



CONNECTING & INNOVATING
SINCE 1913

League of Minnesota Cities
Board of Directors Meeting
November 10, 2016

MINUTES

Members Present: Rhonda Pownell (Northfield), Jo Emerson (White Bear Lake), Heidi Omerza (Ely), Steve Nasby (Windom), Mark Casey (St. Anthony Village), Elizabeth Glidden (Minneapolis), Sue Hilgert (Olivia), Brent Mareck (Carver), Mike Mornson (Hopkins), Dave Smiglewski (Granite Falls), Kevin Staunton (Edina), Randy Staver (Rochester), Chris Tolbert (St. Paul), Brad Wiersum (Minnetonka), Gary Willhite (Crookston), Anne Mavity (St. Louis Park) and Tina Rennemo (Baudette)

Members Absent: Tim Busse (Bloomington) and Robert Broeder (Le Sueur)

Staff Present: Dave Unmacht, Tom Grundhoefer, Kellie Sundheim, Don Reeder, Laura Zenz, Gary Carlson, Heather Corcoran, Irene Kao, Ann Lindstrom, Anne Finn, Craig Johnson, Laura Kushner, Laura Ziegler, Dan Greensweig, Joyce Hottinger and Mel Reeder

1. Call to Order & Pledge of Allegiance
President Pownell called the meeting to order and led the Pledge of Allegiance.
2. Approval of Agenda
Wiersum moved approval of the agenda, seconded by Smiglewski. Motion carried.
3. Presentations/General Communications
 - 3.1 Presentation of New Staff – Kristen LeRoy and Rory Lee.
 - 3.2 Veteran's Day Recognition – Mark Stangler, Patrick Arneson, Nancy Tindall, Ryan Zipf, Dan Greensweig, Dave Spock and Matt Hanley.
4. Approval of Consent Items
Willhite moved approval of the consent agenda, seconded by Hilgert. Motion carried.

5. Action Items

5.1 Items Related to the 2017 City Policies

5.1A Adoption of the 2017 City Policies

Finn noted that this is the culmination of many months of work. Under the process committees of member cities get together and make recommendations. The board's role is to finalize the adoption of the policies brought over to the legislature. This is the step that we are undertaking today. Finn discussed the timeline for the process.

This year there are 186 policies and these policies anticipate initiatives that may or may not come up in the 2017 legislative session. Once the policies are adopted they will be assembled into a book to be given to legislators. It is also housed on our website.

The board can adopt an interim policy in case an unanticipated issue comes up. The executive committee also has the authority to convene and provide direction if a policy needs an immediate action.

Finn mentioned that if there are typographical or spelling errors a motion will be taken at the end of today's meeting to allow staff to make corrections.

IGR staff is available to answer questions if needed.

Grundhoefer noted the policy process "5-step cheat sheet" available to all members and went on to explain the process for offering amendments and how the policy adoption process would take place during the meeting. He also suggested that if a situation calls for drafting complicated language, that we not do it at this meeting. He mentioned that there is December meeting so if a policy needs more work we can defer final approval until then.

Pownell began the policy adoption process by identifying the Improving Service Delivery policies and noted that no requests have been made for amendments, however, there will be a motion to consider a new policy – SD-New F, State Compliance with Federal Real ID Act. She asked whether members had any specific policies that they would like removed for individual consideration. Based on the requests from the board and staff she moved approval of the SD policies with the exception of SD-5, SD-31, SD-38, SD-65, SD-New B, SD-New D and SD-New F, seconded by Wiersum. Motion carried.

Pownell moved adoption of SD-5, seconded by Hilgert. Pownell asked Nasby to ask his question. Nasby asked Finn to explain the thought process behind the amendment. Finn commented that there were a number of things that brought this policy about and the most significant one is the fact that when a local police department issues a citation most of the money that is collected goes to the state. Even though the work is happening on the part of the local law enforcement they are only recovering about \$20.00 for issuing that citation. The state is getting around \$85.00. More people are challenging their citations and that increases the local government cost even more. This is what drove the policy. Nasby suggested that the

policy might benefit from wording that would provide a percentage rather than a dollar amount. Finn noted that policy SD-36 addresses those concerns.

Pownell asked for a vote on SD-5 as it was originally presented. Motion carried.

Pownell moved adoption of SD-31, seconded by Staunton. Tolbert asked if this policy is pushing to allow firearms in city owned buildings. Finn stated that the answer to his question is no. We have had a long-standing policy that seeks a change in the law to allow cities to prohibit at their discretion firearms in city owned buildings. The change to the policy that is being recommended deals with permit holders carrying military style assault rifles and them saying that their permit to carry allows them to do so. Grundhoefer commented that the law is ambiguous and we are trying to get some clarification on the issue.

Pownell asked for a vote on SD-31 as it was originally presented. Motion carried.

Pownell moved adoption of SD-38, seconded by Staunton. Nasby asked about the language on page 39, lines 5-6. He stated that the language makes it sound like the League is advocating for prohibiting the use of cellphones while driving and making it illegal to use while driving. Is that the intent of the policy? Finn's recollection of the committee's discussion of this is a couple of years old and she recalls that there was language supporting making it illegal to drive while using a cellphone. Legislation came forward that dealt with roadway construction work zones and the committee asked us to add another phrase onto the existing policy to deal with the work zone legislation.

Hilgert asked if this was discussed during this year's policy committee meetings. Finn stated that it wasn't.

Nasby proposed an amendment to SD-38. Nasby wants to amend line 5 on page 39 to read "The League supports strengthening distracted driving laws as they pertain to roadway construction zones." Nasby moves to strike the words "also" and "making it illegal to drive while using the cellphone as well as" on lines 5 and 6 of page 39, seconded by Tolbert.

Hilgert if there is any other policy that deals with cellphone use while driving. Finn said no.

Mavity supports the amendment, but would like to address it in more depth in 2017.

Staunton asked if there was a distinction between hands free or no use. Finn said it opposes any use of a cell phone.

Rennemo asked Nasby why he wants those parts stricken from the policy. Nasby stated that is not reasonable to ban all cellphone use. Those driving great distances need to have the ability to make calls. Rennemo suggested adding hands-free to the policy language.

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Wiersum commented that the elimination of cellphone use while driving won't happen, but calling it distracted driving shouldn't weaken our stance.

Smiglewski agrees with the amendment.

Glidden is surprised by the lack of discussion on this policy during the committee process. She would like to have staff review and get back to the group.

Staunton asked about the current state of the law. Finn noted that texting while driving is illegal. Finn commented that the language in this policy is further articulated on page 38.

Mareck made a motion to postpone Nasby's amendment on SD-38 until the December 2016 meeting giving staff direction to rework the policy, seconded by Nasby. Motion carried.

Pownell moved adoption of SD-New D, seconded by Casey. Nasby asked about the history of the policy and what issue is at stake. Lindstrom commented that this policy states the League's position on local control. It was brought to us by the city of Minneapolis and over the course of the last legislative session in response to different initiatives brought forward. Both the cities of St. Paul and Minneapolis talked with us on the lack of a clear, concise policy on local control for us to refer to, so they requested that we draft this. This is not legislative language but more of a statement on the League's position.

Pownell asked for a vote on SD-New D as it was originally presented. Motion carried.

Pownell moved adoption of SD-65, seconded by Mavity. Mornson stated that this year's early voting seemed successful but there were long lines and it was hard on city clerks. He would like to make sure that the city clerks are heard from and wants to make sure the policy includes some flexibility.

Pownell asked for a vote on SD-65 as it was originally presented. Motion carried.

Pownell moved adoption of SD-New B, seconded by Glidden. Mareck noted that he gets the intent of the language on line 3 as it pertains to college students getting time off from classes, but doesn't feel that it fits well within the policy. Lindstrom noted that this was brought forth by the elections task force. In their attempts to recruit college students Ramsey County had enough examples of students not being allowed time away from classes that they felt it was necessary to advocate for a policy or language to address the issue.

Pownell asked for a vote on SD-New B as it was originally presented. Motion carried.

Pownell moved adoption of SD-New F as it is originally presented, seconded by Omerza. Motion carried.

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Pownell moved on to the Improving Local Economies policies. Pownell asked if members had any specific policies that they would like removed for individual consideration. Based on the lack of requests from the Board and staff she moved approval of all the LE policies, seconded by Mornson. Motion carried.

Pownell moved on to the Improving Fiscal Futures policies. After asking staff and members whether they wanted any Fiscal Futures policies removed for individual consideration, Pownell identified FF-New D and FF-New A for individual consideration and moved approval of the remainder of the policies, seconded by Wiersum. Motion carried.

Pownell moved adoption of FF-New D, seconded by Omerza. Nasby mentioned that this policy doesn't allow for other entities such as the League Trust board or the 4M fund to have this expanded investment authority. Nasby's amendment to FF-New D is found in your electronic packet. Carlson mentioned that the Insurance Trust Board is in support of the amendment. Nasby made a motion to accept the amendment to FF-New D, seconded by Omerza.

Pownell asked for a vote on the amendment to FF-New D. Motion carried. The vote on the amended policy carried.

Pownell moved adoption of FF-New A, seconded by Emerson. Nasby asked for some history on policy FF-New A. Carlson noted that this was a policy brought to the committee by the city of Red Wing in an alliance with several other cities that are host to electric generating facilities. The basis of the policy was a proposal that included the Senate tax bill to change the valuation structure of public utilities. There has been an evolution over the last 10 or so years on how these properties are valued. The cities that rely on the tax base of these facilities have lost a significant amount of tax base due to the new rules. This policy does try to support the proposal that has evolved through the Senate.

Pownell asked for a vote on FF-New A as originally presented. Motion carried.

Pownell moved on the Human Resources and Data Practices policies. After asking staff and members whether they wanted any Human Resources and Data Practices policies removed for individual consideration, Pownell identified HR-12 for individual consideration and moved approval of the remainder of the policies, seconded by Mornson. Motion carried.

Pownell moved adoption of HR-12, seconded by Hilgert.

Nasby moved adoption of his amendment to HR-12 on page 25 of the electronic packet termed HR-12-1, seconded by Hilgert.

Tritz noted that the issue stems from a 2014 Supreme Court decision that held that PERA retirement benefits may not be offset against permanent total disability benefits paid under

Worker's Compensation. That decision reversed a very long standing interpretation by the WC Court of Appeals which had ruled the opposite on several occasions.

The Department of Labor & Industry (DOLI) has taken the position that because of this decision PTD benefits paid over the past 30+ years now have to be recalculated without the PERA retirement offset. For most claimants it has little to no effect on what they receive. Tritz discussed how benefits are paid and how LMCIT is reimbursed by the State's special compensation fund administered by DOLI. Tritz explained the issue and the effect that it will have on claimants and LMCIT.

Pownell asked if a compromise is being worked on. Tritz stated that there continues to be discussions on the issue and a tentative agreement is being worked on. The three points being worked on are:

- Claimants receive both back benefits and future benefits calculated without an offset
- Special Compensation Fund would forego any claim for reimbursement or repayment of past claims
- Future additional benefits owed – not subject to pay 20% assessment on those benefits

Tritz commented that the action taken by the Trust Board early this summer says that if we can get a deal done incorporating those points we are in favor of it. We expect that this draft legislation would go before the Worker's Compensation Advisory Council at their December meeting and will require additional action by the Trust Board after the legislation is adopted.

Pownell asked for a vote on the amendment to HR-12. Motion carried. The vote on the amended policy carried

Pownell made a motion to refer policy comments, amendments, and policies not approved to the respective policy committees for discussion and consideration during the 2016 policy adoption process, seconded by Mornson. Motion carried.

Pownell made a motion to direct staff to correct typographical and grammatical errors and to re-order policies and to group policies by topic, seconded by Rennemo. Motion carried.

5.1B Adoption of the 2017 City Legislative Priorities

Ziegler noted that the list is a starting point and many of these issues are expected to come up for action during the legislative session.

After discussion, Hilgert made a motion to move the list as presented, seconded by Staver. Motion carried.

6. Discussion Items

6.1 Race Equity Discussion

Held over to December 2016 meeting

6.2 1st Quarter Update from CIO

Held over to December 2016 meeting

6.3 Legislative Update

Carlson mentioned that there will be 40 new faces to the legislature in 2017.

The Senate will probably have a new committee structure while the House will see no real changes.

The State Budget surplus was expected to be around \$740 million and even projected to be as high as \$1 billion. 1st quarter revenue has gone down by about \$120 million. If there is no special session 1/3 of the surplus automatically goes into the budget reserve. If they try to address the MNSure issue that could cost around \$300 million, so there is really not much left to do a tax bill, transportation or pension bill.

6.3 LMCIT Update

Tritz commented that the Trust Board met last week. The Board approved a \$25 million dividend. It is the largest dividend ever returned. The Board also approved some changes to the re-insurance structure under which LMC will be retaining an additional amount of risk. This should produce some appreciable savings for the program.

7. Affiliate Organization Updates

7.1 Coalition of Greater Minnesota Cities

Omerza reported that they are having their board retreat/fall conference next week. One of the keynote speakers is Chris Ingram from the Washington Post.

7.2 Minnesota Association of Small Cities

Nothing to report

7.3 Metro Cities

Mavity noted that their policy adoption meeting is November 30th.

8. Announcements and Adjournment

Unmacht commented that the first Governor's Council meeting was last night. It was well attended and focused on logistics. The next meeting will be held on December 6th.

He also noted that our intern Casey Casella has been working on a federal advocacy white paper and will present it at next month's meeting.

During the meeting IGR staff reworked the Distracted Driving policy now shown as SD-38-1. Finn commented that starting on line 16, we would delete the language that was there before and substitute it with a portion of that language plus the addition of "hands-free" language. The policy now states that the League supports:

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- a) State Funding for distracted driving enforcement and education;
- b) Changes to state statute making it illegal to drive while using a cell phone, unless the device is “hands-free,” and
- c) Strengthening distracted driving laws as they pertain to roadway construction work zones.

Finn stated that IGR would be willing to take it back to the committee in 2017 for further discussion if the group so chooses.

Motion by Willhite to take SD-38 off the table, seconded by Wiersum. Motion carried.

Nasby withdrew his amendment to policy SD-38, Tolbert agreed.

Emerson made a motion to approve the amendment SD-38-1, seconded by Wiersum.

Tolbert made a motion to remove option “b” from the amendment and send it back to the policy committee for review, seconded by Omerza.

Glidden and Wiersum are against taking out option b as it weakens the policy.

Mavity is in support of the amendment as all cars don’t have the same technology and doesn’t want to adopt a policy knowing that many people will be breaking the law.

Pownell asked for a vote on the amendment to the amendment. Motion on the amendment failed.

Pownell asked for a vote on the amendment SD-38-1 as presented. Motion carried.

Pownell asked for a vote on SD-38 as amended. Motion carried.

Respectfully submitted,



Dave Unmacht, Executive Director