



CONNECTING & INNOVATING  
SINCE 1913

League of Minnesota Cities  
Board of Directors' Meeting  
September 17, 2009

### MINUTES

**Members Present:** Doug Anderson (Dayton), Richard Brainerd (Mahtomedi), Jeff Bertram (Paynesville), Tim Breza (Winona), John Chattin (Bemidji), Matt Fulton (Coon Rapids), Mary Hamann-Roland (Apple Valley), Lee Helgen (St. Paul), Betsy Hodges (Minneapolis), Ron Johnson (Lake City), Mark Karnowski (Princeton), Andy Kauffman (Montrose), Susan Larson (Isanti), Dan Ness (Alexandria), , Wayne Wolden (Wadena), Joel Young (Chatfield)

**Members Absent:** Ardell Brede (Rochester), Dave Osberg (Hastings), Molly Park (Sunfish Lake)

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

#### Call to Order

First Vice President Brainerd called the meeting to order and asked Andy Kauffman to lead the group in the Pledge of Allegiance and to then share an art initiative within his community.

#### Agenda

Young moved approval of the agenda, seconded by Hamann-Roland. Motion carried.

#### Presentations/General Communications

3.1 Brainerd asked the Board for any comments or questions in follow up to the executive director's interim report. Karnowski asked how the booth at the state fair went that was part of the Cities Matter campaign. Miller stated that it exceeded expectations and there have been discussions around having a booth again next year.

Brainerd asked for a brief update on the City Learning Point e-learning training. Miller stated the product was extremely well done and Kushner indicated that there were approximately 100 employees from 40 different cities who registered for the courses.

#### Approval of Consent Items

Bertram made a motion to approve the consent agenda, seconded by Hodges. The motion carried.

Action Items

5.1 Endorsement for the National League of Cities (NLC) Board of Directors.  
Miller indicated that Sandra Colvin Roy had expressed an interest in running for NLC Board prior to the August deadline but due to a family emergency was not able to get her application in on time. She contacted the League after the August Board meeting requesting the League Board to consider endorsing her for the NLC Board. Miller reminded the Board that at their August meeting they voted to endorse Greg Lemke for the NLC Board. He stated that the League has no policy regarding the number of endorsements, however, in the past the League has generally only endorsed one candidate. Given the circumstances surrounding this recruitment, the Board was asked to interview Sandra Colvin Roy and then make a determination on whether to endorse one or two candidates. The Board then interviewed Sandra via conference call. After some discussion it was agreed that the League would endorse two candidates this year. Hamann-Roland made a motion to approve a second endorsement of Sandra Colvin Roy, seconded by Bertram. Motion carried

5.2 Adoption of the Fiscal Year 2010 LMC and LMCIT Budget  
Engler presented the proposed LMC Budget and Tritz presented the proposed LMCIT Budget. Tritz stated that the LMCIT Board approved the proposed budget at their August meeting.

Helgen expressed his appreciation for a no dues increase for 2010, however, indicated the League cannot continue to operate without a dues increase next year and strongly recommended looking at this issue further for next year.

Helgen suggested and offered to assist the League in getting in touch with District Energy to discuss some energy efficiency or geo thermal options available. Miller thanked Helgen and accepted his offer to assist the League with those contacts.

Hearing no other comments, Brainerd asked for a motion. Fulton moved approval of the proposed budgets and a 0% dues increase for 2010, seconded by Hodges. Motion carried.

5.3 Future of Funding City Services – Research and PR Proposal  
Miller indicated that Zindren would be presenting this item and advised the Board that the actions listed in the written report changed slightly and the second motion referring to entering into a contract with Humphrey Institute should be changed to authorize the Executive Committee to enter into the contract because contract negotiations were not complete at the time of the September Board meeting.

Zindren gave an overview of the initial integrated public relations strategy that the Board developed back in July and then presented the staff proposal on the future of funding city services.

Fulton questioned why staff is recommending entering into a contract with the Humphrey Institute vs. Hamline School of Public Administration or another institution. Miller stated that staff decided not to do an RFP due to time constraints and wanting to get moving on this project. He also indicated that the Humphrey Institute would bring a lot of name recognition and credibility to the project.

After further discussion, Hodges made a motion to approve the proposal and to give the executive committee authority to approve the terms of a final contract with the Humphrey Institute. Motion carried.

5.4 Proposal for Reviewing League Operations and Services

Miller stated that this item is one of the 11 strategic initiatives the Board identified at its July meeting. He walked the Board through the proposal stating that it would be a two part process. The first being an examination of services the League currently provides and how they are provided; and a second phase determining where the League needs to be in the future. He indicated that the study would involve a task force of past and current Board members along with a select group of city officials familiar with League operations. The task force would focus on member services aspect of League services and determine if the League is “doing the right things” and is the League “doing them the right way”. A group of League staff would also be created to conduct a review of internal services to determine if those services are being provided efficiently.

Breza moved approval of the process for reviewing League services, seconded by Wolden. Karnowski questioned whether it was appropriate to have League staff review the internal services. Miller stated that the task force will look at the services provided by the League through a combination of member surveys and focus groups. The internal group would determine if we are utilizing resources internally to support those programs in a way that makes complete sense. He also stated that the League could hire someone to do the internal review. Karnowski expressed his concern with having staff evaluate their own work. The motion carried with Karnowski voting against the motion.

5.5 Appointment to Voluntary Statewide Lump Sum Volunteer Fire Firefighter Retirement Plan Advisory Board

Brainerd indicated that this item is being brought back from the August meeting where staff was directed to look into a potential issue regarding one of the candidates that was brought to the League’s attention. Staff did look into the matter, however, was unsuccessful in verifying the validity of the concerns and sees no reason to change the recommendation of appointing both Cal Larson and Marty Sheerer to this Board.

Johnson made a motion to approve the appointment of Cal Larson and Marty Sheerer as League representatives to the Advisory Board, seconded by Hodges. Motion carried.

Karnowski questioned whether this could be a conditional appointment and Grundhoefer indicated in essence that is what this is should any issues arise.

5.6 Proposed 4M Fee Waiver

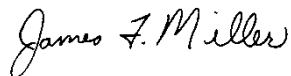
Miller stated there are five entities involved in the 4M Fund which include the League, the 4M Fund, Voyageur Asset Management, PMA and US Bank. The current arrangement calls for the 4M Board to make a payment to Voyageur Asset Management for its efforts. Voyageur in turn pays PMA for their efforts and the League for sponsorship. The 4M Fund also pays US Bank a fee for custodian services. He indicated in the current interest rate environment that the returns for the 4M Fund continue to decline. If interest rates continue to decline, under the current arrangement, we would be in a negative position and would not be able to pay cities that invest in the fund any return on their money. He stated that under this proposal the parties would temporarily waive some of their fees.

Young moved approval of the proposed fee waiver, seconded by Fulton. The motion carried.

6. Announcements and Adjournment

With no other business, the meeting was adjourned.

Respectfully submitted,

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

James F. Miller, Executive Director