help with retention and recruitment. Faust moved approval of the per diem recommendation in the amount of \$100 instead of \$150, seconded by Johnson. Coleman indicated he could not vote in favor of the motion. The motion carried with a 10 to 7 vote.

5.6 Proposed Presidential Focus for First Vice President Ardell F. Brede

Sarah Dirksen introduced Ardell Brede's proposed presidential focus which would concentrate on a discussion of the role of arts in the community especially during tough economic times. As required, the proposed presidential focus does relate to the strategic plan. She indicated that as part of this presidential focus, LMC would partner with Twin Cities Public Television to produce a 30 minute program that would provide a wide-ranging conversation about the role of arts in buildings and sustaining a sense of community for Minnesota's cities.

Coleman spoke in favor of the initiative and offered a motion to approve, seconded by Chattin. Fulton applauded the effort. Wolden encouraged staff to get this program on statewide television through other public stations and affiliates.

Motion carried.

5.7 Preparing for the Retreat: the League's Current Business Model

Staff indicated that this item was the first step in preparation for the upcoming Board Retreat and that this document will help prepare for the discussions of how the League can best help cities during these difficult financial times. Staff asked the Board for any feedback, questions or comments.

Karnowski commented there was nothing in the plan about promotion and whether there was any logic to promoting outside the League membership. He also suggested a booth at the state fair.

Faust and Fulton both spoke in favor of having a discussion about the League's competitors, as well as next steps with the relationship between cities counties and schools.

Brainerd questioned whether the report on conference and training programs would be looked at during the retreat? Miller indicated that item was tabled at the February meeting but that it could be used at the retreat if helpful. Brainerd felt that it would be helpful to the Board.

Miller stated that the League's efforts are mainly directed at mayor and city officials and asked the Board if they felt that direction was correct.

Johnson questioned whether secretariat roles are important, and if so, should the League have more?

Faust suggested a discussion take place on the thought process of customer service, like the Chamber of Commerce or sister cities.

After some good discussion, staff indicated that this document would be included in the materials for the Board retreat.

5.8 Legislative Update

Carlson provided a brief legislative update indicating that there were approximately five weeks of the legislative session remaining. He then provided an update on levy limits, salary cap, annexation, and administrative fines.

Affiliate Organization Update

6.1 Coalition of Greater Minnesota Cities

Wolden indicated there had been some communications issues between the Coalition and the League around the Thank LGA initiative and indicated that the Coalition would work harder at better communicating their initiatives.

6.2 Metro Cities

Osberg indicated that the Metro Cities Annual Conference was taking place that evening at the University Club.

6.3 Minnesota Association of Small Cities

Young encouraged Board members to sign up and attend the legislative day at the Capitol.

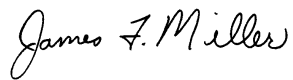
Announcements and Adjournment

Wulff announced that she had been appointed to the Met Council and would be resigning from the Lakeville City Council and that this would be her last meeting on the LMC Board. The Board and staff congratulated her and wished her well.

Winterfeldt thanked everyone for their support and prayers during the floods. She also acknowledged the hard work on the part of the Moorhead city staff.

With no further business, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "James F. Miller".

James F. Miller, Executive Director