

DRIVING PROGRESS

The League takes action on what matters most to members.

**2023
2024**

ANNUAL REPORT

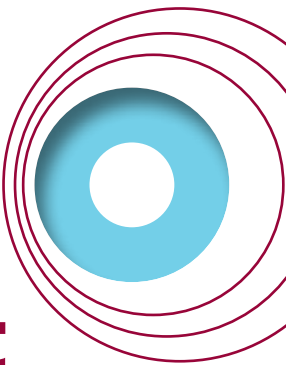
LEAGUE OF MINNESOTA CITIES





Message From Executive Director Luke Fischer

Future-Focused, Foundation-Built







I'll admit it — this is a daunting time to be a city leader. We are living in an era when people are openly questioning the value of public institutions and public service more than ever before. The pressure to provide core city services and quality-of-life improvements while continuing to be good stewards of taxpayer dollars — all while under intense scrutiny from the public — can seem overwhelming at times.

And yet, I remain endlessly optimistic about the future of cities in Minnesota, and I think you should be, too.

Why, you may ask, do I feel so positive when our social media feeds and heated public hearings seem to skew so negative?

Well, I am positive because I see the great things our communities are doing every day, from basics like making sure streets are plowed in the winter to bold new ideas like housing initiatives and sustainability efforts. I see communities come together to help their neighbors when cities are hit with floods or tornadoes. I see city leaders passionately testify at the State Capitol on critical issues. I see elected officials and city staff sharing knowledge and ideas at events and meetings across the state.

Just as I'm optimistic about the future of Minnesota's cities, I am also excited about the League's role in helping cities be the best they can be. As you will read in this annual report, this year we invested time and resources geared toward preparing our members and our organization for the future:

-  We **expanded our Grant Navigator program** to help more cities apply for and secure state and federal grants.
-  We **successfully lobbied lawmakers on key issues** like housing, EMS funding, and cannabis regulation.
-  We **developed numerous new resources and learning opportunities** on topics like cybersecurity, public safety wellness, and diversity, equity, and inclusion (DEI).
-  We're **hiring additional staff** in our human resources and intergovernmental relations departments to keep up with members' increased needs for support.

All the while, we continue to be a steady source of support on the bread-and-butter issues that every city deals with such as budgeting, council and staff transitions, and navigating new laws.

Over the past year, the League has worked hard to lift up the communities we serve and convey their value by lending expert support and guidance. As we look ahead, you can expect the League to continue to build on the solid foundation we have created over the past 111 years. Now is not the time to be small; it is a time to make meaningful investments that will benefit Minnesota communities today and well into the future.



Laying the Groundwork

Promoting excellence in local government is foundational to the League's work. That's achieved, in part, through providing expert analysis and trusted guidance for all Minnesota cities.

This past year, you've had support through education, events, partnerships, and resources, including:

Elected Leaders Institute

Offered via two programs, Foundational and Advanced, the Elected Leaders Institute provided the nuts and bolts of city government and higher-level leadership skills, respectively. This year, 50 newly elected leaders participated in the Foundational Program, and 142 attendees participated in the Advanced Program.

2023 Clerks Academy

In 2023, 109 city clerks from across Minnesota learned, networked, and prepared for challenges in their complex role through a blended program of online and in-person sessions.

City Day on the Hill

More than 200 city officials from throughout the state traveled to the State Capitol in March to help increase the visibility of cities as key partners in the policymaking process.

2024 Annual Conference

The event returned to Rochester for the first time since 2017 to great success. The three-day conference in June saw 562 attendees come together for 24 educational sessions, keynote speakers, a bustling exhibit hall, mobile tours, an awards show and dinner, and numerous networking opportunities.

FAQ resources

Following Minnesota's impactful 2023 legislative session, League staff did a deep dive into several new laws including earned sick and safe time and adult-use cannabis. To help answer your questions, League staff created webpages with frequently asked questions and continue to update as the laws and guidance change.



Grant Navigator helps jumpstart your project funding process

The Grant Navigator program provides funding to help your city with grant writing for local projects. Since launching in late 2022, the League has supported 59 projects in 61 cities, 90% of which are in Greater Minnesota. About \$300,000 has been invested to support applications that have returned over \$13 million in grants, spurring over \$70 million in projects for cities.

We've also been pursuing opportunities to augment the League's investment. During the summer of 2024, the McKnight Foundation made a \$200,000 award and the Margaret A. Cargill Foundation Fund at the Saint Paul & Minnesota Foundation made a \$100,000 award to the League, providing philanthropic funding over the next two years to increase Grant Navigator's reach.



Special programs to support accessible, inclusive communities

This year, education and resources were developed to help you create more accessible, inclusive, and accommodating communities for all residents.

2024 Safety and Loss Control Workshops focused on the Americans with Disabilities Act (ADA). The sessions covered common ADA issues in city buildings, navigating complex employee medical issues in the workplace, and how you and your city can go beyond the law's legal requirements to create more welcoming communities and workplaces.

The League's **5-day DEI challenge** aimed to make learning about diversity, equity, and inclusion (DEI) easy, accessible, and minimally time-consuming. Nearly 300 participants learned, engaged with, and gained practical tools to apply DEI in their lives and cities.



Advocating for Cities

Progress at the Legislature

Throughout the 2024 session, the League continued advocating for city priorities and interests, including efforts to improve existing laws related to school resource officers (SROs), adult-use cannabis, and earned sick and safe time. We also focused on securing funding and support for transportation, housing, and emergency medical services (EMS). Here's a closer look.

SRO resolution

In 2023, the Legislature updated laws on student rights and behavior. The amended law generated conflicting legal interpretations and caused confusion about when school resource officers (SROs) could use restraints or reasonable force. This uncertainty led some law enforcement agencies to end their SRO contracts with schools due to potential legal risks. Early in the session, we collaborated with various stakeholders to reach a bipartisan agreement clarifying SROs' authority.



Housing

Housing continues to be an important topic for cities across Minnesota and at the Legislature. During the 2024 legislative session, \$50 million was authorized for housing infrastructure. On the policy side, League staff and city leaders played a vital role in helping lawmakers better understand how limiting city zoning and land use authority could affect communities. Legislation like the "Missing Middle Housing" bill and the "People Over Parking Act" were not passed into law, allowing cities to continue making housing-related decisions that best serve their communities' unique needs.



EMS funding and task force

In recent years, communities across Minnesota have faced challenges with emergency medical services delivery. To address this, the League and other stakeholders formed a task force in fall 2023 and made it a priority to address this challenge legislatively and administratively.

Strides were made during the 2024 legislative session when \$24 million was secured for rural ambulance services and \$6 million for sprint medic pilot programs in Grant, St. Louis, and Otter Tail counties. Starting in January 2025, a new Office of Emergency Medical Services will replace the Emergency Medical Services Regulatory Board.

While these measures are a positive step, challenges in providing ambulance services remain. We will continue to work with the task force to find solutions for regional and statewide EMS issues.

Action at the federal level

Lead pipe replacement

Prior to spring 2024, cities had been prevented from replacing private lead service lines because the work would have had to be reported as taxable income against the property owner. In a major win for cities nationwide, the Internal Revenue Service issued formal clarification that work done by water service providers to replace lead service lines on private properties will not need to be reported as taxable income.

That announcement culminated a year-long campaign by the League, elected leaders, and other stakeholders to have that tax barrier removed to address the significant potential public health risks of private lead service connections.



Prioritizing Safety

One of the key responsibilities of cities is to keep residents and visitors safe. State law grants cities wide-ranging powers to maintain good order, protect property, prevent crime, and promote health and safety. The League is here to support you in these efforts. Here's how we have helped over the past year.

Public safety wellness

The League continues to prioritize the physical and mental well-being of police officers, firefighters, and other first responders. We strive to ensure our members' public safety personnel have the resources and tools they need to stay healthy and, if mental or physical injuries occur, they receive the care they need to get well and return to work. This year, we:

Helped cities navigate the new public safety duty disability law, which went into effect July 1, 2023.

Premiered an award-winning video, "Behind the Badge: Mental Wellness in Law Enforcement," in which police officers and chiefs shared their personal mental health challenges and recovery journeys.

Completed a pilot project with the cities of Moorhead, Madelia, and Chaska to implement a five-step public safety mental health action guide for city leaders.

Added resources to our online PTSD and Mental Health Toolkit, including updated information on suicide prevention, family support programs, retirement planning, and chaplaincy programs.

Cybersecurity

As cyberattacks against governments and businesses continue to make headlines, we have been busy helping cities prevent cyber incidents and prepare for what to do if an attack were to hit your systems. In addition to working one-on-one with dozens of city officials to help address specific cyber-related concerns, we:

Launched a seven-part "Cybersecurity for Cities" series of courses available through our MemberLearn online learning platform.

Created planning templates related to business continuity, disaster recovery, and incident response to help cities take inventory of the technology tools they need to function and develop plans to help recover after a cyber incident.

Piloted two full-day, in-person cybersecurity courses with the Norwich University Applied Research Institute, which received federal funding to deliver cyber training to government agencies.

iMPACT Project/ Benchmark Analytics

The iMPACT Project, conducted by Benchmark Analytics on behalf of the League of Minnesota Cities Insurance Trust, is a multi-year research initiative that is entering an implementation phase, characterized by expanded engagement and a deepening of existing research. Nearly 100 law enforcement agencies across Minnesota have been involved in the project, which aims to study best practices that can help law enforcement agencies reduce liability claims. In its third year, the project focused on:

Creating a long-term work plan focused on developing education and training materials for members based on the findings of our research.

Piloting new law enforcement engagement channels to broaden awareness of the iMPACT findings.

Advocating for adoption of evidence-based practices through collaboration with command staff.

Since 2023, the League has focused on supporting our staff through improved onboarding, professional development opportunities, and new strategic initiatives to better coordinate our work serving you.



BY THE NUMBERS 2023-2024

4M Fund

\$2.6 billion

Balance in the League-sponsored 4M (Minnesota Municipal Money Market) Fund cash management and investment program for municipal organizations

1,225 **LMCIT**

Members in the League of Minnesota Cities Insurance Trust

101  **cities**

Represented at in-person visits by League staff and board members

1.4 million

Unique views on the League's website

lmc.org

921 **MEMBERS** 

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

38

Members in the League's Business Alliance Program

REACHCITIES!

4,855 

Inquiries responded to on legal, human resources, technology, and financial topics

530 **MAYOR FOR A DAY**

Essay contest entries from 4th-6th grade students throughout Minnesota

25 **Legislators of Distinction** 

State legislators recognized by the League for their efforts in advancing city priorities



4,703 Members attended events

3,929



Courses completed in the MemberLearn online learning platform

376 

Minnesota law enforcement agencies participated in the Peace officer Accredited TRaining OnLine (PATROL) program

1  **New Clerk's First Aid Kit:**

A helpful guide for a city council if the city clerk unexpectedly leaves, or for a new clerk that does not have initial access to training

LMC & 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:

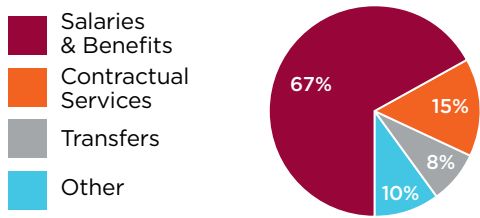
- Of the 855 cities in Minnesota in fiscal year 2023, 98% were members of the League.
- LMC, including the Building Company, had a net position of \$17.6 million and assets of \$27.5 million.
- The League's General Fund unassigned fund balance as of Aug. 31, 2023, was 35% of the following year's total budgeted expenditures and transfers, falling within the 25%-35% range set in the fiscal policies.
- LMCIT had a combined net position of \$215.2 million and assets of \$628.7 million.
- In December 2023, LMCIT distributed dividends totaling \$3 million to members of its property/casualty program, bringing the total amount of returned dividends since 1987 to \$366 million.

League members approve fiscal year change

At the League's annual business meeting in June 2024, members voted in favor of changing the organization's fiscal year to a calendar year starting in 2026. Due to this change, members will receive two invoices — one in September 2024 and another in January 2025 — to cover the 16-month transition period before the change goes into effect. Starting in 2026, members will receive one annual invoice each January.

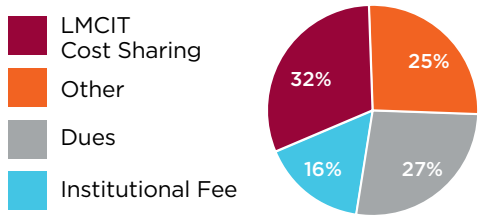
LMC GENERAL FUND EXPENDITURES & TRANSFERS

Total: \$12,722,194*



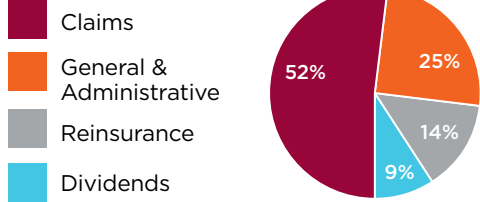
LMC GENERAL FUND REVENUES & TRANSFERS

Total: \$13,725,135*



LMCIT EXPENDITURES

Total: \$110,413,639**



LMCIT PREMIUM REVENUES

Total: \$165,121,831**



* LMC numbers are the most recent audited numbers from fiscal year 2023 (9/1/22-8/31/23).

** LMCIT numbers reflect property/casualty program financials as of 5/31/23 and workers' compensation program financials as of 12/31/23, the most recent audited numbers.

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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.



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lmc.org



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