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Mayor for a Day Essay Contest winners outline ideas for promoting city careers. PAGE 12

Advocacy
Get ready for the 2018 legislative session with practical tips for communicating with legislators. PAGE 29
LEAGUE OF MINNESOTA CITIES INSURANCE TRUST

2018 Safety & Loss Control Workshops

A ROAD MAP FOR YOUR CITY.

MARCH 27—BEMIDJI
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2018 TOPICS INCLUDE:

- Free speech rights and limitations of public employees*
- Safeguarding your city’s interests via contracts
- Critical incidents procedures for police
- Common ADA issues in parks & rec
- Handling protests on city property*
- Coverage/rate changes, and other LMCIT updates
- Review of a new crisis communications guide
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- Managing citizen comments at council meetings*

WHO SHOULD ATTEND?
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Staff from small cities
Technology professionals

Questions? Call Chris White at (651) 215-4069 or (800) 925-1122, or email cwhite@lmc.org

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Check out Minnesota Cities online, where you can add to the discussion by posting your comments! Visit www.mncities.org.

**INSERT:**

Session 2018
Read the special insert included in the center of this issue to get details on League priorities for the 2018 legislative session.
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David Unmacht

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Developing Future City Leaders

BY DAVID UNMACHT

The memories of the conversation with my son are vivid. It was 2011 and he was beginning his freshman year in college, and was genuinely uncertain about his major. He is a people person with an excellent blend of self-confidence, with social and political curiosity—a mayor-in-waiting.

I mildly suggested, OK, deliberately mentioned, what about political science? Public administration? “Nah, Dad,” he casually replied. “I’m not interested in government.” I did not take it personally, but I admit, I was disappointed.

Fast forward to today, and my son’s opinion is more the norm than the exception with the new talent entering the job market. Using a classic business principle, the demand for public-sector employees and elected leaders exceeds the supply available in the marketplace. A correction is needed.

Like our economy, you may wonder, is this a blip or aberration? Well, in my 35 years in local government, I do not recall the market being this far out of balance. Spending six-and-a-half years in the recruiting business gave me great insights into the marketplace and public-sector employment conditions. I could see the trends: high expectations of employers, dwindling applicant pools, and difficult recruitments.

Highly publicized data shows that many Minnesota cities have lacked candidates to run for local office. Based on that fact, along with the increasing difficulty of filling key city staff vacancies, League of Minnesota Cities (LMC) President Jo Emerson is focusing her presidential year on the subject of developing future public-sector leaders.

Emerson recently attended LMC Regional Meetings to ask city officials for ideas on barriers, challenges, opportunities, and ideas for the future. Her work will help the League Board of Directors develop ideas and possible action steps in the coming year.

Last fall, I was asked to speak to the Roseville Optimist Club on the question of how to seek and develop our future public-sector leaders. Upon reflection, I introduced two principles with four ideas. I firmly believe that these ideas are sound; I also fully understand that systemic changes require a level of risk, leadership, hard work, and time.

My emphasis is primarily on how to attract and retain local government staff, but there is a link to elected officials as well. For ease of presentation, the principles are based on two concepts:

- To help prepare candidates for employment, and
- To help prepare our organizations to be relevant in a competitive job market.

With respect to helping prepare candidates for employment, I use my experience as an adjunct professor in two university graduate degree programs as a base. I am convinced we need to reach out and progressively work with educational institutions at all levels (K-12, trade schools, technical and community colleges, and universities) to develop innovative partnerships and relevant curriculum based on practical and experiential learning skills to prepare students of all ages for local government careers.

To help prepare our organizations to be relevant to compete for employees with corporations like Target, Amazon, and Tesla, I offer three ideas.

First, we need to actively and more aggressively promote what municipal governments have to offer: multi-faceted jobs and careers in many disciplines.

Cities need to actively and more aggressively promote what municipal governments have to offer: multi-faceted jobs and careers in many disciplines. There is a lot of untapped talent in these two groups; we need to be on the radar of these job hunters.

Finally, we must rethink our traditional business practices, systems, and employment models. Some of our practices are outdated and ill-equipped to compete in today’s world. We need to form partnerships with bargaining units, city groups and affiliates, and notably the state Legislature to authorize and form creative models that attract the next generation of workers.

It’s not enough to place an ad online or in the newspaper and hope candidates apply. This recruitment approach may work occasionally, but it doesn’t solve our systemic challenges. Let’s go back to basic business principles: We must invest in our people and organizations to compete for new workers.

My goal is to find the League’s niche and role in this transformation. We want to be investors, leaders, and facilitators in this renewed effort.

David Unmacht is executive director of the League of Minnesota Cities. Contact: dunmacht@lmc.org or (651) 281-1205.

Share comments about this topic at www.mncities.org. Click on “St. Paul to City Hall,” and post your comments below the story.
Bits & Briefs

A PLACE AT THE

Picnic Table

Parks in the City of Grand Rapids and Itasca County now have wheelchair-accessible picnic tables, thanks to a design by local Eagle Scout Alex Morse. Morse worked with Myrna Peterson and Lisa Arnold from the nonprofit Mobility Mania to develop the brilliantly simple table. It has a longer table surface than bench to allow for up to three visitors in wheelchairs to dig in to chips and brats alongside family and friends, according to a story on the local ABC Eyewitness News website www.wdio.com.

When the City of Grand Rapids was asked to help with the project, Public Works Director Jeff Davies said he immediately saw the value of the project to local parks and how his team could help. “We have some really skilled carpenters on staff,” says Davies, “so we did all the fabricating ahead of time in our woodshop.” Community volunteers and scouts gathered to take care of assembly. Project materials were provided by a grant from the Home Depot Foundation. Now, 19 of the city’s 23 parks have a new accessible picnic table, says Davies, and the nearby communities of Big Fork, Nashwauk, Cohasset, Coleraine, Deer River, and the county fairgrounds received the picnic tables as well.

When Every Minute Matters

Every minute that passes between when a cardiac arrest strikes and when CPR begins ticks down the probability of survival by 7 to 10 percent, according to the American Heart Association. A new app called Pulsepoint is designed to close that critical gap by alerting people with CPR training when a cardiac-related 911 call is made in the immediate area. The app alert can make the difference between life and death when a nearby Good Samaritan can initiate CPR sooner than emergency responders can arrive. The app has more than a million users, and was recently adopted by Washington, D.C. as part of a plan to improve emergency services in the nation’s capital, according to the website Technical.ly. The app is available for download on Android and Apple smartphones. Learn more at http://bit.ly/2AuNvaI.

A MEMBER ORGANIZATION FOR Government Social Media Managers

How do you respond when residents tweet at your city councilmembers instead of public works about removal of a dead deer? What’s the best way to promote your upcoming Facebook Live State of the City address with zero budget? These are questions that not every social media manager has to consider when they log on. The Government Social Media Organization (GSMO) is designed to pool that special kind of collective expertise from government social media managers. Through GSMO, you can network with colleagues to help you navigate the ever-changing world of social media—whether it’s your full-time job or just another thing on the list. Learn more at http://gsmo.org.

2017 Local Government Innovation Award Winners

The City of St. Paul’s Equity Strategic Action Planning for Neighborhoods project won the top spot in the city category of the 2017 Local Government Innovation Awards. The project established a collaborative approach to community work at the district council level that better addresses inclusion and outcomes based on race.
Hopkins Honored for Supporting Local Retailers

The Hopkins Business & Civic Association (HBCA) was recently named the 2017 Retail Community of the Year by The Minnesota Retailers Association. HBCA is a network of businesses, city representatives, nonprofits, and volunteers that work together to promote everything Hopkins has to offer—including the city’s thriving business community, city services, and community organizations. The HBCA Board of Directors includes a seat for City Development Coordinator Meg Beakman, who provides regular updates about city issues.

HBCA Past President Amy Saldanha accepted the award on behalf of HBCA. “The city is a trusted partner for business and nonprofits,” says Saldanha, “and likewise it’s easy to partner with the city because it feels like we’re leaning in the same direction.”

Hopkins has increasingly become a leading community where retailers, the city, and the community come together to create a unique retail experience, says Hopkins Mayor Molly Cummings. “I am proud to be a part of a community that is so supportive of its local businesses,” Cummings says. "It is one of the many reasons why Hopkins is such a great place to live, shop, work, and play."

NEW! GreenStep Cities Welcome Guides

GreenStep Cities (GSC), a voluntary sustainability program for cities and tribal communities, is flexible in approach and helps cities build their level of involvement over time—from replacing lightbulbs to benchmarking greenhouse gases. A new set of guides can help program coordinators and city officials hit the ground running and maintain your city’s momentum when turnover would otherwise impact those long-term sustainability goals.

Check out the “Welcome! Guide” when your city is new to the program or when you are welcoming a new staffer into the role of GreenStep coordinator: http://bit.ly/2nUBvK2.

Check out the “Public Officials Guide” to get new elected officials, appointed committee members, and volunteers up to speed: http://bit.ly/2Ax7OUU.

Additional city award winners:

- The City of Shakopee Police Department was recognized for its Recovery Assistance Program (RAP), which offers scholarships toward the cost of drug and alcohol treatment using funds from drug and alcohol forfeiture cases.
- The City of Mankato was recognized for its Water Treatment Backwash Reclamation program, which converted holding water tanks into reclaim tanks, reducing how much source water the city draws and how much the water treatment plant needs to treat.
- The City of Chatfield was recognized for the Chatfield Wellhead Protection program, designed to protect the water supply and actively prevent problems for years to come.
- The City of Morris was recognized for The Morris Model, a partnership between the city and the University of Minnesota-Morris to develop 100 percent renewable energy for the city while boosting economic development.

The awards, sponsored by the University of Minnesota Humphrey School of Public Affairs in partnership with the Bush Foundation, recognize projects in different local government categories: cities, counties, schools, townships, and new in 2017, a category for native nations. To see all categories and winners, visit http://lgia.umn.edu.

On the web
Learn more about these and other events at www.lmc.org/events.
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How Has Your City Addressed a Housing Shortage?

CHUCK JOHNSON
ECONOMIC DEVELOPMENT DIRECTOR
PERHAM (POPULATION 3,204)

The City of Perham has a unique claim to fame: We have more jobs (4,400) than people (3,200). We’ve consistently had an average growth of about 120 new jobs per year for the past decade.

As you might imagine, that has led to a struggle to keep housing in sync with jobs. A variety of entities have worked together to address this problem in Perham.

City efforts
The City of Perham works proactively with developers to offer tax increment financing or abatement when they request it. Most multi-family projects have had one or the other in recent years.

The city has ongoing discussions with several outside developers. Two outside developers have recently constructed multi-family housing. One is a 32-unit townhome complex, and the second is a 24-unit reduced-rent apartment building that includes financing from Minnesota Housing Finance Authority.

Perham also applied for and received a state Workforce Housing Development Grant in 2015 in the amount of $620,000. The stars lined up perfectly for this application, because we had a housing project that was shovel-ready with a new site and local development group. The result was a 24-unit apartment building.

Grow Perham
An investment group, Grow Perham, was formed about a decade ago. It is comprised of local businesspeople who have a vested interest in housing because they need to fill jobs. The group has built a 24-unit complex about every 18 months since it was formed.

There are 23 members in Grow Perham (all are local), with ownership ranging from less than 1 percent to 27 percent. There’s a critical common bond: the need to fill jobs. These owners are willing to invest in housing, realizing that this investment has essentially a 0 percent rate of return (although equity is being built).

The direct benefit to the Grow Perham members is that market-rate housing is available for prospective employees. That housing is needed to fill jobs for their companies, which allows them to stay in business in Perham.

Others can do the same
The Grow Perham model can be replicated elsewhere, but it will succeed only if local investors adopt the philosophy of investing not necessarily for personal financial gain, but for the good of the community. Your community must create its own local solutions. This is the cornerstone of Perham’s success.

NATE MATHEWS
CITY MANAGER
BEMIDJI (POPULATION 14,376)

The City of Bemidji has been busy managing and administering numerous housing projects over the past three years. Bemidji has collaborated with developers to build 517 new multi-family units and 93 single-family homes since 2015.

Our new housing includes market-rate and higher-end apartments, condos, and homes, senior-friendly townhomes, student apartments, and an important supportive housing project, the Park Place Apartments.

Special project
The Park Place Apartment complex is a source of pride in Bemidji. It took five years to put together and required key partnerships. It addressed a major community need to provide housing for homeless adults with chemical addictions.

Park Place is a $10.8 million 60-unit apartment building owned and managed by Center City Housing of Duluth. Center City Housing, the Minnesota Housing Finance Authority (MHFA), Headwaters Regional Development Commission, Beltrami County, Sanford Health, City of Bemidji, Bemidji Housing and Redevelopment Authority (HRA), our tribal authorities, and other Bemidji partners made this project happen. The building opened on Oct. 27, 2017, and the occupancy goals are right on target.

Putting the finances together
Funding for the project was complex and came from five primary sources: MHFA housing infrastructure bonds, equity from a housing tax credit investor, the Federal Home Loan Bank of DesMoines, sales tax rebates, and energy rebates. Operational incomes arrive from various sources: tenant income arrangements, Section 8 vouchers/HRA assistance, local tribal contributions, and other sources.

One of the biggest challenges for the City Council and community was understanding the wisdom of building apartments for this population to begin with.

Building community consensus
Over time, the social service community, local city and county officials, local law enforcement leaders, and health care leaders created alignment with the general public. We created community consensus about the public benefit of working to house individuals rather than spending public resources sending folks to the emergency room or jail. Our community agreed on the notion that reliable housing results in stability and self-respect; from that comes hope, sobriety, and life.

We are working hard to create more affordable housing in Bemidji, in addition to market-rate housing. We hope Park Place is the first of many affordable/supportive housing projects.
Governance in the state of Minnesota has always been a balancing act between the priorities of the state Legislature and those of local municipalities. There are 853 cities in Minnesota, each with its own challenges, and legislators at the Capitol generally tend to agree (in word, if not always in deed) that local elected officials are in the best position to decide how the needs of their communities should be addressed.

Given this historic preference for local control, it was disappointing for city officials to see a flurry of bills proposed in the 2017 legislative session that sought to limit, undermine, or eliminate local decision-making in favor of regional control or one-size-fits-all mandates from the state. The League of Minnesota Cities (LMC) counted more than 30 such bills in 2017, covering everything from worker benefits, garbage collection, and building codes to the procedures for determining local taxes, levies, and other crucial financing vehicles for cities.

Only two of the bills passed, but taken together, the League believes they point to a potentially troubling trend in Minnesota politics: the desire on the part of some legislators and supporting interest groups to pass so-called “pre-emption” bills that, if enacted, would prevent elected officials in local municipalities from governing as they see fit or, in some cases, even governing at all.

UNPRECEDENTED PRE-EMPTION FOCUS

“Every year, there are a handful of pre-emption bills—to do things like prevent cities from increasing levies, for instance—but this year there were more than I’ve ever seen,” says Anne Finn, LMC assistant intergovernmental relations director. The League does not typically stake out positions on the local policies identified in pre-emption legislation, but it does advocate to preserve local control in Minnesota politics as a matter of principle.
Though it is difficult to generalize about legislation that covers such a broad range of issues, the common denominator in pre-emption bills is that, intentionally or not, they undercut or “pre-empt” city officials from exercising authority and making their own decisions.

In response to the 2017 Legislature’s unprecedented volume of pre-emption bills, the League drafted a letter (along with the Coalition of Greater Minnesota Cities, Minnesota Association of Small Cities, Metro Cities, and Municipal Legislative Commission) expressing concern over legislation that would threaten “established local decision-making authority.” The letter emphasized the crucial role local elected officials play in Minnesota politics (if not democracy in general), as well as the dangers of upsetting the historically respectful balance between state and local authority.

Some of the bills introduced in 2017 involved such hot-button issues as increasing the minimum wage, paid family/sick leave, and “sanctuary” cities, while others dug into the details of public financing in an attempt to alter the rules cities use to pay for necessary expenses such as pothole and sewer repairs.

**A NATIONAL TREND**

And it’s not just a Minnesota problem. LMC Executive Director David Unmacht says pre-emption is a prominent topic when he attends meetings with the leaders of other state municipal leagues. “Legislative pre-emption at both the state and federal level continues to come up for discussion during our meetings,” Unmacht says. “It’s interesting to see that Minnesota is no different, but each state is distinct in its own political motives and legislative policy items.”

In a 2017 report on this topic, the National League of Cities called this the “era of pre-emption,” because of the unprecedented number of pre-emption bills being introduced and passed around the country.

“There’s a coordinated national effort to pass these types of bills, and there’s a strong push in Minnesota now,” says state Rep. Mike Freiberg (DFL-Golden Valley). “It’s a power grab.”

**THE POLITICS OF PRE-EMPTION**

Paradoxically (and ironically), most of the 30-plus bills on the League’s list were introduced by Republicans, whose historic preference for local over state control has long been a guiding principle. To be fair, however, Republicans aren’t the only ones in favor of selective pre-emption when it suits them. Several bills on the League’s list have DFL co-sponsors and, over the years, Republicans have accused Democrats many times of proposing pre-emption measures.

The core dynamic at work nowadays is that, as many observers have noted, the liberal/conservative, urban/rural divide in contemporary politics has made cities the focus of legislative tension. Many large cities (including Minneapolis, St. Paul, and Duluth) have gotten more aggressive about passing ordinances banning or taxing plastic bags, for instance, or advancing such worker-friendly laws as paid sick leave and a higher minimum wage.

Lawmakers and interest groups who disagree with these policies (or whose constituents fear the spread of such policies beyond the metro area) often push back with pre-emption bills aimed at preventing such ordinances from ever taking effect. For instance, the reason Minneapolis never implemented a ban on plastic bags in 2017, as it had voted to do, is because of a pre-emption amendment blocking the measure. The amendment was submitted by Republicans, supported by several business organizations, and signed by DFL Gov. Mark Dayton.

Media attention on these matters tends to gravitate toward divisive, easy-to-un-
“Threatening to take LGA away just because you don’t agree with what a city is doing—that’s short-sighted. It’s wrong.”

It’s also misguided, Smiglewski adds, since some cities receive no LGA at all, and hence could not be punished by withholding it.

**LET CITY OFFICIALS DO THEIR JOBS**

Even more disturbing to some mayors in small cities was the number of proposals in the 2017 session calling for reverse referendums that would subject such decisions as levy increases, lease purchases of public buildings, and certain utility fees to a public vote. That may sound laudably democratic, says Smiglewski and other city officials, except that the whole point of electing mayors and city councilmembers is so they can study the issues and make informed decisions on behalf of the citizens who voted for them.

“Some things, like jails, are difficult to build, and referendums are hard to pass,” notes Smiglewski. “Nobody likes to pay for these things, but you have to have them.”

Alexandria Mayor Sara Carlson is also critical of legislators’ attempts to pre-empt city authority. “I understand that the state and feds have to regulate certain things,” she says. “But state legislators have no business interfering with city business. They have no idea how these issues would affect different cities. They can’t know. There’s no way to know unless you’re sitting in that city council chair yourself.”

Aside from the individual bills themselves, another concern is the nagging perception of an increasingly adversarial relationship between the state and cities.

“What really troubles me about all this is the underlying message from the Capitol that they don’t trust local officials,” says Smiglewski. “Whether or not that’s the message they want to send, that’s the message I’m getting.”

Rep. Steve Drazkowski (R-Mazeppa), author of bill HF 654, which calls for a reverse referendum process on property tax increases for general city operations, says “trust” between the state and cities is a two-way street.

“Legislators want to trust local officials, and they do trust them when they act responsibly,” says Drazkowski. “It’s a minority of local officials who make irresponsible spending decisions, with those bad decisions contributing to increasing property taxes. They also contribute to increased calls for more LGA, which burdens state taxes.”

Preventing government waste and overreach is Drazkowski’s primary motivation, he says. “When the Legislature acts to protect taxpayers, we are doing what we told voters we would do, and it is our duty to do just that.”

The problem with most pre-emption bills, according to the League and other proponents of local decision-making authority, is that they seek to prevent elected government officials from doing their duty. Intentionally or not, pre-emption can have a negative impact on democracy and citizenship in city halls everywhere.

“Local governments are laboratories for democracy and effective public policy,” says Rep. Freiberg. “If you limit their control, you limit their ability to foster innovative policy, and innovative policy—which often starts in cities—is what spurs the state forward.”

Removing decision-making power from local officials also dissuades people from getting involved in local politics to begin with, says Mayor Smiglewski. “We need people. There are hundreds of [city council] seats in Minnesota that aren’t filled, and the demographics are getting worse. Taking power and control away does not entice people to get involved.”

“We already have systems and procedures in place for citizens to come forward and be heard,” says Mayor Carlson. “In general, the state should not interfere where local government is doing its job.”

**THE LEAGUE OFFERS AN ADVOCACY TOOLKIT ON LOCAL DECISION-MAKING AUTHORITY WITH RESOURCES TO HELP CITIES ADVOCATE IN SUPPORT OF LOCAL AUTHORITY. LEARN MORE AT WWW.LMC.ORG/LOCALAUTHORITY.**

2018 AND BEYOND

True, most pre-emption bills went nowhere in 2017, but that doesn’t mean they’re going away. Bills introduced in odd years (the first half of the state’s fiscal biennial cycle) remain viable in even years. The political dynamics that created them in the first place and the groups that support pre-emption will persist in 2018, and many of the bills rejected in 2017 could get hearings this year. New bills will inevitably get introduced as well.

The League will continue to monitor the Legislature for pre-emption efforts and work to defeat them, Finn says. And once again, the help of city officials will be critical to their success.

Cities are encouraged to contact their legislators and take other actions in support of local decision-making authority. The League has put together an advocacy toolkit on this issue that includes a sample resolution to help cities with these efforts. The toolkit is available at [www.lmc.org/localauthority](http://www.lmc.org/localauthority).

Tad Simons is a freelance writer from St. Paul.
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Most city residents are aware that cities employ police officers, firefighters, and public works staff who maintain streets and sewers. But cities also employ workers that you might see in private businesses, like accountants, receptionists, information technology managers, communications specialists, and human resources personnel, among others.

In the coming years, a wave of retirements among the Baby Boomer generation will leave many city government positions to be filled. How can residents be persuaded to pursue city careers? More than 400 Minnesota fourth-, fifth-, and sixth-graders considered that challenge and shared their ideas in the League of Minnesota Cities’ (LMC) fifth annual Mayor for a Day Essay Contest.

This year’s essay question tied in with the theme of the League’s Cities Matter booth at the 2017 Minnesota State Fair. Fairgoers were invited to take a quiz to discover their “superpower” and find out the city careers most likely to be a good match for them.

For the essay contest, students were asked to consider the following statement and question: People who work for city governments plow snow, balance budgets, run libraries, design safe streets and buildings, take care of parks and playgrounds, fight fires, enforce laws, keep drinking water clean, and more. If you were mayor for a day, what would you do to show people that local governments are good places to work?

From the essays submitted, three winners—from the cities of Lauderdale, Maple Grove, and St. Paul—and three honorable mentions were chosen. Winning entries were selected based on creativity, originality, and legibility. Winning essay writers will receive a commemorative plaque and a check for $100.

Thank you to all students who participated in this year’s competition and to the families, friends, and teachers who encouraged our future mayors.
Sebastian Cerda
5th grade, Maple Grove

Honorable mention
Taylor Max
6th grade, Crosslake

Honorable mention
Annelise Moe
6th grade, Mora

Rachel Jeong
5th grade, St. Paul

If I were mayor for a day, I would show people that local governments are incredible places to work. I’d do that by first calling a meeting to discuss the problems and situations that are happening in the city. Next, I would work with some other people and create a video about the people who work in the government. Then I would hang a sign and posters in the city park or a popular place in different neighborhoods. The people would say stuff like: Help the city or other chances about the city. Finally, I would hold a celebration open to the public and write a speech about thanking the people who work for the government. Also, about how they put time in for the job. I personally think that the people who work for the local government are courageous, brave, and caring. For example, firefighters are brave because they risk their own lives to protect other people’s lives. People who take care of parks and design safer streets and buildings are caring. They show empathy because they value others’ lives and make sure they’re safe. Even mayor show leadership. This is how I would show others that local governments are strong and good places to work.

If I were mayor for a day, I would get together with a committee of townpeople to discuss the development of local government jobs. These jobs will focus on an agenda of helping the environment and community. Building the environmental projects will be for creating public green spaces, planting trees, trash and litter clean-up, creating compost sites, and building a rainwater collection system. The community building would involve sports programs, planting community gardens, set up city events like festivals, public service days where families meet first responders and emergency workers. As mayor, I will start an advertising campaign called “Work Local” to encourage citizens to work in local government jobs. Posters, billboards, and social media highlighting jobs and benefits of working local will be posted to invite all citizens. Thank you for the opportunity to serve as your mayor today, and let us work locally together.
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When our citizens are socially engaged, that creates benefits—something we call “social capital”—that flow to our cities. Social capital leads to trust, reciprocity, information sharing, and cooperating networks in our cities.

Unfortunately, social capital is vanishing in our society as a whole. It’s a problem that city leaders should understand and work to solve.

So, what is the problem? Dr. Robert Putnam has explained it well in his book *Bowling Alone*, in which he draws on research to show that Americans sign fewer petitions, belong to fewer organizations that meet, get to know their neighbors less, and meet less often with friends and family.

People are even bowling alone. Americans are bowling more than ever, but they are not coming together in leagues as they once did. And when people don’t come together, they don’t create social capital.

Why are we losing social capital?
According to Putnam, we don’t yet know what the impact of social media is on social capital. But what we do know is that we are losing social capital because of an increase in people who:

- Live alone.
- Live in less dense areas, where it is harder to connect with neighbors.
- Use online education.
- Are focusing on just trying to survive in a difficult economy, leaving little time or energy for group activities.

Why is social capital so important? Research at Harvard University tells us that communities with high social capital experience:

- Stronger bonds among residents, with more volunteering, more local organizations, and more voters.
- Better child health and welfare, and an overall better environment for children to grow up in.
- Improved educational success.
- Lower crime rates.
- Economic prosperity in terms of income, tax base, and jobs.
- Enhanced public health and well-being for all citizens.

In Putnum’s new book, *Our Kids*, he discusses the huge social opportunity gap that exists in his hometown. As this problem grows, there is now less social capital to address it. We have gone to an “I” and “me” perspective rather than “us,” where we are all in this boat together.

Success story
The good news is that it is possible to create social capital in your city if you make it a priority. I have experienced this firsthand. While serving as the city administrator in Oakdale, I had the good fortune to work with the Oakdale Chamber of Commerce, a group that brought a tremendous amount of social capital to the city.

The chamber invited me to become a board member because it wanted to establish a hand-in-glove working relationship with the city. As part of this effort, the group included a city report at its full membership meetings.

The chamber also became a champion and supporter of a number of critical city projects, including:

- Fundraising for a new bandshell.
- Funding of a significant number of events in the city’s concert series.
- Having members serve on numerous city commissions and ad hoc committees.
- Coordinating a Christmas gifting program for the area’s needy children.
- Participating in and sponsoring nearly all city events, such as Summerfest and Winter Wonderland.

The Chamber constantly worked to integrate City Hall with the business community for the benefit of the whole city.

Encouraging social capital
What can you do to encourage the development of social capital in your city? Here are some ideas:

- Go out and recruit the best and brightest to serve on city commissions.
- Develop citizen academies.
- Offer activities that will inspire residents to turn off the TV and computer and get out of the house.
- Take city activities out of city hall and into the neighborhoods, where the people are.
- Encourage civility in all aspects of our communities.
- Help others to think of society not as “I” and “me,” but as “we.”
- Encourage residents to:
  - Get to know their neighbors.
  - Become involved in the local schools.
  - Join a service club.
  - Help coach a team.

Let’s all hope we can put a dent in this problem. The health of our cities depends on it.

Craig Waldron is co-director of the Center for Public Administration and Leadership at the Hamline University School of Business (www.hamline.edu/business). The Hamline School of Business is a member of the LMC Business Leadership Council (www.lmc.org/sponsors).
Reaching new heights

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City projects can be difficult, and decisions made without public input often breed conflict. It's only natural for community conflicts to surface when interested stakeholders and citizens feel disregarded and left out of the decision-making process. But if you can create a process of transparency and open government, you're likely to have higher levels of community satisfaction.

Working with local citizens and stakeholders to build consensus around key public decisions can be challenging work, especially when there are competing interests, a lack of information, and hardened perceptions of the right approach. Despite the challenges associated with engaging citizens in key public decisions, structured discussions can result in a richer outcome and more buy-in for the final plan.

It's always a plus to bring in new and varying opinions. Garnering public participation and buy-in, although sometimes overwhelming, will generate new ideas, collaboration, and growth.

Roadblocks to progress
If we first clarify how each stakeholder perceives the threat to their interests, collaborative strategies will strengthen our ability to make progress. And when done correctly, projects and relationships are set up for success. Issues that stall public projects often include:

- Confusion about local benefits, impacts, and costs.
- Not defining and engaging relevant citizen groups and stakeholders.
- Perceived illegitimacy of the project.
- Ideological issues.

Traditional engagement of citizens and stakeholder groups can exacerbate the problem. Governments regularly host a large number of open house meetings that attract few citizens, until the community feels direct impact caused by construction, plans, assessments, or policy. By this time, there is a lack of buy-in from citizens and stakeholders who do not feel empowered.

Stakeholders and citizens then often come to the table with firmly entrenched positions and little information. At this point, ignoring public interests is short-sighted and ultimately results in unsatisfied constituents.

Decisions that are perceived by the public as “legitimate” are more easily arrived at when citizens’ interests are considered and included in the process. If citizens do not feel that their input is influencing the city’s decisions, there is likely to be controversy and conflict.

An opportunity to collaborate
While it’s never ideal to have controversy and conflict surrounding a public decision, you can turn it into an opportunity. A leadership opportunity presents itself for the city officials, and creates an environment for citizens to partner with their government.

Parties who disagree may come to understand why others hold the position they do, greatly assisting in the journey toward common ground. That is an easier place to reach a solution that all can live with.

To enhance public trust, go beyond informing, consulting, and even engaging citizens and stakeholders. Structure the decision as a collaborative opportunity. Create a safe platform for citizens, stakeholders, and government officials to partner together in each aspect of the decision, including the development of alternatives and recommendations for preferred solutions.

Emphasizing mutual respect
A collaborative approach to citizen engagement emphasizes the sharing of power and information, and a mutual respect between government and citizens. If facilitators are well-informed about an issue, it is likely that they may have entrenched opinions, which may make it harder for them to remain impartial. A facilitators’ ability to provide impartial guidance is key to the success of citizen engagement efforts.

The book Getting to Yes: Negotiating Agreement Without Giving In, by Roger Fisher and William Ury, recommends that to resolve issues and move decisions forward, you need to make sure the collaboration process:

- Separates people from the problem.
- Focuses on interests and not positions.
- Uses objective criteria and standards.
- Frames questions around the possibilities for the future.

By putting these ideas to work at the beginning of your next big city project, you are likely to have more success and less stress. 

Phil Barnes is manager of the Management Analysis and Development Group at WSB & Associates (www.wsbeng.com). WSB is a member of the League’s Business Leadership Council (www.lmc.org/sponsors).
There are many significant, complex factors to consider, and there is no one model that works best for all small cities. Contracting is a decision that must be weighed carefully because it’s one that is not easily reversed. The upfront costs of setting up a police department—including office space, equipment, patrol cars, computer systems, possible jail arrangements, etc.—make it nearly impossible to drop a county contract and re-establish local policing.

Every city faces different circumstances related to budget, patrolling needs, personnel, crime rate, and a variety of other important elements when determining how to provide police services. In some cases, cities might consider contracting with a neighboring city for police services, but that’s not always an option. At least 200 of Minnesota’s 853 cities have made the decision to contract with their county sheriff’s office, according to the Minnesota Sheriffs Association, but the decision to contract with the county is not easy and rarely without controversy.

Factors to consider
As executive director at the Minnesota Police and Peace Officers Association (MPPOA), Dave Metusalem has advice based on his extensive experience. With three decades in law enforcement—including stints with the Los Angeles County and Ramsey County sheriffs’ offices—Metusalem has closely observed relationships with 45 contract cities, and seen many local department and contracting disputes surface over the years.

When a city begins to think about contracting, it is important to keep the process transparent, notes Metusalem. “The process often moves several steps ahead before citizen and officer input is considered. Because of this, it often becomes quite contentious and sometimes fails,” he says. A key ingredient for a successful transition is buy-in from all involved.

Rob Boe, public safety program coordinator with the League of Minnesota Cities, says there are several questions a city should ask throughout the process, including:

- Will the contracting department absorb the existing officers? If so, how will seniority work?
- What will happen to our police cars and other equipment?
- How should we handle existing property and evidence, including records and files?
- How might the relationship change over time, for example, if a new sheriff is elected, the city grows, new developments or businesses arrive, or new highways are constructed?

These are just a few of the questions cities might ask when making this important decision. Andy Skoogman, executive director of the Minnesota Chiefs of Police Asso-
cation, also encourages communities to consider the potential negative consequences of outsourcing law enforcement services, "particularly as police officers across the state are being called upon to work harder than ever to build close, strong connections with the citizens they serve."

When a city contracts out its police service, it loses control over the hiring of its police chief, "which we believe is an expression of a community's values," Skoogman adds. "Local, community-based control and oversight of policing is reflective in the policies and practices that govern the way law enforcement officers interact in the community. Though we understand the economic challenges faced by small communities, we do not regard the outsourcing of essential public safety services as an effective tool for budget management."

Experiences with contracting
Still, some small cities find that contracting works for them. The City of Hanover (population 3,264) has been contracting out its policing services since the 1980s. The city is divided between Wright and Hennepin counties, and has contracts with the sheriff's offices in both counties. The contracts come up for renewal every two years.

City Administrator-Clerk-Treasurer Brian Hagen says working with two counties routinely "poses some hurdles," but that is true with a range of services, including tax assessing, elections, and others. For the most part, the contracts have run smoothly, been beneficial to the city, and provided appropriate police coverage.

"We tend to be a very safe community," Hagen says. "The crime rate is low." The contracting has worked well, with Wright County patrolling four hours a day and Hennepin three hours a day.

Discussions about policing issues with both sheriffs have also gone well, and communications with regular point-of-contact officers (typically a lieutenant) make it "easy to get an answer" from both counties. The city is treated as a client, Hagen says.

With more than 30 years of contracting experience, Hanover has had ample time to work out any kinks. But it often does take a little time to adjust when the situation is new.

Baudette, a small northern Minnesota city with just under 2,000 residents, recently transitioned to contracting with Lake of the Woods County for police services. It took at least 10 years of planning to get the city and county "on the same page of expectations and cost," says City Clerk-Treasurer Mona Haag.

"The cause [for contracting] was the constant turnover of chiefs and officers," Rennemo says. "They would come in, get trained, and then take a job in a larger community."

The county seat community borders Canada and is 36 miles away from the nearest U.S. city, so a cooperative police department arrangement isn't practical. The contracting started last October, and the first month included a period of adjustment as deputies became familiar with city ordinances they must enforce, such as one that bans hunting within city limits.

On the city side, Baudette councilmembers are also adjusting to the arrangement. For example, Rennemo says they would like to see more policing visibility for the cost of the new contract. But, she adds, these start-up problems are "small things."

Local policing in Eden Valley
While some small cities have trouble keeping officers, Eden Valley has had the same police chief for 25 years. City Clerk-Treasurer Mona Haag believes that's the secret to their city police department's success. In addition to Chief Ernest Junker, the department has two officers for the city of just over 1,000.

The potential for contracting has come up at various times during Haag's three decades as city clerk, but it's never been seriously considered.

Haag points to many benefits of having local police, "especially if you are fortunate enough to employ a police chief who understands policing in a community." Her examples include local control, having officers who know the people in the community, and know how different people will react to different situations, such as domestic calls and juvenile issues.

The upside relies on "having a police chief that lives in the community, is a member of local organizations, and is pretty much available 24/7 to answer calls and address concerns," Haag says.

Chief Junker is involved in the schools and the community, and he has built a high level of trust with students and other residents, she says. He spends time with senior citizen groups, providing information about safety and other topics of concern to them, and he has a good working relationship with local businesses.

In the end, every city has its own unique and complex set of variables that enter into the question of whether to keep a local police department or contract with the county sheriff's office. Solutions are never one-size-fits-all, but when cities take the time to assess their own situation and communicate decisions openly, they can usually find the right path for their community.

James Robins is a communications and policy specialist for the Minnesota Association of Small Cities, and principal for Robins Consulting. Contact: jamesrobins@yahoo.com or (612) 597-0214.
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Don’t let this happen in your workplace
You can take steps to prevent a similar situation from happening in your city. With this topic in the daily news right now, there is a lot of free advice out there, much of it from reputable sources. Here are a few common themes worth noting:

1. **Create a strong anti-harassment policy.**
It’s important to have a strong policy, including a clear process for responding to harassment. Enforce it without exception. You may not end up handling every situation in the exact same manner (some complaints require more immediate and serious action than others), but you should decide on a process to use and follow it every time.

2. **Respond immediately and investigate every claim of harassment.**
We are all subject to biases and often don’t see those biases when it comes to people we like. It’s critical to investigate all complaints; don’t ignore the ones made against your favorite co-workers. Not every investigation will require an outside investigator, but it’s something you should always consider at the outset of a situation.

3. **Monitor the workplace.**
Don’t allow inappropriate jokes, emails, and pictures to slide by. Supervisors should set the example by handling these types of situations as soon as they come up. Remember, sexual harassment is not allowed even after hours or outside the workplace, such as at a local bar, out-of-state conference, or on social media.

4. **Train employees.**
It’s important to train all employees (especially supervisors) on how to prevent and report sexual harassment. Having a great policy won’t do the city much good if nobody knows what it says. Make sure all employees know where to find the policy, how to follow it, and where to get help.

Give examples of sexual harassment that go beyond the technical definition. For example, gender stereotyping can sometimes be seen by courts as sexual harassment. If a co-worker is harassed for being transgender, that could constitute sexual harassment in the eyes of the law. Minnesota law also prohibits discrimination on the basis of sexual orientation and gender identity.

5. **Make it clear that retaliation won’t be tolerated.**
Check back in with employees who have complained to make sure they aren’t experiencing any retaliation, especially if the complaint was made against their direct supervisor or anyone with authority over them. Make sure supervisors understand they can be disciplined, up to and including termination, for retaliating against an employee who has made a complaint of sexual harassment.

6. **Don’t be sidetracked by stereotypes.**
Remember, sexual harassment can occur in a variety of circumstances. The victim as well as the harasser may be a woman or a man, and harassment can occur between opposite sexes, as well as male-to-male and female-to-female.

The harasser can be the victim’s supervisor, a supervisor in another area, a co-worker, or a non-employee, including an elected official. The victim does not have to be the person harassed, but could be anyone affected by the offensive conduct.

Laura Kushner is human resources director with the League of Minnesota Cities. Contact: lkushner@lmc.org or (651) 281-1203.
Court Dismisses Claim of Illegal Access to Driver’s License Data

**DATA PRIVACY PROTECTION ACT**

**Statute of limitations**

Angela Shambour, a former law enforcement officer, discovered through a 2013 audit that her driver’s license had been accessed 59 times between 2003 and 2011. In 2014, she sued various Minnesota individuals, cities, counties, and law enforcement entities for numerous alleged violations of the Data Privacy Protection Act (DPPA). The DPPA restricts the use and distribution of personal information contained in motor vehicle records to 14 authorized purposes, including some law enforcement purposes. Shambour claimed that there was no authorized purpose for accessing her personal information and that individuals had viewed her information out of romantic attraction or curiosity about the changes in her appearance since her time as a law enforcement officer.

The federal district court dismissed many of Shambour’s claims as time-barred under the DPPA’s four-year statute of limitations. Shambour appealed, claiming the district court had incorrectly applied the statute of limitations. Shambour argued that the limitations period did not start to run until she discovered the unlawful accesses of her personal information. The 8th U.S. Circuit Court of Appeals affirmed the district court's decision and held that the DPPA’s limitations period begins to run when an unlawful access occurs, not when it is discovered. *Shambour v. Carver County*, No. 16-1425 (8th Cir. Sept. 25, 2017) (unpublished opinion).

**LAND USE**

**Subdivision statute**

The City of Woodbury conditions its approval of subdivision applications on the applicant’s payment of a negotiated fee, called a major roadway assessment (MRA). MRA fees are used to fund construction of streets and other infrastructure needed to support a proposed subdivision, regardless of whether that infrastructure is located inside or outside the subdivision’s boundaries. Martin M. Harstad, a developer, sued the city, seeking a declaration that it does not have authority to require payment of MRA fees. Harstad also claimed that the city’s MRA requirement resulted in a regulatory taking and that his subdivision application was automatically approved because the city had failed to deny it within the time allowed in state statutes.

The city argued that the subdivision statute, Minnesota Statutes, section 462.358, subdivision 2a, provides cities with authority to require the payment of an infrastructure fee, like the MRA. The city also argued that Harstad’s other claims must be dismissed because the city never imposed an MRA fee on Harstad and because Harstad’s subdivision application was incomplete.

The district court dismissed Harstad’s regulatory taking and automatic approval claims. However, the district court held that the subdivision statute does not authorize cities to condition subdivision approval on an applicant’s payment of a fee to fund the construction of infrastructure located outside the boundaries of a proposed subdivision. The Minnesota Court of Appeals affirmed the district court’s decision, but reasoned instead that the city’s MRA requirement is unlawful because the subdivision statute does not expressly or impliedly authorize a city to condition subdivision approval on the payment of a “road assessment.” The court of appeals noted instead that the subdivision statute authorizes a city to “condition subdivision approval on the construction or installation of road improvements, or on the receipt ‘of a cash deposit, certified check, irrevocable letter of credit, bond, or other financial security’ sufficient ‘to assure’ the city that road construction or installation will be completed.” *Harstad v. City of Woodbury*, N.W.2d (Minn. Ct. App. 2017). Note: The League of Minnesota Cities Insurance Trust (LMCIT) represented the city, and the League of Minnesota Cities filed an *amicus* brief in its support. The Minnesota Supreme Court has agreed to review this decision.

**EMPLOYMENT LAW**

**Employee leave ordinance**

In May 2016, the City of Minneapolis adopted the Minneapolis Sick and Safe Time Ordinance. This ordinance requires employers with six or more full-time, part-time, or temporary employees to provide employees with one hour of leave for every 30 hours worked. The ordinance defines employees as those “who perform work within the geographic boundaries of the city for at least eighty (80) hours in a year” for an employer. An employer is defined as a private person or entity that employs one or more employees. In October 2016, the Minnesota Chamber of Commerce sued the city, seeking a declaration that the ordinance is invalid for three reasons: (1) the
The city lacks authority to enact it; (2) the ordinance conflicts with or is impliedly pre-empted by state law; and (3) the ordinance “extends the city’s power beyond its boundaries.” The Chamber also sought a temporary injunction preventing the city from enforcing the ordinance.

The district court granted a partial injunction, prohibiting the city’s enforcement of the ordinance “against any employer resident outside the geographic boundaries of the City of Minneapolis until after the hearing on the merits of the case, or further order of the court.” The Chamber appealed the temporary injunction order, and the city filed a cross appeal. The Minnesota Court of Appeals affirmed the district court’s decision, holding that the district court did not abuse its discretion either by declining to temporarily enjoin the ordinance in its entirety, or by deciding to temporarily enjoin the enforcement of the ordinance against nonresident employers. *Minnesota Chamber of Commerce v. City of Minneapolis*, No. A17-0131 (Minn. Ct. App. Sept. 18, 2017) (unpublished opinion).

**Constitutional Law**

**First Amendment**

Robin Hensel, who has a history of making political speeches in the City of Little Falls, attended a City Council meeting at which she moved a folding chair from the public gallery up to the front of the open area directly in front of the City Council seating area. At a meeting four days earlier, some members of the public had been allowed to sit in this area, which at that time was set up with tables and chairs. The City Council did not allow any members of the public to sit in this open area at the subsequent meeting. After Hensel refused to comply with repeated requests and warnings to move back to the public gallery, law enforcement officers removed Hensel from the room. The meeting started late because of Hensel’s conduct. Hensel was cited for—and convicted of—disorderly conduct for disturbing a lawful meeting.

The district court sentenced her to one year of unsupervised probation and a $50 fine. Hensel appealed, claiming in part that the disorderly conduct statute is unconstitutionally overbroad in violation of the First Amendment. The Minnesota Court of Appeals upheld Hensel’s conviction, ruling that the disorderly conduct statute is constitutional. The Minnesota Supreme Court reversed and ruled that the part of the disorderly conduct statute that makes it a crime to disturb a lawful meeting is invalid and unenforceable because it is unconstitu-
tionally overbroad and could apply to a variety of constitutionally protected speech. *State v. Hensel*, 901 N.W.2d 166 (Minn. 2017). Note: LMCIT represented the city, and the League filed an *amicus* brief in its support.

**CONSTITUTIONAL LAW**

**Exclusion from town board meetings**

Property owners Mary and Roger Lee attended a meeting of Mathews Township, South Dakota, and voiced criticism about a culvert construction project near their property. Afterwards, the Township Board held several additional meetings regarding the project, but many of these meetings were closed to the public, including Mary Lee, who at the time was serving an elected position as Township Board clerk. A state administrative body later reprimanded the Township Board for violating state open meeting laws. The Lees sued the Township Board and three of its supervisors, claiming in part that their exclusion from township meetings violated their First Amendment constitutional rights to freedom of association and to petition government officials. The Lees also claimed that they were retaliated against for exercising their free-speech rights by criticizing the culvert project. The township defendants made a motion for dismissal and summary judgment based on qualified immunity. Qualified immunity protects an official from being sued unless the official has violated a clearly established right.

The federal district court denied summary judgment to the individual defendants on the First Amendment claims. The 8th U.S. Circuit Court of Appeals reversed the district court’s denial of summary judgment on the claim based on the right to petition government officials, reasoning that there is no First Amendment right to participate as a member of the public in a non-public government meeting. But the Court of Appeals affirmed the denial of summary judgment on the retaliation and freedom-of-association claims, reasoning that there was sufficient evidence to raise a fact issue regarding whether the Lees were retaliated against for exercising their free-speech rights and whether Mary Lee’s freedom-to-associate right was violated when she was excluded from township meetings and prevented from performing her duties as clerk. *Lee v. Driscoll*, 871 F.3d 581 (8th Cir. 2017).

Written by Susan Naughton, research attorney with the League of Minnesota Cities. Contact: snaughto@lmc.org or (651) 281-1232.

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**Keeping City Computer Systems Secure**

**Cybersecurity (Part 1 of 4)**

I work in a small city and do not have technical support staff. What are some things I can do to keep our computer systems more secure?

LMC There are three low-cost actions all cities should take. They involve passwords, updates, and backups. We’ll cover passwords today.

Ensuring all your systems have complex and unique passwords is essential. Complex passwords are at least eight characters and include special characters (such as "!" or "$”). Consider using a passphrase—a sentence, slogan, or phrase. Include punctuation and spaces whenever possible. A phrase is easier to remember and harder to hack.

If you have a server at your city, require a password change every 60 days, and do not allow previous passwords. These options are available on your server administration panel. If you don’t have a server, then enforce this practice directly with staff.

Lastly, do not use the same passwords at work and in your personal life. Separating your work and personal digital worlds reduces the impact if your password is hacked.

Answered by Chief Information Officer Melissa Reeder: mreeder@lmc.org

**Ordinances**

Are we required to publish our ordinances before we pass them?

LMC Yes. A recent law change requires cities to publish the text of almost all ordinances before the ordinances are approved by council. The law does not apply to interim ordinances.

Under Minnesota Statutes, section 415.19, cities must publish the text of any new or amended ordinances at least 10 days before a final vote by council. Cities have the following options for notifying residents:

- **Provide email notification** of proposed ordinances if the city has an electronic notification system that distributes general city information or notices via email.
- **Post notice of a proposed ordinance** in the same location as other public notices if a city does not have an electronic notification system.
- **Update the city website with proposed ordinance language** if the city posts ordinances on its website. If ordinances are not on the city’s website, the city does not have to post proposed ordinances on its website.

Additionally, if the city has an electronic notification system, cities must provide residents an option to register for ordinance notification. Learn more about this topic from Chapter 7 (page 45) of the LMC Handbook for Minnesota Cities at [www.lmc.org/handbook7](http://www.lmc.org/handbook7).

Answered by Research Attorney Quinn O’Reilly: qoreilly@lmc.org

**Union Contracts**

Our union contract includes an employee benefit that conflicts with state or federal law. We are in the middle of a two-year contract. What should we do?

LMC Union contracts cannot conflict with state or federal laws (Minnesota Statutes, section 179A.20, subdivision 2). Most union contracts have a clause that allows the city an “out” if something is found to be in violation of state or federal laws. See what your contract says about this type of situation (typically in a “savings” clause or article) and follow any process it identifies.

Absent a process in the contract, you should put the union on notice of the conflict. You will likely need to bargain with the union to iron out specifics about how the change will impact employees. Sometimes this is done through a “memorandum of agreement,” which outlines how the situation will be handled until the contract is open for negotiation again. In extreme cases, where the union does not agree that the provision conflicts with state or federal law, the matter may wind up in arbitration or court.

Answered by Human Resources Director Laura Kushner: lkushner@lmc.org

**Contractors**

What happens if the city fails to require a contractor to furnish a payment bond?

LMC A contractor is required to give the city a payment bond for any public work contract over $100,000. The amount of the bond must equal the contract price. A payment bond is to ensure that all workers, subcontractors, and individuals furnishing materials are paid. If a city fails to get a payment bond from a contractor for projects over $100,000, the city can be held liable for losses to any workers, subcontractors, and individuals who furnish materials if the contractor does not pay them.

Cities may still require a payment bond for projects less than $100,000. However, if the city does not require a payment bond for projects under $100,000, it will not be held responsible for payments to unpaid suppliers and subcontractors since a bond is not required. For additional information, see the LMC information memo at [www.lmc.org/compbidding](http://www.lmc.org/compbidding).

Answered by Risk Management Attorney Chris Smith: csmitl@lmc.org

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City operations are affected in many ways by the decisions of individual legislators. Whether it’s water requirements, city street funding, or local government aid, the contact you have with your legislators—and the relationships you build with them—can make a difference.

Make sure you’re ready to communicate effectively with legislators before the session begins on Feb. 20. The first step is to stay informed, and the League of Minnesota Cities has a variety of resources to help you with that at www.lmc.org/legupdates. Here are a few more tips that will help you get your legislators’ attention.

Build relationships
Just like maintaining a good road or water treatment plant, a little regularly scheduled relationship maintenance can go a long way. Before the session starts, send your legislators a brief email to introduce (or reintroduce) yourself and your city and maybe even schedule a short meeting to chat about any issues of concern. Then maintain that relationship by doing the following:

- **Check in every month with your legislators.** Share news about important events in your city, ask them about the status of a bill, or schedule a quick phone meeting to discuss a pressing issue. Don’t wait until you need something urgently to contact your legislators.
- **If your legislators have an e-newsletter, be sure to read it and then send comments or questions to them about the information.** They will appreciate the time you spent to thoughtfully consider their messages.
- **Invite your legislators to attend a council meeting in your city during the next session break.**

Coordinate your communication efforts
A little planning can produce big results. Take the time to determine what your priorities are for the legislative session and then do the following:

- **Make sure everyone in city hall understands the priorities and the key messages you want to share with legislators.** If different people from your city are talking with legislators, make sure the messages are consistent. Consider appointing a legislative point person, if needed.

  If your city passes a resolution related to legislation, be sure to send it to your legislators, as well as to local media. Communicate not only with your own House and Senate members, but also with legislators who are chairs of relevant committees. Reaching out to the governor’s office can also be key, especially for bonding projects. (Please let the League know about your resolutions, too.)

  **Organize a day for your city to come to the Capitol.** Invite city staff, as well as a few local business owners, and school district, county, and township officials from your area. Consider wearing a similar color or pattern, and hand out a one-page fact sheet on a priority issue. For examples of the League’s fact sheets, visit www.lmc.org/advocacy.

  **Show and tell**
  If your city has a specific issue that needs legislative attention, **show your legislators what the problem, issue, or opportunity is in person**, if possible. For example, invite them for a tour of the wastewater treatment plant that’s in need of upgrades, or invite them to the council meeting where you approve the budget. If your legislators can’t see the problem in person, send them pictures or videos.

  As you show them the problem, tell them stories that illustrate how the issue affects your residents. Have city experts available to answer legislators’ questions about the specifics (costs, other solutions you explored, etc.).

  If you don’t know the answer to a question, **tell the legislators you will get back to them (and do!).** Ask how the legislator wants to receive more information—should you contact his or her staff or contact the legislator directly via email or phone?

  **The League can help**
  If you need help contacting a legislator, setting up your city day at the Capitol, finding out the status of a bill, or anything else related to the legislative session, contact any member of the League’s intergovernmental relations (IGR) staff. They will be happy to provide assistance. For contact information, visit www.lmc.org/igr-staff.

Heather Corcoran is IGR member relations coordinator with the League of Minnesota Cities. Contact: hcorcoran@lmc.org or (651) 281-1256.
White Bear Lake Collaboration Helps Businesses Reduce Waste

BY ANDREW TELLIJOHN

Sometimes, when private companies work with public entities, turf wars and bureaucratic red tape get in the way. Other times, serendipity steps in and projects seem almost easy.

Such was the case when the City of White Bear Lake sought to clear the mess of trash and multiple dumpsters in a parking lot behind a commercial block on Washington Square. Just as the city was trying to make progress, it was approached by Tyler Conrad, owner of a local business called Goodthings, in search of a solution to the same problem.

“It gave us an opportunity,” says Ellen Richter, city manager of White Bear Lake (population 24,159). “If the city goes in and says, ‘This is what we’re going to do,’ that’s more problematic. It helped that it came from a business owner. He volunteered to work with all the other business owners. For the city, you have to find a champion to say, ‘As a business person, I’m going to tell them what we’re trying to do.’”

The collaboration resulted in the Washington Square waste consolidation project, which ultimately involved 17 public and private partners working together on a shared recycling and organics program that cleaned up the parking lot, reduced the collective cost of waste removal for the involved businesses, and created a model through which other blocks in the city may eventually be improved. The project was the winner of a League of Minnesota Cities 2017 City of Excellence Award.

“We really cleaned things up a lot,” Richter says. “They had a great reduction in waste. It’s more efficient. And it was a partnership that was really strong on both the business and city ends.”

Benefits of the project

Now, instead of a mess of containers and trash cans, all the compost, recycling, and waste are consolidated into a single concrete block enclosure, which the city owns and maintains. The parking lot now has pedestrian-friendly sidewalks and outdoor seating for a restaurant where dumpsters previously sat.

Furthermore, since early 2016, the businesses are now composting more than 45 percent of their waste and recycling more than 18 percent. The 24 cubic yards of recyclables picked up each week are up 31 percent since the change.

“There were a few businesses that were reluctant initially,” Richter says. “That was primarily because it’s not as convenient. They have to walk further to dump their garbage than they used to.”

But the involvement of Conrad, along with an organization called Waste Wise, helped increase participation and ease concerns.

Conrad championed the project, working to convince local businesses of the benefits of collaborating on a waste reduction effort. Staff at Waste Wise, a nonprofit affiliate of the Minnesota Chamber of Commerce that aims to reduce waste, worked with individual businesses on waste audits, helped with grant applications, and consulted with owners and city officials throughout the process.

Ultimately, the benefits of a cleaner parking area, the opportunity for restau-
Team effort

The city led the design and construction efforts, first meeting with Aspen Waste Systems, which had won a competitive bid between waste haulers. Next, it applied for a Ramsey County Public Entity Innovation Grant, ultimately receiving $96,760 to cover the cost of design and construction of a shared enclosure in the parking lot. The city then partnered with Rust Architects on the design and Rust Construction Services to build the enclosure.

In the winter of 2015-2016, Waste Wise and Conrad worked with 11 businesses to apply for grants through Ramsey and Washington counties. They received eight, worth $31,400, with the proceeds used to purchase color-coded recycling and organics bins, compostable bags, signage, tools for educating staff, and equipment for transporting waste to the enclosure.

Conrad says he is thankful for the challenging work that the city and Waste Wise did applying for grants, soliciting design and construction bids, and handling details.

“I might have been a proponent in getting everybody together, but they did all the legwork,” he says, adding that all who played a role in this project “really did a great job.”

Challenges along the way

There have been a few challenges. Educating users on making sure the garbage, recyclables, and organics get into the correct containers has not been as easy as one might expect, Conrad says. There has also been some illegal dumping from individuals and businesses that aren’t a part of the program, though that decreased when Conrad installed signs indicating the area is under video surveillance.

Another challenge was getting all the businesses on board. Participation still isn’t unanimous. There are a couple of holdouts, including one national chain that has not received corporate approval, Conrad says. Otherwise, all the businesses on the block and a couple from the next block over are participating in the program.

“Some businesses that are not even on the block wanted to participate,” he says. “We’ve got some people walking down the block.”

Then there was the question of paying the bill, but Conrad quickly stepped up to handle that. Each month he divvies up the cost and collects money from all the participants.

Waste Wise plays key role

Richter and Conrad each credit the participation of Waste Wise as vital in making the plan reality. The city, the business owners, and Waste Wise worked closely throughout.

“We discovered there was an opportunity to help the businesses with this project,” says Jill Curran, executive director. “Our role was in engaging the businesses and helping them find a way to handle their waste collectively, more effectively.”

In the process, she adds, the businesses collectively reduced the taxes they pay on their waste bill by 70 percent, because recycled materials are not taxed.

The Minnesota Waste Wise Foundation contracts with five metro area counties, including Ramsey and Washington, to consult on waste reduction and recycling efforts. The county pays for the services, Curran says, so there is no charge to the city or the businesses involved with the project.

“Our goal is helping businesses divert as much trash from the waste stream as possible and get things recycled and materials composted,” she says. “Ultimately, the goal of the contracts is to have us help businesses [reduce waste].”

Anywhere Waste Wise has a contract, the organization’s role is typically that of implementing assistance, working with businesses to find solutions that bring down costs and increase recycling.

“There are a lot of opportunities to do what we did in White Bear Lake,” she says. “We’re here to help businesses recycle more and thereby help the counties achieve their commercial solid waste goals.”

Moving forward

White Bear Lake leaders are proud of the Washington Square project, and they are looking to transform other spaces in the city that are cluttered with trash cans, Richter says. This project will be used as a model for finding solutions in other areas. That includes finding a business owner to serve as champion, whatever the project might be.

“We try as hard as we can to partner with businesses because then there is that trust that we understand their interests,” she says. “If you partner with them, it makes it easier to get things done.”

Andrew Tellijohn is a freelance writer based in Richfield, Minnesota.
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SESSION 2018: Representing Minnesota Cities at the Capitol

The Minnesota Legislature will reconvene on Feb. 20 to begin the second half of its 90th biennial session. The session is expected to be short and focused on making tweaks to the biennial budget. Many stakeholders are hoping for passage of an omnibus capital investment bill; however, that may be a long shot since the Legislature passed a robust bonding package at the end of the 2017 session.

Recap of 2017

The main task before legislators and Gov. Dayton in 2017 was to pass the fiscal year (FY) 2018-2019 biennial state budget. While a slight budget surplus staved off a need to make difficult cuts and one-time transfers to balance the state’s general fund, it did not temper disagreements between Republicans and Democrats about taxing and spending.

More than five months into the session, disagreements over a host of budget and tax issues had hampered progress. Despite frenzied actions in the waning hours, the regular session adjourned before work had been completed. Gov. Dayton called a special session to begin immediately following the adjournment of the regular session. At 12:01 a.m. on May 23, the special session was gavelled in.

In the end, legislative leaders delivered on their promise to send budget bills, a tax bill, and a bonding bill to the governor. The special session adjourned sine die in the wee hours of May 26. With the governor’s approval of four special session omnibus appropriations bills and his signature on another five regular session budget bills, the state budget for the biennium was set—for the most part.

The approved bills included many provisions that will impact city operations. Some of the positive outcomes included:

- Bonding resources for water infrastructure, transportation, and housing.
- Broadband funding.
- Workforce housing tools.
- Omnibus transportation funding, including an increase to the Municipal State Aid Streets Account and funding for the Small Cities Assistance Account.
- Funding for replacement of elections equipment.
- Several tax policy provisions and a $15 million permanent local government aid (LGA) increase.
- Wastewater infrastructure investment protection and stormwater reuse provisions.

Parting shots leave lasting sting

In a surprise maneuver during the special session, the Legislature passed a bill that bundled three previously independent measures: the omnibus pensions bill, ratification of state employee contracts, and a pre-emption on local employment regulations such as paid time off and local minimum wage requirements.

Get involved

The League of Minnesota Cities (LMC) encourages member cities to watch for opportunities for involvement in LMC advocacy efforts. For the most up-to-date legislative information, subscribe to the League’s free e-newsletter, Cities Bulletin, and to Capitol Updates for breaking news; sign up to participate in a legislative list-serv; and follow the League on Facebook and Twitter. Learn more at www.lmc.org/legupdates.
The governor stated his strong objection to the local employment measure and said he never agreed to the package that reached his desk. He promptly vetoed the entire measure. In what appeared to be a retaliatory move, he also exercised his line-item veto power to strike the entire $130 million House and Senate operating budget from the omnibus state government finance bill.

This veto of funding for the Legislature made for a testy interim. Both sides waged legal maneuvers and blamed the other for failed negotiations. Ultimately, the Minnesota Supreme Court upheld Gov. Dayton’s line-item veto.

Uncertainty over their budgets meant legislative leaders suspended per diem and mileage reimbursement for members, and legislative staffers faced anxiety over whether they would have pay withheld if funds ran dry. Using a combination of cut-backs and reserves, the Legislature’s budget is expected to hold until the beginning of the 2018 session.

**Local decision-making authority under attack**

In 2017, the League helped thwart a number of bills that would have restricted local decision-making authority. Nearly 30 bills, including reverse referendum requirements, prohibitions on certain local ordinances, and measures to punish local governments by withholding local government aid, were introduced. Ultimately, only two of the bills—one prohibiting ordinances regulating retailers’ use of plastic bags and containers, and another providing penalties for “unauthorized” diversion programs—were signed into law.

A provision that would allow small cell wireless equipment to be placed on city-owned infrastructure in the public right of way was enacted as part of the omnibus jobs bill. This came after months of negotiations. Almost all of the League’s primary concerns with the legislation were addressed.

Although efforts to defend cities against unwanted state intervention were mostly successful in 2017, it’s important to remember that most of the bills will remain viable in 2018. The League is encouraging city officials to remind legislators that local elected officials are not only authorized to make public policy decisions related to health, safety, and welfare within their communities, but they are in the best position to do so.

**Unfinished business: pensions and bonding**

Two items that will likely be considered for action in 2018 are pensions and bonding. The Legislature has not successfully passed an omnibus pension bill since 2015, and many stakeholders are anxious to advance provisions that have been discussed perennially in recent years.

The pension bill that was vetoed in 2017 contained financial sustainability measures for the Public Employees Retirement Association Police & Fire Plan. The increases in employer and employee contributions, as well as an annual state appropriation to the fund, would have started at $4.5 million per year and increased to $9 million per year in two years. The direct state aid would have reduced the need for higher employer and employee contribution increases.

The Legislature did pass a bonding bill in 2017; however, they did not approve one in 2016. The 2017 bill included a combination of general obligation bonds, transportation fund money, user-financed bonds, renewable development account funds, appropriation bonds, and general funds totaling $1.123 billion, with $989 million in general obligation impact and $851 million in general obligation bonds authorized.

Although this was considered a robust bill, there is a significant backlog of bonding requests due to the failure to pass a bill in 2016. Many stakeholders are hoping for a “catch-up” session that will include another $1 billion-plus bonding bill so that ready-to-go projects can get underway.

**Budget forecast**

After a four-year string of positive state general fund budget reports, Minnesota Management and Budget (MMB) announced on Dec. 5 that the state is facing budget deficits into the foreseeable future.

Projections for the remaining 20 months of the current biennium and for the next two-year budget period are down, according to the MMB’s November 2017 Budget and Economic Forecast. A deficit of $188 million is projected for the current biennium, which ends on June 30, 2019, and a larger deficit of $586 million is forecasted for the FY 2020-2021 biennium.

The budget forecast suggests that the Legislature and Gov. Dayton will have to adjust spending, increase revenues, or tap the state’s $1.6 billion rainy-day fund to address the projected $188 million deficit. Local government aid and the Small Cities Assistance Account funds that will be paid in calendar year 2018 are paid from the state’s FY

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**LMC Legislative Priorities at a Glance**

- Bonding
- Broadband policy and funding
- City street funding
- Email retention
- Funding local government aid (LGA)
- Housing
- Pension sustainability
- Pre-emption/local control
- Sales tax exemption on construction materials
- Urban forest management
2018-2019 biennium budget. The League will be working in the coming months to ensure that those city aid funds are paid in full.

**When will it end?**

Another factor that will influence the 2018 session is the fact that all 134 House seats and all constitutional offices, including the governor, will be on the ballot in November 2018. Candidates will be eager to return home to get campaigns underway and may prefer a short session that includes few controversial votes.

This desire to keep the session short will have to be balanced with a need to demonstrate legislative accomplishments on the campaign trail. Constitutionally, the session must end no later than the first Monday after the third Saturday in May of the even-numbered year. In 2018, that date is May 21.

**What's on the agenda for cities?**

The League of Minnesota Cities (LMC) will work to represent cities' interests in the legislative process, keep members informed of proposals being discussed at the Capitol, and help city officials understand the implications of decisions being made. Members are encouraged to use the League's many communication tools to stay informed and get involved. Most importantly, the League needs city officials to share information and concerns with state leaders so they can make informed decisions about Minnesota's future.

The LMC Board of Directors adopted the 2018 City Policies and legislative priorities on Nov. 9, 2017. The 2018 City Policies document identifies more than 100 legislative policies that impact cities. It serves as the foundation for the League's advocacy efforts and is available on the League's website at [www.lmc.org/citypolicies](http://www.lmc.org/citypolicies).

The Board determined the League's legislative priorities through discussions that occurred during the League's summer policy committee meetings and fall Regional Meetings, and through other member interactions and communications over the last several months. While the issues addressed in the priority list do not reflect the entire scope of anticipated League activities during the 2018 legislative session, it provides a starting point for important issues to watch as the session gets underway. Following are summaries of the Board's 10 legislative priorities.

**Bonding**

The League will advocate for a substantial bonding bill that includes appropriations for municipal water and wastewater infrastructure, local roads and bridges, funding for the local road wetland replacement fund, flood hazard mitigation, and dam repair and removal projects.

**Broadband policy and funding**

State broadband goals established during the 2016 legislative session set minimum standards for statewide broadband deployment and speeds by 2020 and beyond. Previous state speed goals set in 2010 fell short of the 2015 deadline, which highlights the continued need for partnerships between the state, local units of government, and broadband providers. The League supports funding to operate the Office of Broadband Development in the Department of Employment and Economic Development. Additional investments should also be made to the Border-to-Border Broadband Grant Program to continue funding projects that will increase the speed and capacity of broadband services at the local level. The League supports public-private collaboration and incentives to private-sector service providers to respond to local or regional needs.

**City street funding**

In the area of city street funding, the League calls for: (1) a dedicated and sustainable state funding source for non-Municipal State Aid (MSA) city streets in large and small cities statewide; (2) enabling legislation that would allow cities to create street improvement districts (similar to sidewalk improvement districts already allowed under Minnesota Statutes, section 435.44); and (3) the creation of a new fund within the Local Road Improvement Program that would provide grants to cities burdened by cost participation requirements related to trunk highway and county state-aid projects. Specifically, the League will seek ongoing and increased funding for the Small Cities Assistance Account that was created in 2015, as well as creation of a similar account to assist cities over 5,000 in population with maintenance of non-MSA city streets.

**Email retention**

Current records management laws and the city general record retention schedule adequately balance the public's right to access government data and records with the city's administrative duty to maintain city records. Some cities have adopted email retention policies, which has prompted concern that these cities are deleting all emails after a designated time period. Even with adoption of these policies, all cities are required to comply with records management laws, and cities must retain emails that fall within one of the 700 specific types of records identified in the general records retention schedule. Given the current safeguards in law, the League opposes changes to the records management statutes.

**Funding local government aid**

In recent years, the Legislature has restored roughly $107 million in funding for LGA. Even with those increases, the LGA system remains roughly $53 million below the certified 2003 funding level. Under current law, the LGA
appropriation will increase by $15 million for the 2018 distribution. League policy calls for a restoration to at least the 2003 certified level of $586.8 million.

**Housing**

Cities statewide support the idea of providing state resources to aid cities in meeting demand for affordable housing that is sensitive to local conditions, emerging trends, and changing demographics. Employers in many Minnesota cities want to expand; however, available housing does not always accommodate workforce growth. A lack of rental and single-family housing for new and current residents can hinder economic development and job growth. The League will continue to advocate for programs that support workforce housing and affordable housing, including resources in a bonding bill.

**Pension sustainability**

Recent market conditions and changes in pension factors, including longer pensioner life expectancy, are negatively impacting the funding of Public Employees Retirement Association pension plans. In addition, the State Board of Investment has indicated that the annual investment return assumption of 8 percent cannot be supported, which could lead to legislative action to reduce the investment return assumption. As a result, the Legislature may be seeking changes to the pension system that will reduce long-term costs or increase employer and employee contributions. The League’s policies oppose any pension benefit improvements until the financial health of the plans is restored and also support a balance between employee and employer responsibility to fund employee pensions. In addition, the League supports an adjustment to the benefits for active members and retirees to reduce the cost of the pension system before any employer contribution increase is implemented.

**Pre-emption/local control**

Nearly 30 bills, including reverse referendum requirements, prohibitions on certain local ordinances, and measures to punish local governments by withholding local government aid, were introduced in 2017. Many of these bills remain viable in 2018. The League will continue to actively oppose legislation that erodes the fundamental principle of local control in cities across Minnesota. The League will also work to reinforce our core value that local elected officials are not only authorized to make public policy decisions related to health, safety, and welfare within their communities, but they are in the best position to do so.

**Sales tax exemption on construction materials**

Although construction materials purchased by cities for public projects are technically exempt from the general sales tax, the Minnesota Department of Revenue requires cities to comply with complicated and costly procedures to obtain the exemption. As a result, most cities do not claim the sales tax exemption on many construction projects, unnecessarily increasing the cost of the project. The League will continue to pursue legislation to streamline the process to allow cities to realize the sales tax exemption on these materials.

**Urban forest management**

Urban forests are an essential part of city infrastructure. Dutch elm disease, oak wilt disease, drought, storms, and emerald ash borer (EAB) are among the risks that threaten our investment in trees. The costs for control and removal can put immense pressure on city budgets. The League supports at least $5 million per year of funding from the general fund or other appropriate state funds for a state matching grant program specifically to assist cities with the identification, removal, replacement, and treatment of EAB, as well as for building capacity for urban forest management and meeting the costs of preparing for, and responding to, other catastrophic urban forest problems.

* * * * * *

If you have questions about the session or League priorities, contact a member of the LMC intergovernmental relations team. Find staff names and contact information at www.lmc.org/igr-staff.