

# ANNUAL REPORT 2018-2019

League of Minnesota Cities  
& League of Minnesota Cities  
Insurance Trust



**LMC**  
LEAGUE of  
MINNESOTA  
CITIES

# OUR MISSION



The League of Minnesota Cities promotes excellence in local government through effective advocacy, expert analysis, and trusted guidance for all Minnesota cities.

# OUR VISION

We envision a future for Minnesota and the League where:

- All cities are thriving, taking advantage of new opportunities, and successfully meeting ongoing challenges.
- The League continues to provide premier service to its members, and is recognized as the trusted, authoritative, and unified voice on issues affecting cities.

# A Year of Listening and Learning



## Message from Executive Director David Unmacht

Welcome to our 2018-2019 Annual Report! Inside you'll find highlights of the past year that show the depth and breadth of the League's work. The initiative I'd like to focus on in my message is member engagement.

In last year's Annual Report, I told you that we were just embarking on a new member outreach and engagement effort. I'm happy to report that we have made tremendous progress in this area. And to ensure this initiative succeeds, we are striving to be thoughtful and, most importantly, to carefully listen to our members. We know we're at our best when we do that.

Over the past year, we have met with members at many different community venues, from city halls to coffee shops. We will continue these visits through the coming year. You impress us with your character, passion, and sheer will to do your best in always challenging times. We've learned that you often encounter the same issues as other city leaders, you worry about the same problems, and you want to know that the League's help is just an email or phone call away.

A few weeks after one of our member visits, I ran into Sharon Zelazny, mayor of the City of Cromwell (population 239), and she was gracious in her thanks for the lunch meeting we had with her and a handful of officials from neighboring small cities. Mayor Zelazny noted that she "contacts the League often" and told me it is heartwarming to know the League does not forget small cities.

A successful member engagement initiative benefits all our members. Here are a few examples of new services we are or will be providing because of what we've learned through our visits with you:

- A podcast, *The City Speak*, was launched in February to provide expanded learning opportunities.
- Collaboration Services—which gives customized assistance to help city officials work together more effectively—became a regular offering in September 2018.
- Opioid epidemic resources were provided this year, and we plan to offer more in the coming year to help our members deal with this serious issue.
- A new service related to municipal finance is in the works for the coming year. Members will be able to call the League to get answers to their tax, budgeting, and other financial questions.

Our plan is to continue reaching out to our members in a deliberate and thoughtful way. But remember—member engagement is a two-way street. We want you to know the League, see us as trusted friends, never hesitate to ask us questions, and inspire us to action by offering ideas and opinions. If you know us, you are more likely to let us know what we are doing right—and how we can improve.

Thanks to those of you who have taken the time to meet with League Board and staff members over the past year. We look forward to meeting with more of you in the coming year!

## SEPTEMBER 2018

Nearly 5,400 **Minnesota State Fair** visitors stopped at the League's booth and took our "Discover Your City Superpower" quiz. The booth promotes the value of city careers, and encourages the next generation to check out city jobs.



The League launched **MemberLink**—online communities where city officials can network and share ideas. Nearly 4,000 LMC members have signed up to participate in one or more of the 21 groups, which are similar to listservs but offer more features.

LMCIT's Peace Officer Accredited Training Online (**PATROL**) launched several courses that meet new state requirements, including those on handling a mental illness crisis, managing conflict, and understanding implicit bias.



## NOVEMBER 2018



Adriana Temali-Smith

The League hired its **first Education Manager**, Adriana Temali-Smith. This position was created to better meet the needs of members by applying adult learning principles to conferences, webinars, and other educational offerings.

**Legislative policies** for 2019, developed by more than 100 city officials on four policy committees, were adopted by the LMC Board. The policies are the League's comprehensive state legislative platform and advocacy agenda.

Cybersecurity is an increasing concern for cities. In response, League staff conducted **14 cybersecurity trainings** around the state to help cities prevent and respond to security breaches.

The League partnered with Fairview Health Services to offer **Mental Health First Aid workshops**, where 128 individuals representing 67 local government entities learned to recognize a mental health crisis.



# 2018-2019 YEAR IN REVIEW

## OCTOBER 2018



The League debuted its career fair booth—one of many activities geared toward **promoting city careers**. The League also added new job posting tools and a bus ad campaign to get more city job opportunities in front of talented candidates.

*LMC HR Manager Donyelle Mikacevich and Richfield HR Manager Pam Dmytrenko staff the LMC career fair booth.*

More than 400 members attended the **LMC Regional Meetings**. Economic vitality topics, which were tailored to each location, included housing supply, child care access, and broadband.

## DECEMBER 2018

Students from Crystal, Elk River, and Sartell were selected as winners from more than 450 essays submitted for LMC's **Mayor for a Day Essay Contest**.



Brayden Banks



Breanna Bode



Aki Rebeck

*Essay contest winners*

The League continued to partner with the Government Alliance on Race and Equity (GARE) to form its fourth cohort of member cities working on **race equity strategies**. This cohort focuses on small and Greater Minnesota cities, with eight cities participating.

## JANUARY 2019

The **Leadership Conferences** welcomed more than 500 newly elected officials and more than 200 experienced officials. The training for newly elected officials was especially important this year, since about 25% of all elected city officials are serving for the first time.

The League kicked off its initiative of working with city officials on a **new police fitness test**. The test, which is expected to be available in early 2020, will help keep police officers safer and more productive, while saving cities money by reducing workers' compensation claims.

## FEBRUARY 2019



Gov. Tim Walz speaks at the Legislative Conference.

The League launched its first podcast! **The City Speak** offers quick takes on city issues from city officials across the state. The podcast covers a variety of topics, including city finance, council collaboration, and citizen engagement. Check it out at [www.lmc.org/CitySpeak](http://www.lmc.org/CitySpeak).



More than 120 city officials gathered in St. Paul for the **Legislative Conference for Cities**. They heard updates on the legislative session and shared city needs with their legislators.

The League updated its visual identity! The Board approved a **new clock tower logo** in February, and members got a sneak peek at the Annual Conference in June. The logo was officially launched in September.



Opioid addiction is an enormous and frightening challenge for the entire country, and cities are seeking ways to deal with it. To help cities confront this epidemic, the League hosted a free **opioid information session** and launched a web page of resources. Look for more on this topic in the coming year.

## APRIL 2019

Nearly 1,000 city officials braved snowy conditions to attend the **LMCIT Safety & Loss Control Workshops** in nine locations throughout the state. Topics included how to comply with the Americans with Disabilities Act for web content and for playgrounds.

The LMCIT Board of Trustees welcomed **new member Lisa Sova**, city administrator of Crosby.

City officials learned about using smart data to save on energy costs at a workshop presented by **Minnesota GreenStep Cities**.



Lisa Sova

The League is one of nine partners that operate the GreenStep program, which offers several workshops a year, along with many other resources, to help cities achieve their environmental goals. Nearly 130 cities now participate in the program.



The **City IT Professionals group**, or CITPro, open to LMC members with tech responsibilities, had its first quarterly meeting of the year at the safety center in Mankato to check out the latest technology for police cars. The group became more active this year and grew to 321 members.

## MARCH 2019



City officials with U.S. Rep. Dean Phillips (third from left).

City officials and League staff emphasized infrastructure funding and relationship building when they went to Washington, D.C., to engage in **federal advocacy** and meet with members of the Minnesota congressional delegation.

City and county government staff gathered in several communities to learn from State Demographer Susan Brower about forming Complete Count Committees for the **2020 U.S. Census**. These events, co-sponsored by the League, were one of several resources offered to assist cities with promoting accurate census counts.

League members from across the state gathered at a **Capitol press conference** to deliver the message, "We're all in this pothole together." It supported the League's efforts to advocate for more funding dedicated to city streets.



LMC President Heidi Omerza speaks at the press conference.

The first recipient of the **Thomas L. Grundhoefer Local Government Externship** worked at the League for a semester. The externship was created in partnership with Mitchell Hamline School of Law, the City of Minnetonka, and the law firm of Kennedy & Graven to honor the memory of the late LMC general counsel and his legacy of public service.

MAY 2019

The League launched the **LEAD Academy**, in partnership with Metropolitan State University and other partners. Through this program, city officials can invest in their professional development and earn the Public Sector Supervisor Certificate.

LMC received the Employer Support of the Guard and Reserve (ESGR) **Pro Patria Award** for demonstrating support of Guard and Reserve employees. It is the highest-level award from an ESGR State Committee.

At their final meeting, **outgoing members of the League Board of Directors** were thanked for their service as they finished their terms.



The **2019 legislative session** ended with several city wins. Initiatives such as a permanent increase in local government aid, as well as funding for elections, housing, broadband, and environmental needs, were all enacted into law.



**New members to the League Board of Directors** were welcomed at their first meeting.

The League continues to provide city tips, information, and photos via **Facebook and Twitter**. Join the 1,700 other followers on Facebook and 12,400 on Twitter to make sure you're not missing out!

 [facebook.com/MinnesotaCities](https://facebook.com/MinnesotaCities)

 [#MnCities](https://twitter.com/MinnesotaCities)

JUNE 2019



Nearly 600 city officials and more than 150 exhibitors headed to the lake for a "superior" LMC Annual Conference in Duluth. Highlights of the **#MnCities @ the Lake conference** included a workshop on intercultural development, an awards dinner, and 24 educational sessions.

Annual Conference attendees honored LMC Member Services Director **Kevin Frazell**, who announced his retirement effective at summer's end.

During his 22-year tenure, Kevin oversaw many Annual Conferences and made a wide variety of other important contributions to LMC and cities.



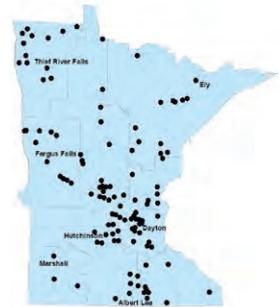
*Frazell gives his farewell speech at the 2019 Annual Conference.*

LMCIT continued to monitor claims for **post-traumatic stress disorder** (PTSD), and to work with the Minnesota Medical Service Review Board on development of treatment parameters. This month, LMCIT conducted a public information campaign in recognition of PTSD Awareness Month.

JULY 2019

AUGUST 2019

*Areas visited by LMC and LMCIT staff.*



Officials in more than 160 cities throughout the state received visits from LMC and LMCIT staff this year as part of our **member engagement initiative**. The visits were designed to help us better understand member needs, and to introduce our services to members.

The Building Company Board approved concept plans to **renovate the LMC building**, with goals of modernizing the space, increasing efficiency, and improving employee and member experience. Members may begin to see these enhancements sometime in 2020!

# LMC & LMCIT Financial Highlights

Our financial base continues to be strong, which allowed us to deliver the many resources and services we offered to you, our members, over the past year. Here are a few details:

All LMC member cities renewed their membership in fiscal year 2018. Of the 853 cities in Minnesota, 98% were members of the League.

The LMC Board of Directors approved a 0% membership dues schedule increase.

LMC, including the Building Company, had a net position of \$13.5 million and assets of \$23.2 million. The League met its fiscal policy of maintaining a 25-35% reserve of the following year's total budgeted expenditures and transfers.

LMCIT had a combined net position of \$148.4 million and assets of \$480.3 million.

In December 2018, LMCIT's property/casualty program distributed dividends totaling \$2.7 million.

Both LMC and LMCIT had clean audit opinion letters.

The Board adopted a new five-year financial planning operations model and updated the capital improvement plan to include major building remodeling and upgrades.

\* LMC numbers are the most recent audited numbers from fiscal year 2018 (9/1/17-8/31/18).  
\*\* LMCIT numbers reflect property/casualty program financials as of 5/31/18 and workers' compensation program financials as of 12/31/18, the most recent audited numbers.

## LMC General Fund Expenditures & Transfers

Total: \$10,005,904\*



## LMC General Fund Revenues

Total: \$10,385,732\*



## LMCIT Expenses

Total: \$123,709,362\*\*



## LMCIT Revenues

Total: \$106,656,939\*\*



## LMC Board of Directors, 2018-2019

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## LMCIT Board of Trustees, 2019

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Alison Zelms  
Deputy City Manager,  
City of Mankato

David Unmacht  
Executive Director,  
League of Minnesota Cities