



CONNECTING & INNOVATING
SINCE 1913

League of Minnesota Cities
Board of Directors Meeting
January 21, 2016

MINUTES

Members Present: Steve Nasby (Windom), Rhonda Pownell (Northfield), Elizabeth Glidden (Minneapolis), Sue Hilgert (Olivia), Ben Martig (Marshall), Mike Mornson (Hopkins), Carol Mueller (Mounds View), Brian Scholin (Pine City), Dave Smiglewski (Granite Falls), Randy Staver (Rochester), Chris Tolbert (St. Paul), Mark Casey (St. Anthony Village), Heidi Omerza (Ely) and Jonathan Smith (Frazee)

Members Absent: Jo Emerson (White Bear Lake), Tim Busse (Bloomington), Debbie Goettel (Richfield) and Brad Wiersum (Minnetonka)

Staff Present: Dave Unmacht, Tom Grundhoefer, Kellie Sundheim, Don Reeder, Laura Kushner, Kevin Frazell, Laura Zenz, Marky Engler, Gary Carlson, Dan Greensweig, Heather Corcoran, Laura Ziegler, Anne Finn, Ann Lindstrom and Irene Kao

1. Call to Order & Pledge of Allegiance
President Nasby called the meeting to order and led the Pledge of Allegiance.
2. Approval of Agenda
Pownell moved approval of the revised agenda handed out at the meeting, seconded by Hilgert. Motion carried.
3. Presentations/General Communications
Unmacht talked about his methodology for sending updates to the board. He recently started a News and Notes email for staff that goes out twice a month and the board is copied on that email. He is still figuring out how to incorporate something like Jim's "Interim Report" into his communications with the board.
4. Approval of Consent Items
Omerza requested item 4.2 be pulled from the consent agenda for discussion. Glidden made a motion to approve the consent agenda, with the exception of item 4.2, seconded by Mueller. Motion carried.

5. Action Items

4.2 LMCIT Board of Trustees Vacancy

Omerza is concerned with the lack of term limits on the LMCIT board. She feels that term limits would allow more people to apply for a position on the board. She also has concerns about the composition of the board since there is only one female serving.

Mornson asked if the LMCIT board has had term limits in the past. Grundhoefer commented that there has been in the past. He asked Tritz to talk about the LMCIT board and why they did away with term limits. Tritz commented that when term limits came into play in the past the League board choose to waive them and re-appoint the incumbent. Continuity on the LMCIT board is important and the learning curve is pretty steep. There are currently no limitations on the number of times an individual can be re-appointed. He noted that it is always within this board's authority to choose not to re-appoint the incumbent.

Nasby suggested referring this item to the Governance Committee for review. Grundhoefer suggested that this item could be brought up at the Trust Board Retreat for an initial discussion, but the Governance Committee is also a good place to begin.

Osberg asked if there are some consequences that we are concerned about with tenured members or gender distribution. It seems that we might be looking for a solution to a problem that doesn't exist.

Omerza's only concern is that we are not providing enough opportunity for our membership to be on the LMCIT board.

Mueller asked if there has been issues in the past in getting good candidates to serve on the board. Tritz noted that it is difficult to find elected officials willing to serve. We tend to get more city managers/administrators applying.

Glidden suggested that it is a good time to review the makeup of the board and to make sure that there is good balance.

Mueller suggested the Governance Committee not only look at term-limits but also the composition of the board – gender, elected vs. official.

Mornson made a motion to reappoint D Love and Dave Callister for new three-year terms on the LMCIT Board of Trustees, seconded by Staver. Motion carried.

Smiglewski suggested that having a bit more background information on the incumbents would have been useful.

Tolbert suggested sending out some sort of solicitation asking for candidates to serve on the LMCIT board. He suggested that the Governance Committee come back with a policy on soliciting candidates.

Pownell commented that the Trust board works very well together and is frequently complimented on how well they work together and how engaged they are.

Osberg asked if staff could come back at the next meeting with some additional wording to the policy suggesting that staff will solicit applications 90-days before a term is set to expire. Grundhoefer pointed out the wording in the policy that was approved by the board last year suggests desire for longer incumbencies. He recommends sending it to the Governance Committee for review.

Omerza made a motion to move this item to the Governance Committee for review, seconded by Mornson. Motion carried.

5.1 Proposed 2016 Intergovernmental Relations Work Plan

Finn introduced Irene Kao as the newest member of the IGR team. Irene is the new IGR Counsel and replaced Patrick Hynes.

Finn continued by going over the background of the proposed 2016 work plan. She noted that the IGR team will provide verbal updates to the board as the session progresses. It is a short session this year. It starts on March 8th and ends on May 23rd.

Pownell made a motion to accept the 2016 Intergovernmental Relations Work Plan, seconded by Hilgert. Motion carried.

Corcoran presented the Staff and Board Roles in Advocacy and went over the updates for 2016.

Mueller made a motion to accept the 2016 Staff and Board Roles in Advocacy chart, seconded by Pownell. Motion carried.

5.2 Board meeting calendar for 2016

Sundheim presented the 2016 meeting calendar. Frazell commented on how some changes to the Annual Conference this year have presented some scheduling conflicts for the June board meeting. The suggestion is to have the board meeting at 2:30pm on Tuesday, June 14th.

Several board members commented that Tuesday is not a good day as they have council meetings that evening.

Osberg made a motion to accept the 2016 Board calendar with the exception of the Tuesday, June 14th board meeting. Staff will review the schedule of events for the Annual Conference and provide a recommendation to be brought back to the board, seconded by Mornson. Motion carried.

5.3 Proposal for Executive Director Performance Evaluation Consulting

Kushner presented this item to the board. She would like to get the board's approval on the process. In previous years, League staff had been heavily involved in the executive director's review and staff were not always comfortable with the process. In 2014 we hired consultant Lisa Negstad to improve the process. Lisa worked very closely with the Personnel Committee and it was pilot tested with Jim Miller. Since Miller retired last year the process did not go through a complete cycle.

Unmacht, Kushner and Grundhoefer ran the process by the Executive Committee and received their recommendation on moving forward with the process.

As part of the proposal, the consultant will subcontract with a compensation consultant who will review survey data to see if our salary range compares well to the current market.

At the conclusion of the process the executive committee and board will have some great data upon which to do their performance evaluation and recommended compensation increase for the executive director.

Mornson asked if the salary survey information we did during the search process is still relevant. Kushner noted that there was not a formal salary data gathering done during that process.

Mornson questioned if this will be treated as an annual or 6-month review. Nasby commented that it will be treated as a 6-month review.

Martig asked if a multi-year contract with Negstad Consulting was ever discussed. Kushner commented that it was not, but can probably be negotiated and be brought back to the board at a later date.

Mornson make a motion to enter into a contract with Lisa Negstad of Negstad of Negstad Consulting to assist with conducting the annual performance evaluation of the Executive Director to include interviews with all nine direct reports (Option 1) and to pursue an extended contract with Negstad Consulting, seconded by Omerza. Motion carried.

Osberg made a motion providing staff with the latitude to purchase one of the salary surveys at their discretion, seconded by Omerza. Motion carried.

6. Discussion Items

6.1 Examination of Policy Committee Demographics & Representation

Carlson stated that at the request of board member Omerza the IGR department looked at information related to city official participation in the League's policy development process.

Carlson noted that the League as well as the board members have the responsibility of reflecting the needs and interests of our members across the state.

He went into detail on the breakdown of the different committee's membership for 2015. The information has been broken out by metro/greater, population, position and gender.

At this time, we are not asking for any specific action but we could try to develop a work plan to discuss things that could be done to encourage a wider level of participation across the state.

Carlson turned the discussion over to Corcoran and Zeigler. Corcoran noted that over the past 5 years we have had pretty consistently 150 policy committee members. Zeigler talked about the recruitment process and noted that retaining members is important. At the end of the process we do a survey of current members and have found that offering the GoToMeeting option has been very beneficial to reaching members who may not have participated before.

A question was raised about whether the board had any ideas on how to get more cities involved in the policy development process? Omerza thanked staff for the report and the hard work that went into it. She believes that the onus is on the board members to get people involved. It is important to make calls to cities and individuals to get them to participate.

Hilgert appreciates the report and noted that many cities don't have the resources to join and likes the improvements in technology to make these meetings more accessible.

Mornson suggested reaching out to the newer/younger membership with a letter or email discussing the policy development process.

Scholin suggested holding the committee meetings at different sites other than the League's office.

Omerza noted that one of the other issues is that council meetings are usually held on Mondays and Tuesday as are the policy committee meetings. Carlson and his staff will look at ways to avoid scheduling conflicts.

Nasby thanked the staff and suggested they work on some of the suggested recommendations and bring them to the board at a later meeting.

6.2 LMCIT Update

Tritz noted that the LMCIT Board Retreat is March 2nd and 3rd in Red Wing. Time will be dedicated to looking at law enforcement and the prominence of police issues in the news. The focus will be on gaps and how to address those. The board will also spend time on visioning and brainstorming about LMCIT in general. Another item will be to review the Trust board itself and how it functions. They will also look at reinsurance purchasing strategies and then

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finally take a look at how the Trust goes about setting workers compensation rates for different classes of risk.

The Trust has been dealing with some significant issues with the Worker's Compensation program and it could have multi-million dollar implications for the Insurance Trust. The Trust Board did authorize us to initiate litigation on this issue. We are still hopeful that litigation will not be necessary.

7. Affiliate Organization Updates

7.1 Coalition of Greater Minnesota Cities

Omerza commented that their Legislative Day is March 16th and they are working on LGA support.

7.2 Minnesota Association of Small Cities

Smith stated that there will be a board meeting on April 16th in St. Paul. The meeting will focus on LGA and transportation funding.

7.3 Metro Cities

Casey informed the group that at their last meeting they adopted their legislative priorities. There was spirited discussion on their suburban/county/metropolitan governance working group. He also mentioned that his city enjoyed having Corcoran and Honeck at their city goal setting meeting.

8. Announcements and Adjournment

Unmacht had a few announcements for the board

1. There will be an email coming out shortly on the building company's action to partner with Mortenson on the development of the vacant lot.
2. A verbal update on board retreat topics will be provided in March or April.
3. CIO position – last week staff met with 6 top information technology managers and had a great dialogue on various issues. A recommendation will be brought before the board on March 17th.
4. He will be in Minneapolis this afternoon to talk to the city's Enterprise Leadership team and give them an update on what the League is.
5. He would like to teach a course at Metropolitan State University again. He reached out to the Executive Committee for their approval and wanted to let the board know in case they have any concerns.

Respectfully submitted,



Dave Unmacht, Executive Director