



ANNUAL REPORT

2022-2023





Message From Executive Director Luke Fischer

Upholding a Rich Tradition of Service

When I reflect on the past year at the League, I can't help but marvel at how much we were able to accomplish. It was a whirlwind of a year — in the best possible way. You told us what your cities need to be successful, we listened, and together we all rolled up our sleeves and got to work.

From ensuring cities' interests were represented during a particularly prolific legislative session, to helping our members navigate a vast array of funding resources, to keeping city officials informed on the bread-and-butter realities of local government, the League continues to be the “resource of choice” for our members.

A productive and successful year

In this LMC Annual Report, you will learn more about all the great work that was packed into the past 12 months. Some of our accomplishments for members include:

LEADING AT THE LEGISLATURE

The League was the leading advocate for cities in a legislative session that tackled a wide range of issues including cannabis legalization, public safety duty disability, paid family and medical leave, funding for state aids for cities, and much more.

SEIZING GRANT OPPORTUNITIES

After hearing from members about their difficulties in identifying and applying for grant opportunities, the League launched Grant Navigator — a program that provides up to \$5,000 in funding to help support member cities in the grant process.

ENGAGING EVENTS

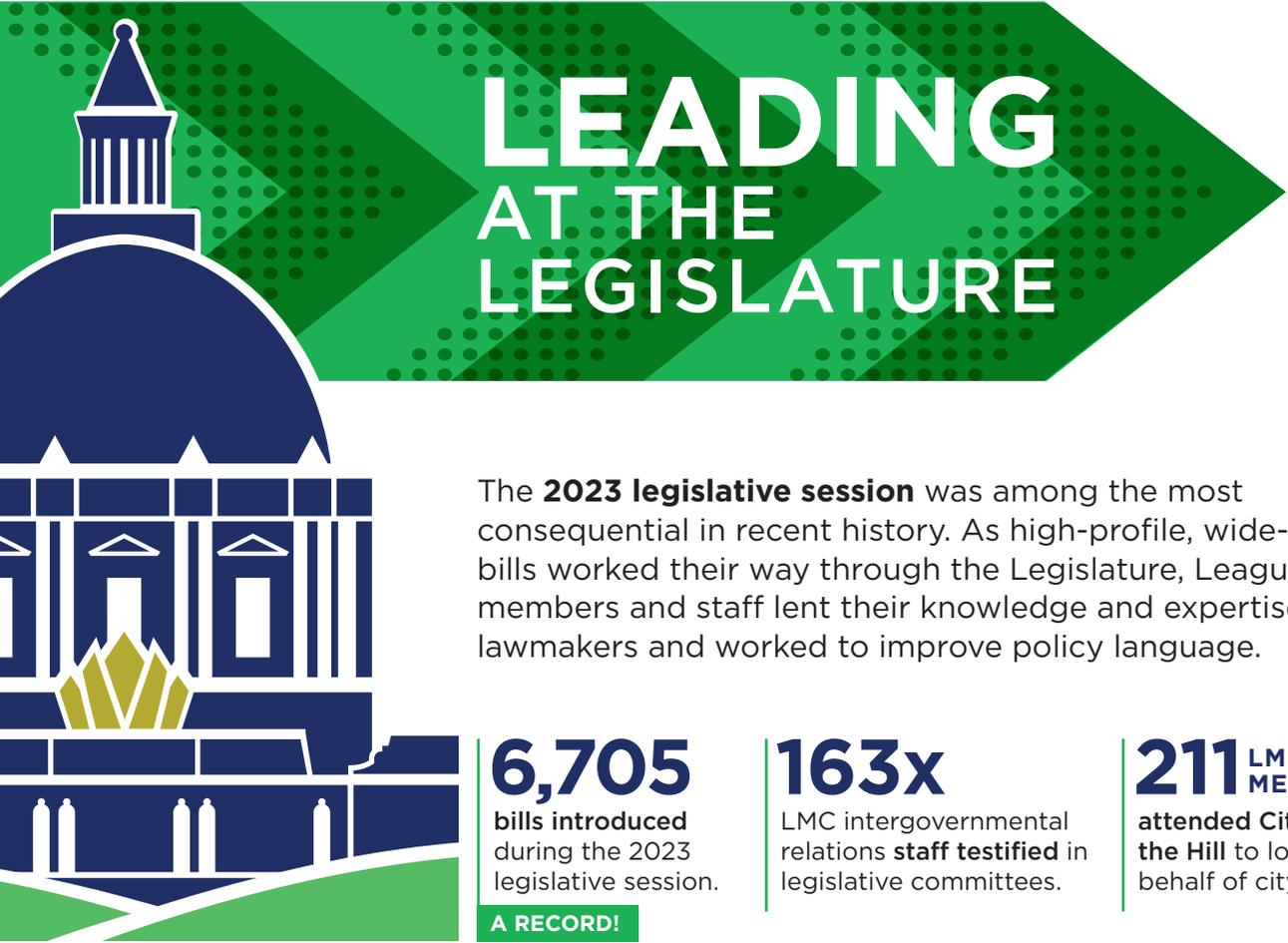
In-person events came back in a big way, with both the Annual Conference and City Day on the Hill seeing the highest attendance in 20 years. We also saw tremendous attendance at our Safety and Loss Control Workshops and online learning events, particularly webinars on legislative topics. Thank you to everyone who participated in League events this year!

Bittersweet goodbyes, exciting hellos

I'd be remiss if I didn't mention our amazing staff who are a major reason the League has been your go-to source for information and assistance for the past 110 years. This year was marked by the well-earned retirements of Executive Director Dave Unmacht, Intergovernmental Relations Director Gary Carlson, Human Resources Director Laura Kushner, and Finance Director Marky Engler. They, along with our other current and former staff members, were integral to creating the solid foundation upon which the League stands.

We will undoubtedly miss their knowledge and talents, but I am also excited to welcome several new faces to our organization, including Human Resources Director Lisa Schaefer, Finance Director Mark Ruff, and LMCIT Deputy Administrator Jen Wolf. And although I am not exactly new to the League, I am just a few months into my new role as executive director. I'm grateful for the leadership of those who have served our organization in the past, and I look forward to embracing our rich tradition of service while also being innovative and adaptable to the evolving needs of our members.





LEADING AT THE LEGISLATURE

The **2023 legislative session** was among the most consequential in recent history. As high-profile, wide-reaching bills worked their way through the Legislature, League members and staff lent their knowledge and expertise to lawmakers and worked to improve policy language.

6,705

bills introduced during the 2023 legislative session.

A RECORD!

163x

LMC intergovernmental relations **staff testified** in legislative committees.

211 LMC MEMBERS

attended City Day on the Hill to lobby on behalf of city issues.

Legislation that was influenced by cities' interests and League advocacy included:

 **LEGAL ADULT-USE CANNABIS** — City leaders and League intergovernmental relations staff were on hand to clarify the impacts of the proposed legislation and give feedback on how it could affect communities. Ultimately, a local revenue component was added that appropriates 20% revenue to local governments. Local zoning authority was also added, permitting cities to limit the number of retailers based on population.

 **POST-TRAUMATIC STRESS DISORDER (PTSD) DUTY DISABILITY** — After years of extensive work and collaboration on the part of several stakeholder groups, including the League, a public safety duty disability bill was passed containing mental injury prevention and treatment measures, along with \$104 million to pay for related costs. The law also provides full reimbursement to employers for the continued health insurance requirement for disabled employees.

 **LOCAL GOVERNMENT AID (LGA)** — League members and staff were front and center when it came to conversations involving LGA. Cities shared concerns about outdated formula factors that could impact aid eligibility. Lawmakers took note and passed formula updates to expand eligibility to more cities and approved an \$80 million annual increase to LGA.

 **PUBLIC SAFETY AID** — Lawmakers approved a one-time, \$210 million appropriation for public safety aid to all cities, thanks to the work of city officials who testified during committee hearings and League staff who worked closely with bill authors to ensure the allowable uses would be broad enough to apply to different types of public safety purposes.

YOUR RESOURCE FOR UNDERSTANDING NEW LAWS

To help local government leaders better understand the sweeping impacts of these new laws, League staff made significant effort to quickly provide cities with answers via:

- Frequently asked questions webpages.
- The *2023 Law Summaries* publication.
- Focus on New Laws articles.
- Webinars on adult-use cannabis, PTSD duty disability, housing programs, and paid family and medical leave.

NAVIGATING GRANT OPPORTUNITIES



In recent years, the federal government has invested billions of dollars into infrastructure and other needs across the nation through the Infrastructure Investment and Jobs Act and the Inflation Reduction Act. These initiatives created several opportunities for cities to receive funding for critical projects; however, members expressed difficulty in figuring out how to tap into the various state and federal grants available.

In response to this need, the League launched **Grant Navigator** — a program that provides **grants of up to \$5,000** to help cities seek assistance in identifying funding opportunities and applying for grants.

\$134,000 in funding has been awarded to **28 cities**.

96% of funding has gone to cities in **Greater Minnesota**.

Funds supported infrastructure, parks and recreation, housing, and environmental efforts.

1.2 million

Unique pageviews of the League's website

lmc.org



12,000

Views of a webpage with FAQs on the new adult-use cannabis law

5,323 

Members attended events

LMCIT **1,213**

Members in the League of Minnesota Cities Insurance Trust

40 MEMBERS

in the League's Business Alliance Program



94

Cities represented at in-person visits by League staff and Board members



Showing CITY LOVE

2023 ANNUAL CONFERENCE

The **2023 Annual Conference** proved to be a success, garnering the largest attendance in 20 years. More than **700 representatives from cities, townships, organizations, and businesses** were present, including **180 first-time attendees**.

The League of Minnesota Cities' three-day June gathering was an opportunity for League members, staff, speakers, and exhibitors to network, learn, and have fun. Set in Duluth, this year's theme was "City Love" and offered a chance for members to share what they love about their cities and learn ways to "lead with heart." The event coincided with the LMC annual business meeting, during which members elected a new Board of Directors, including new Board President Jenny Max, city administrator of Nisswa.

Other highlights from the conference included the exhibit hall, keynote speakers who shared skills for engaging your community, 23 member cities who presented showcases of innovative ideas, and a special awards evening.



ANNUAL CONFERENCE BY THE NUMBERS:

21 EDUCATIONAL
SESSIONS

2 PRE-CONFERENCE
WORKSHOPS

136
EXHIBIT
BOOTHS

PRESENTERS **63**

MOBILE TOURS **3**

7,378

Courses completed in
the MemberLearn
online learning platform



Responded
to **6,125**



legal, human resources,
technology, and financial
inquiries from members



1 FAA drone license
issued to the
League's multimedia
specialist

MAYOR FOR A DAY **560**
ESSAY CONTEST ENTRIES

919
MEMBERS

Total League membership,
including cities, townships,
and special districts



1 New city and the
newest League member,
Empire



MAKING GAINS IN CONTROLLING LOSSES

The extensive **loss control program** administered by the League of Minnesota Insurance Trust provides members with an advantage not offered by others. This past year marked the continuation of ongoing programs **designed to help member entities reduce risk and losses.**

IMPACT PROJECT

More than **40 cities** and their law enforcement agencies joined 30-plus others from the previous year to participate in an assessments and analytics program conducted by Benchmark Analytics on behalf of the Trust. **The iMPACT Project, designed for law enforcement agencies to help reduce liability claims,** is near completion of its second phase of a three-year research and implementation plan. Goals for the iMPACT Project from the past year included:

- Understanding and improving the research based on initial findings from the pilot cities.
- Capturing and analyzing potential loss control interventions and corresponding results.

70
participating
cities



MN PUBLIC SAFETY WELLNESS

ACCEPT
PREVENT
TREAT

The MN Public Safety Wellness Initiative collaboration, managed by the Trust, continued ongoing efforts to **promote awareness of and treatment for PTSD.**

The “Accept, Prevent, Treat”

public information campaign was created and launched with a substantive social media presence reaching thousands.

PEER SUPPORT ADVOCACY

In addition to successfully joining with other stakeholder organizations to advocate for passage of duty disability legislation to help mitigate the financial cost of managing PTSD among first responders, the Trust’s Peer Support Advisory Board continued their work to help public safety departments establish their own peer support programs. This Board:



- Provided peer support training to officers across the state.
- Produced an informational video promoting the advantages of peer support.
- Staffed an informational booth at the Trust’s spring Safety and Loss Control Workshops.

CYBERSECURITY PROGRAM

The Trust’s cybersecurity program and its cybersecurity specialist continued to help members gauge cybersecurity threats, make contingency plans for emergencies, and respond to technology concerns. Efforts included:



- Scheduling dedicated loss control training sessions and webinars on cybersecurity.
- Publishing a number of articles on mitigating cyber risks in the League’s *Minnesota Cities* magazine.
- Developing an information technology critical incident planning checklist for Trust members.

LMC AND LMCIT FINANCIAL HIGHLIGHTS

Our financial base continues to be strong, allowing us to deliver many resources and services to our members over the past year.

Here are a few details:

Of the 855 cities in Minnesota in fiscal year 2022, 98% were members of the League.

LMC, including the Building Company, had a net position of \$16.8 million and assets of \$25.3 million.

The League's General Fund unassigned fund balance as of Aug. 31, 2022, was 30% of the following year's total budgeted expenditures and transfers, falling within the 25-35% range set in the fiscal policies.

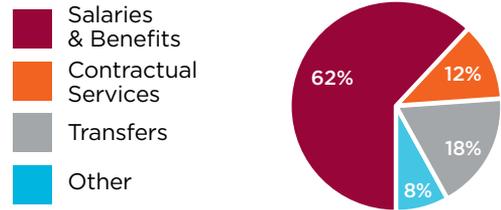
LMCIT had a combined net position of \$160.5 million and assets of \$581.9 million.

In December 2022, LMCIT distributed dividends totaling \$10 million to members of its property/casualty program, bringing the total amount of returned dividends since 1987 to \$363 million.

The League Board of Directors and staff continue to manage our financial resources within a member-centric and strategic fiscal culture. We operate within solid Board-adopted financial policies and are committed to being fiscally responsible and accountable for our annual operating and capital budgets.

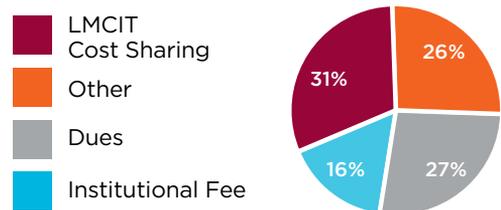
LMC GENERAL FUND EXPENDITURES & TRANSFERS

Total: \$12,581,407*



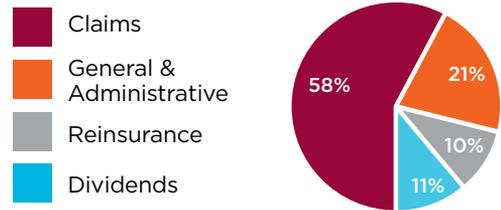
LMC GENERAL FUND REVENUES

Total: \$13,105,353*



LMCIT EXPENDITURES

Total: \$131,685,189**



LMCIT PREMIUM REVENUES

Total: \$127,728,681**



* LMC numbers are the most recent audited numbers from fiscal year 2022 (9/1/21-8/31/22). The 2022 revenue and expenses include \$1,492,616 related to LMC's share of property sold in October 2021.

** LMCIT numbers reflect property/casualty program financials as of 5/31/22 and workers' compensation program financials as of 12/31/22, the most recent audited numbers. Changes in interest rates caused decreases in the value of investments (called "unrealized losses"). These unrealized losses and other interest income totaling -\$67,612,553 is not reflected in the above revenue.

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MINNESOTA CITIES
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SEPT. 2022-JUNE 2023**

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Justin Miller
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CITIES INSURANCE TRUST
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City Administrator, Rochester

OUR MISSION

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

OUR VISION

We envision a future for Minnesota and the League where:

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



LEAGUE of MINNESOTA CITIES

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St. Paul, MN 55103

lmc.org

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