League of Minnesota Cities
Board of Directors Meeting
May 23, 2019

MINUTES

Members Present: Heidi Omerza (Ely), Mike Mornson (Hopkins), Brad Wiersum (Minnetonka) Jo Emerson (White Bear Lake), Rita Albrecht (Bemidji), Mark Casey (St. Anthony Village), Curt Boganey (Brooklyn Center), D. Love (Centerville), Josh Malchow (Slayton), Brent Mareck (Carver), Justin Miller (Lakeville), Dave Smiglewski (Granite Falls), Jon Smith (Perham), Mary Gaasch (Lauderdale), Sara Carlson (Alexandria) and Mary McComber (Oak Park Heights)

Members Absent: Amy Brendmoen (St. Paul), Jeremiah Ellison (Minneapolis) and Kevin Staunton (Edina)

Staff Present: Dave Unmacht, Pat Beety, Luke Fischer, Kellie Sundheim, Ann Lindstrom, Laura Kusher, Dan Greensweig, Marky Engler, Jenn Poppen, Laura Honeck, Anne Finn, Don Reeder, Mel Reeder, Ted Bengtson, Craig Johnson and Daniel Lightfoot

1. Call to Order & Pledge of Allegiance
   President Omerza called the meeting to order and led the Pledge of Allegiance.

2. Presentations/General Communications
   2.1 Recognition of President Heidi Omerza and Outgoing members – Jo Emerson, Mark Casey, Brent Mareck, Dave Smiglewski, Jon Smith, Kevin Staunton, Mary Gaasch and Sara Carlson
   President Omerza thanked all out-going directors and ex-officio members for their service to the League. Staunton was unable to attend the meeting, so he will be recognized for his service in July.

   2.2 Presentation of the Employer Support of the Guard and Reserve (ESGR) Pro Patria Award
   Omerza, Mornson and Unmacht received the Pro Patria award at the May 6th ESGR Banquet. The League is up for a national award sometime in August.

3. Approval of Consent Items
   Smiglewski moved approval of the consent items, seconded by Emerson. The motion carried.
4. Action Items

4.1 Discussion and Adoption of the FY 2020 Maximum Dues Schedule Increase

The Finance Committee recently recommended adopting a preliminary 3% maximum dues increase for FY 2020

After some discussion, Wiersum made a motion approving the Finance Committee’s recommendation to adopt a 3% dues increase for FY 2020, seconded by D. Love. Motion carried.

4.2 Preview of the FY 2020 LMCIT Budget

Honeck noted that this year’s budgeting levels are consistent with current programs, but commented that staff is recommending a few changes and investments to reflect ongoing priorities and member needs. They are:

- Creation of a new LMCIT Program Assistant position
- Elimination of previous LMCIT Administrator Pete Tritz’s half-time status
- Consultation costs for continued research related to the compensability of Post-Traumatic Stress Disorder (PTSD) diagnoses for public safety officials
- Capital modeling development
- Increased costs for HCA Asset Management to conduct on-site appraisals on all buildings LMCIT covers
- Increased costs for additional participation in Peace officer Accredited TRaining OnLine (PATROL)
- Provide members with access to online educational videos, which would replace our current DVD Library

The final recommendation for the LMCIT budget will be brought before the Finance Committee in June and the LMCIT Board in August.

4.3 Presentation of the draft 5-year Operating Forecast Model

Engler presented the new model to the board and gave a high-level overview of the contents. The model was developed in coordination with the consulting firm Springsted and was reviewed by the Finance Committee in April. Their recommendations have been incorporated into the documents.

She noted that the model is intended to provide a broader context for financial decisions and strategies beyond current year projections. The model will be a “living document” that will change and adjust as the organization considers demands for services and how to pay for them.

Many board members expressed their appreciation of the hard work that went into creating the model and can see the long-term benefits.
4.4 Consider Revised Board Committee Structure and Board Engagement Matrix
Unmacht went over a bit of the background that lead to revising the current board committee structure and creation of the board engagement matrix.

He noted that effective July 1, 2019 the Personnel and Governance committees will be eliminated, and the Big 4 committee will be open to all board members who want to attend the quarterly meetings.

The engagement matrix is designed to stimulate and enhance the work of the board members in unique, individual and important ways.

Albrecht commented that she would rather go to community events than sit in meetings and thinks the matrix will allow for more of that.

Wiersum made a motion to revise the Board Committee Structure and approve the Board Engagement Matrix and direct staff to amend job descriptions, guidelines and handbooks as required, seconded by Mornson. The motion carried.

Emerson made a motion to request the Executive Director, in partnership with the Executive Committee, report back to the Board at the May 2020 meeting with an update on how the business of the Executive Committee was impacted, if at all, by the changes in the committee structure and an update on how the first year of using the Board Engagement Matrix went, seconded by Wiersum. The motion carried.

4.5 Executive Director Performance Evaluation (for board members only)
The Board meeting was closed to discuss the results of the Executive Director’s Performance Evaluation as specified in the Executive Director Performance Evaluation System. All documents related to the ED’s Performance Evaluation are filed in the ED’s personnel file as specified.

5. Discussion Items
5.1 Building Study Update
Fischer provided members with an update on the status of the building study. In the next couple of weeks, it is anticipated that the project architect, BWBR, will complete a first draft of its concept for our space renovation. The first draft will include more detail on building layout, assigned spaces and member spaces. Staff along with BWBR and the Building Company will decide on the best approach to proceed.

At this time, staff does not anticipate any significant physical work to take place before September 1, 2019. All recommendations will be made to the Building Company for consideration and approval. Staff will continue providing updates to the League and LMCIT boards.
5.2 Legislative Update
Members of the IGR team updated the board on several issues:

- Budget bills – pulling committees together but have not voted on or amended any bills. Seems they are waiting for a special session to happen
- Jobs bill – Cities will be allowed to set different wage standards
- Tax bill – likely to be voted on in special session
- PERA – no PERA funded aid
- GASB 68 – unlikely to pass
- Affordable housing – 10% funding increase, includes preservation piece
- Broadband – $40 million funded for border to border broadband
- Water funding issue – resolved
- Emerald Ash Borer – one-time money provided

5.3 LMCIT Update
Greensweig provided an updated on current LMCIT activities. LMCIT has hired a consultant to help facilitate a contract renewal with BRAC. Greensweig noted that he doesn’t foresee any issues as the current relationship with BRAC is in good standing.

LMCIT is continuing to keep a watch on PTSD settlements. These settlements will have significant financial impacts on cities. Kushner and R. Carlson continue to work with mental health professionals on the PTSD issue.

D. Love invited board members to the next LMCIT Board meeting on Wednesday, June 5th at 4:00pm.

5.4 Legal Update – Pat please provide your update here

6. Affiliate Organization Updates
6.1 Coalition of Greater Minnesota Cities
Carlson noted that the Coalition is waiting for a special legislative session just like everyone else. Members are looking forward to the League’s Annual Conference and the Coalition’s summer meeting in July.
6.2 Minnesota Association of Small Cities
McComber commented that they too have been busy following the legislative session. There is a board meeting coming up where they will discuss the hiring of a new executive director. No contract has been signed yet, but they will have another board meeting in Duluth during the League’s Annual Conference.

6.3 Metro Cities
Metro Cities is working on recruiting for their policy committees.

7. Executive Director Update and Adjournment
Unmacht took a moment to call recognize Amy Harger and the Engagement and Learning staff for their great work on the conference. Registration numbers are at their highest in years and so far planning has gone very smoothly.

Dave Unmacht, Executive Director