



CONNECTING & INNOVATING
SINCE 1913

League of Minnesota Cities
Board of Directors' Meeting
May 22, 2009
(Held in conjunction with May Board Retreat)

MINUTES

Members Present: Doug Anderson (Dayton), Richard Brainerd (Mahtomedi), Jeff Bertram (Paynesville), Ardell Brede (Rochester), Tim Breza (Winona), John Chattin (Bemidji), Jerry Faust (St. Anthony Village), Matt Fulton (Coon Rapids), Mary Hamann-Roland (Apple Valley), Ron Johnson (Lake City), Mark Karnowski (Princeton), Dave Osberg (Hastings), Lauri Winterfeldt (Moorhead), Wayne Wolden (Wadena), Joel Young (Chatfield)

Members Absent: Chris Coleman (St. Paul), Betsy Hodges (Minneapolis), Todd Prafke (St. Peter)

Staff Present: Gary Carlson, Sarah Dirksen, Marky Engler, Kevin Frazell, Tom Grundhoefer, Laura Kushner, Donyelle Mikacevich, Jim Miller, Pete Tritz, Mary-Margaret Zindren

Call to Order

President Hamann-Roland called the meeting to order.

Agenda

Breza moved approval of the agenda, seconded by Johnson. Motion carried.

Presentations/General Communications

3.1 None.

Approval of Consent Items

Anderson moved approval of the consent items, seconded by Young. Motion carried.

Action Items

5.1 FY 2010 Maximum Dues Increase

Miller indicated in order to comply with the League's Constitution, a 60 day notice must be given to member cities of a dues increase. Therefore the Board needs to take action on this item at this meeting.

Brede, chair of the Finance Committee, indicated that the committee met on this item and did not have full consensus to a dues increase. He reported that Desyl Peterson could not justify a dues increase because of the reallocation of LMC/LMCIT funds.

Fulton, as a member of the finance committee, indicated that the committee had a very good discussion on this issue. He stated that because of the unknowns with the economy, this puts much pressure on the League and the committee wanted to allow the League some flexibility and that he recommended a zero to one percent maximum dues increase.

Young, also a member of the finance committee, confirmed Fulton's comments regarding the committee's discussion and indicated that the recommendation from the committee was not strong on a zero percent increase.

Anderson suggested that if the Board goes with a zero percent increase that a strong message to members be delivered that states there will be an increase next year.

Faust opposed the zero percent increase and advocated for a one percent increase to provide some flexibility.

Karnowski made a motion for a zero percent increase for 2010 and a minimum of a 2 percent increase for 2011 along with sending a message forewarning cities what is coming down the pike, seconded by Chattin.

Bertram stated that he appreciated Karnowski's motion, however, felt it sent a mixed message of a zero increase this year and then doubling up next year.

Anderson and Winterfeldt spoke in favor of notifying members that there is a good chance there will be an increase in the coming years.

Hamann-Roland spoke in favor of the motion.

Fulton indicated that he understands the logic in the motion; however, it is unknown what 2011 is going to look like.

Brainerd spoke against the motion and felt that an increase in 2011 should be addressed at that time not now.

Faust applauded the effort however indicated he would not support the motion.

Breza indicated he would not support the motion, however, would support a 1 percent increase.

Johnson also indicated he would not support the motion.

Young called question. The motion failed with 6 voting in favor and 8 against.

Brainerd made a motion for a 1 percent maximum dues increase for 2010, seconded by Faust.

Chattin stated he felt that a 1 percent increase would send a mixed message and indicated that if dues are going to be increased then it should be a substantial amount, possibly 5 percent.

Anderson expressed significant concern with any increase.

Breza indicated that it would be set as a maximum and would allow the Board time to look it over before adopting the budget.

Brainerd suggested crafting a message to members stating that a 5 percent maximum increase was approved; however, the League would be respectful to cities and would provide a period of time for cities to make comments on the recommended increase.

Bertram questioned how the notice would be sent to cities. Miller indicated it would be via a letter and would emphasize that the Board's recommendation was for preliminary discussion and ask cities for input.

Brede questioned how the media would react.

Breza suggested that the letter also show how much a 1 percent increase would be for each city in dollars.

Winterfeldt stated that it is a perception issue and she would be concerned that the Governor would blast cities as he is calling for wage freezes and the 1 percent increase doesn't give enough benefit to the League for the blast that will be taken and indicated she would not vote in favor of a 1 percent increase.

Chattin agreed with Winterfeldt's comments and indicated he would not support a 1 percent increase.

Karnowski indicated he could not support a 1 percent increase. His main concern is with the message being sent and felt damage control would supersede the revenue the League would get.

Faust stated that cities won't be going with a zero percent increase in their budgets and felt a 1 percent would be okay.

Young called the question. Motion failed with a 7 to 7 vote.

Miller indicated that there is not much revenue difference between a zero and 1 percent increase in dues.

Chattin made a motion for a zero percent increase for 2010, seconded by Winterfeldt.

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Brainerd questioned what would happen if the Board took no action on this item. Chattin stated that if the motion carried, the message that the Board is recommending a zero percent increase due to the hard times cities are facing right now needs to get to cities.

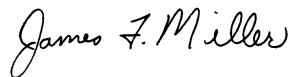
Bertram called the question. Motion carried with a 12 to 2 vote.

Announcements and Adjournment

President Hamann-Roland asked Gary Carlson to provide a brief legislative update. Carlson provided a quick update indicating that the big issue as the session wrapped up was the final budget. He stated that the Governor signed the bill for administrative fines and that LMC staff is considering hosting a webinar on administrative fines as well as unallotment.

With no further business, Brede moved to adjourn seconded by Chattin. The motion carried.

Respectfully submitted,

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

James F. Miller, Executive Director