



League of Minnesota Cities &
League of Minnesota Cities Insurance Trust

ANNUAL REPORT 2017-2018

Look
inside for
the year's
highlights!

MESSAGE FROM EXECUTIVE DIRECTOR DAVID UNMACHT

Member Outreach: Getting to Know You Is a High Priority



Throughout the year, the League registers thousands of contacts, questions, and inquiries from you, our members. Our responses come in many forms: emails, letters, phone calls, etc. Inspired by our ongoing correspondence with you, we are embarking on an exciting member outreach and engagement effort. We call this our “retail” initiative, and it often includes personal conversations and listening sessions in your city hall, coffee shop, or cafe.

In the past six months, League staff have had dozens of conversations with members throughout the state. Based on recent listening sessions, I offer three cornerstone principles that best define the League’s relationship with our members:

- Connecting and listening to you in new and creative ways.
- Understanding member commonalities and differences.
- Staying on the leading edge of policies, issues, and trends.

These three principles drive our member outreach and engagement efforts. They require us to be purposeful in our outreach and sincere in our request of you to engage with us. And to help support this initiative, we have moved staff member Heather Corcoran into the new position of engagement manager. Our team thoroughly enjoys meeting you, so don’t be surprised if we invite ourselves to your community in the future. We will also gladly accept an invitation from you!

Two other priorities mentioned in this Annual Report are direct results of what we’ve heard from you:

- **Federal advocacy.** The time is right for us to increase Minnesota cities’ influence on federal issues. With the help of our members, we are investing League resources in strengthening relationships with our congressional delegation. We are in year two of this federal advocacy initiative, and the National League of Cities is already recognizing our work as a model for other state leagues to consider.
- **Developing future city leaders.** The competition for workers is intense. We are in a tough fight to recruit the next generation of elected officials, community volunteers, and staff. We hear from you that you want the League to lead in policy and in our own workplace practices. To that end, we created the Minnesota Cities Fellowship, which gives interns an opportunity to work with a smaller city, a larger city, and the League. The fellowship is a small step, but we hope this will become a model for cities to partner together to develop the next generation of city employees.

Our ongoing commitment to you involves being creative, relentless in our advocacy for the work of city governments, and helpful in your efforts to identify our future leaders.

LMC Board of Directors, 2017-2018

President

Jo Emerson

Mayor, City of White Bear Lake

First Vice President

Heidi Omerza

Councilmember, City of Ely

Second Vice President

Mike Mornson

City Manager, City of Hopkins

LMC Past President

Rhonda Pownell

Mayor, City of Northfield

DIRECTORS

Curt Boganey

City Manager, City of Brooklyn Center

Mark Casey

City Manager, City of St. Anthony Village

Jeremiah Ellison

Councilmember, City of Minneapolis

(Replaced Minneapolis Councilmember Elizabeth Glidden midyear)

Sue Hilgert

Mayor, City of Olivia

Lynn Kissock

Mayor, City of Maple Lake

Brent Mareck

City Manager, City of Carver

Justin Miller

City Administrator, City of Lakeville

Dave Smiglewski

Mayor, City of Granite Falls

Kevin Staunton

Councilmember, City of Edina

Randy Staver

Councilmember, City of Rochester

Chris Tolbert

Councilmember, City of St. Paul

Brad Wiersum

Mayor, City of Minnetonka

CGMC Representative

Sara Carlson

Mayor, City of Alexandria

Metro Cities Representative

Gary Hansen

Councilmember, City of Eagan

MAOSC Representative

Tina Rennemo

City Clerk-Treasurer, City of Baudette

LMCIT Board of Trustees, 2018

CHAIR

D. Love

Councilmember, City of Centerville

TRUSTEES

Jake Benson

Councilmember, City of Proctor

Dave Callister

City Manager, City of Plymouth

Clinton Gridley

City Administrator, City of Woodbury

Alison Zelms

Deputy City Manager, City of Mankato

David Unmacht

Executive Director,

League of Minnesota Cities

Special thanks to two long-term LMCIT trustees who recently left the board:

St. Peter City Administrator Todd Prafke served 21 years, and Northfield Mayor Rhonda Pownell served seven years.

2017-2018 Year in Review

September
2017



To interest young people in city careers, the League hosted an interactive exhibit at the **Minnesota State Fair** that helped fairgoers discover their city "superpowers."

LMCIT created and began using new resources, including a survey tool, to ensure cities are meeting federal **Americans with Disabilities Act (ADA) requirements**. More than 150 member cities have received assistance with ADA compliance during in-person visits by LMCIT's loss control field representatives.

The first of 42 cities this year used the League's new **collaborative decision-making service**, which helps cities improve their conflict-resolution, collaboration, or governance skills. Communities from around the state have participated in the service, which started last year.

All kinds of city staff—not just first responders—attended LMCIT's **Mental Health First Aid Workshops**, where they learned how to provide assistance to someone having a mental health crisis.



October
2017



Luke Fischer

LMC created a **new Deputy Director position** to focus on training and conferences, engaging with members, and providing additional services cities need. After an extensive search, Luke Fischer was hired to fill the position.

The League launched a **volume purchasing program**, through which 176 member cities purchased 2,344 Adobe software licenses at a substantial discount.



A total of more than 400 city officials attended one of the League's nine **Regional Meetings**, where they networked with peers, heard from LMC President and White Bear Lake Mayor Jo Emerson about her initiative to develop future city leaders, and more.

Royalton Mayor Andrea Lauer (left) and Motley City Clerk-Treasurer Lacey Smieja at their 2017 Regional Meeting.

November
2017

Premium rates for Insurance Trust member cities were approved by the LMCIT board for 2017-2018. Rates set by LMCIT are not influenced by volatile market swings, and a healthy fund balance is maintained to help members avoid rate fluctuations.

Legislative policies for 2018, developed by about 150 city officials serving on four policy committees, were adopted by the LMC Board. The policies—designed to benefit all member cities—serve as the League's comprehensive state legislative advocacy agenda.



LMC partnered **with the City of Minnetonka** for staff supervisor training on goal-setting, and toured the city's water treatment and public works facilities.

December
2017

The frequency of public protests has increased in recent years for a variety of reasons. To **help cities respond to protesters** appropriately while honoring their First Amendment right to free speech, the League published a new information memo, *First Amendment Concepts for Protests in Cities*.

In the wake of a series of sexual harassment and assault charges against famous individuals, city officials reached out to the League for tools that would **help them maintain a respectful workplace**. The League responded with a variety of resources, including a video, trainings (which more than 500 people took), and more.



Nearly 1,200 LMCIT property/casualty members received **dividend checks totaling \$6 million** as a result of their dedication to staying safe and reducing costly claims. LMCIT has issued dividend checks for 30 consecutive years.

Jay Stroebel (left) and Jeanette Boit-Kania (center) receive Brooklyn Park's dividend check from LMC's Pam Whitmore.

January 2018

Elementary school students from Lauderdale, Maple Grove, and St. Paul were selected as winners from among more than 400 entries in the League's annual **Mayor for a Day Essay Contest**. Congrats to the future city leaders!



Winners (L to R): Alecia Jendro, Rachel Jeong, and Sebastian Cerda

Only 35 new councilmembers and mayors won seats in the 2017 election. Still, about 40 recently elected officials (from the last few years) attended the **2018 Leadership Conference**, where they tackled such topics as finance fundamentals. At the same time, 140 experienced officials focused on crisis communications at their leadership conference.

For the third year in a row, member cities joined the **Government Alliance on Race Equity (GARE)** training cohort. A total of 25 cities have participated in the training since the League initially partnered with GARE in 2016.

February 2018



Planning to be in St. Paul? The **Split Rock Collaborative Space** and new workstations at the League's building were made available for visiting city officials (like you). Just check in at the front desk, and our friendly receptionists will give you the Wi-Fi password and directions to Split Rock.

Drones have become increasingly popular for city use, as well as recreational and other uses. The League offered a new information memo, **Drones: Municipal Use and Regulation**, to provide guidance to cities on the legal operation of drones and a city's authority to regulate drones.

The **Super Bowl** came to Minneapolis! About 60 LMCIT member cities provided public safety assistance to the City of Minneapolis during Super Bowl LII.

March 2018

More than 60 city officials and LMC staff went to Washington, D.C., to advocate on behalf of Minnesota cities. While there, they met with eight Minnesota members of Congress or their staff. Increasing **federal advocacy** efforts was an LMC priority this year.

City officials meet with U.S. Sen. Tina Smith.



Nearly 150 city officials—58 percent from Greater Minnesota and 42 percent from the metro—gathered in St. Paul for the League's **2018 Legislative Conference for Cities**. Many of these officials met with their legislators at the Capitol as part of the conference activities.

More than 1,000 city officials attended the **LMCIT Safety & Loss Control Workshops** at nine locations across the state. Attendees had the opportunity to participate in a new First Amendment track and review a new LMC crisis communications guide.



LMC partnered with **PCs for People** to offer electronics recycling during several Safety & Loss Control Workshops. Through this program, 17 member cities dropped off a total of 173 computers.

April 2018



More than 150 city officials took an important step toward making sure their community members are counted in the 2020 Census by participating in **census outreach workshops** offered in collaboration with the state demographer, the League, other local government associations, and regional service cooperatives.

In response to member needs for better addressing incidents involving police use of force, LMCIT published a **Critical Incident Response Model Policy** for cities and law enforcement agencies.

The number of cities passing a League-endorsed resolution **supporting local decision-making authority** reached 100. The resolutions were key to the League's successful efforts to oppose state pre-emption bills during the 2018 legislative session.

May
2018



LMC partnered with the City of Bloomington for **staff supervisor training** on email and time management; learned about the race equity efforts in the city's parks and recreation program; and (as shown at left) toured the Bloomington Center for the Arts.

The **2018 state legislative session** ended with several successful results for cities, including securing funds for city capital projects; passing pension sustainability legislation; avoiding more reverse referendum requirements; and increasing the competitive bidding threshold to \$175,000.



The League thanked **outgoing members of the Board of Directors** for their service as they finished their terms.

About 260 local government officials—143 of which were from cities—received **conflict management training**. It was offered by the League, the state Office of Collaboration and Dispute Resolution, and other local government organizations.

June
2018

Nearly 400 city officials gathered in St. Cloud to take a break from their routine at **Camp #MnCities in June!** Highlights of this year's annual conference included a bustling camp kickoff in the Exhibit Hall, complete with bag toss, giant Jenga, craft making, s'mores, and booths from more than 130 vendors. A pre-conference workshop on a city's role in advancing race equity drew nearly 100 attendees, and city achievements from around the state were celebrated during a new awards dinner.



Nearly 40 cities were recognized for completing steps in the **Minnesota GreenStep Cities program**. To date, 119 cities and three tribal communities have achieved sustainability goals through participation in the program.

LMC launched the new **Minnesota Cities Fellowship program** to help develop the next generation of public-sector leaders. Two fellows are currently learning on the job as they work at two cities—Delano and Minnetonka—and at the League over the course of the next two years.



Fellow *Ada Moreno*

July
2018



The League welcomed new members to the Board of Directors at their first meeting.

The **4M Fund**, a financial investment fund just for Minnesota cities that's governed by LMC, continued to grow—adding 17 new participants this year alone—and reached an all-time fund balance high of \$1.26 billion in July 2018.



August
2018

The League **hired 20 interns** in the past year, helping to engage the next generation of employees in the good work of local government.

LMC interns McKayla Collins, Yamilez Ordonez, and Aurelia Phillips hard at work.



Nearly **7,000 member inquiries** were answered by LMC staff this year on topics related to human resources, legal issues, technology, and more.

LMC Research Manager Jeanette Behr answers a member's questions.

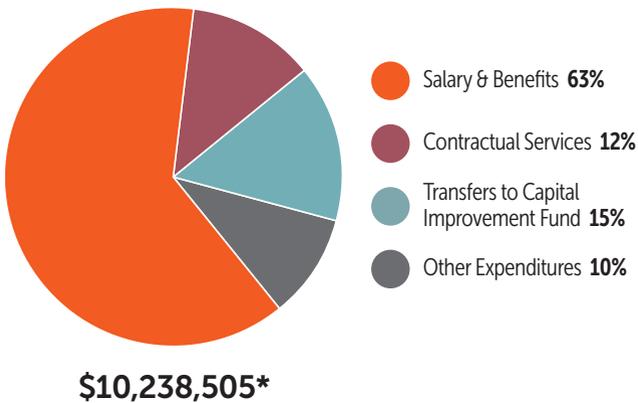


LMC & LMCIT Financial Highlights

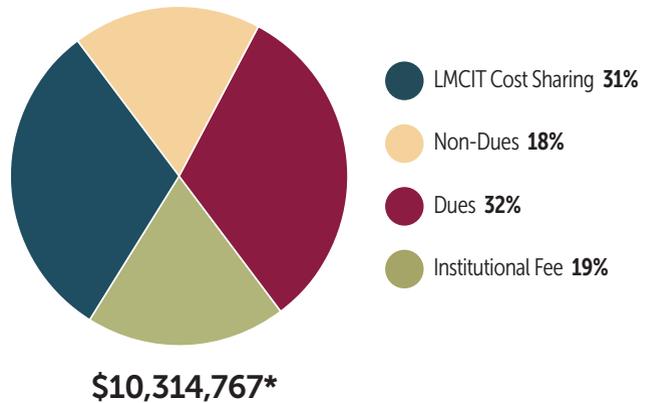
Financial stability is critical to making sure we deliver on our mission of promoting excellence in local government through effective advocacy, expert analysis, and trusted guidance for all Minnesota cities. Our financial base continues to be strong, which allowed us to deliver the many resources and services we offered to you this past year.

- LMC added one new member and had 100 percent member retention; of the 853 cities in Minnesota, 98 percent were members of the League.
- The LMC Board of Directors approved a 0 percent membership dues increase.
- LMC had a net position of \$13 million and assets of \$22.1 million. The League met its fiscal policy of maintaining a 40 percent reserve of the subsequent year's net operating budget.
- LMCIT had a combined net position of \$165.5 million and assets of \$469.3 million.
- In December 2017, LMCIT's property/casualty program distributed dividends totaling \$6 million.
- LMC, LMCIT, and 4M Fund audits had clean opinion letters.

LMC Expenditures & Transfers

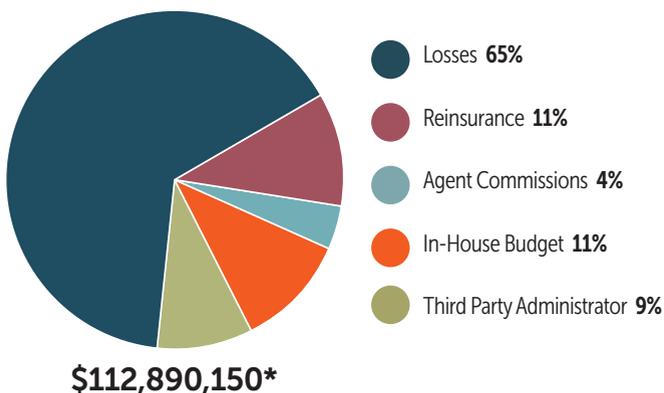


LMC Revenues

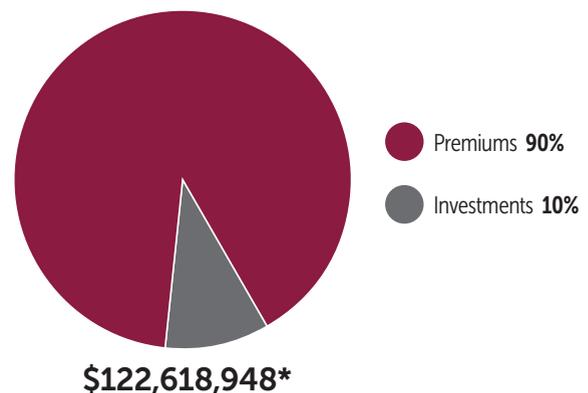


*LMC numbers are from fiscal year 2017 (9/1/16-8/31/17), the most recent audited numbers.

LMCIT Expenses



LMCIT Revenues



*LMCIT numbers reflect property/casualty program financials as of 5/31/17 and workers' compensation program financials as of 12/31/17, the most recent audited numbers.