

Board of Directors Meeting Minutes Thursday, October 10, 2024

This meeting was conducted in-person and by electronic means. The League used Zoom to conduct the virtual option for this meeting.

Members Present: Justin Miller (Lakeville), Wendy Berry (West St. Paul), Courtney Johnson (Carver), Jenny Max (Nisswa), Sharon Hanson (Marshall), Phil Kern (Delano), Julie Maas-Kusske (Maple Plain), Scott Neal (Edina), Audrey Nelsen (Willmar), Larry Odebrecht (Stillwater), Clinton Rogers (Janesville), Evan Vogel (Cambridge), Dan Buchholtz (Metro Cities)

Members Present Remotely: Emily Koski (Minneapolis), John Mulder (Hermantown), Jorge Prince (Bemidji), Pat Baustian (CGMC) and Brian Heck (MAOSC)

Members Absent: Hwajeong Kim (St. Paul)

Staff Present: Luke Fischer, Pat Beety, Kellie Sundheim, Ed Cadman, Anne Finn, Dan Greensweig, Mark Ruff, Lisa Schaefer, Julie Liew, Jen Wolf, Madison Hagenau, Ted Bengtson, Craig Johnson, Daniel Lightfoot, Beth Johnston, Nathan Jesson, Owen Wirth, Annie Coyle, Donyelle Mikacevich, Milt Ferris, Lisa Sova, Jenn Poppen, Amber Eisenschenk, Kara Coustry, Aimee Gourlay, Laura Honeck, Ari Bloom, Rachel Walker, Adriana Temali and Katie Davidson

1. Call to Order and Pledge of Allegiance (**Roll Call**)
2. Presentation / General Communications
 - 2.1 Introduction of new employee Gabe Johnson, Workers' Compensation Attorney
Ryan Zipf introduced new Workers' Compensation Attorney Gabe Johnson to the board. Welcome, Gabe!
 - 2.2 Recognition of Public Affairs Coordinator Don Reeder's 20th Anniversary and HR Manager Donyelle Mikacevich's 30th Anniversary
The board recognized these two significant anniversary achievements. President Miller thanked Reeder and Mikacevich for the dedication and loyalty to the League over their many years of service.
 - 2.3 Mayor for a Day – Julie Liew, Communications and Events Director
The League's annual Mayor for a Day contest is now underway and Julie Liew talked about the history of the program, and she encouraged the Board to promote the contest in their own communities. Last year we received 530 entries.
 - 2.4 DEI Presentation – Ari Bloom, Diversity, Equity & Inclusion Coordinator
Ari Bloom shared an update on the League's DEI work. She identified several goals set for both our internal and external DEI efforts and initiatives. The external goals

include providing networking opportunities for our members around DEI topics, like the themed networking held at the Annual Conference; providing learning resources to our members, like facilitation guides to help cities have productive conversations in their own organizations and new MemberLearn courses. She also noted that some of the internal goals will be centered around the work of the DEI team as they continue to plan engagement events and activities for staff, as well as sharing information to employees on various DEI-related topics.

Berry commented that she was very impressed with the DEI presentations and activities held at the Annual Conference and is excited about the opportunities for cities.

2.5 Collaboration Services – Aimee Gourlay, Collaboration Services Manager
Aimee Gourlay

Aimee Gourlay shared an overview with the Board on her collaboration services work. She noted that the main priority is to help cities manage disruption and work through the issues that keep them from working together as well as they could be.

She talked a bit about the history of her work and the different levels of coaching she provides to cities struggling with collaboration issues. She is currently working on Roles and Responsibilities education and facilitation with the Research team and hopes this work may help alleviate frustrations within a city before it gets to the point where they may need her services.

3. Approval of Consent Items

(All items listed under Consent, unless removed from Agenda in item 3, shall be approved by one motion)

- 3.1 August 15, 2024 meeting minutes
- 3.2 Minnesota Women in City Government (MWCG) donation
- 3.3 Report on Rationale for New U.S. Bank Account
- 3.4 Adopt a change to the LMC financial policies to authorize staff to administratively add accounts to a financial institution previously approved by the Board

Before the vote on the consent items, President Miller thanked member Julie Maas-Kusske and the MWCG organization for their monetary donation towards conference scholarships.

Buchholtz made a motion to approve the items on the consent agenda, seconded by Neal. Motion carried.

4. Discussion Items

4.1 Review of League of Minnesota Cities *Draft 2025 City Policies*

Noting strong participation by cities again this year, Finn pointed to the draft policies on the website and welcomed comments up to the November meeting at which time the Board will consider adoption of the League's 2025 Legislative priorities. The Board then heard from each committee on their respective policy recommendations as follows.

Improving Service Delivery Committee (blue packet, pgs. 7-84)

Chair Carly Johnson presented on the work of the Improving Service Delivery Committee. She noted that there are no new policies, no substantive changes to existing policies, and one policy recommended for deletion as follows.

Policy deletion recommended:

- **SD-45. School Resource Officers (pg. 49):** The 2023 legislature passed a law that created ambiguity regarding use of reasonable force toward students by school resource officers (SROs). This resulted in conflicting legal interpretations of the law. The League called for the legislature and governor to work with stakeholders including law enforcement, local government and education organizations to clarify laws pertaining to the authority SROs have in schools. The 2024 legislature passed a bill that provides the requested clarity, and the committee is recommending deletion of this policy.

Improving Local Economies Committee (yellow packet, pgs. 85-140)

Chair Steve Bot presented on the work of the Improving Local Economies Committee. He noted that they are recommending one new policy, substantive changes to three policies, and one policy recommended for deletion as follows:

- **LE-New A. City Cost Participation on State and County Roads (p. 140):** Cities with populations over 5,000 receive Municipal State-Aid (MSA) assistance to construct and maintain streets within the state-aid system. These cities often spend all or large portions of their MSA funds on significant cost participation requirements for state and county road projects. This means that cities often have no leftover funds to support the MSA system within the city, and local taxpayers must fully fund their own local roads and stormwater infrastructure. State and county cost participation policies do not consider unique factors including a disproportionate number of trunk highway lane miles in some communities, the high cost of some projects, or tax base challenges that may limit the financial ability of some cities to pay. This policy supports flexibility in, or exemption from, cost participation policies when a city cannot meet cost share obligations due to unique circumstances and calls for state funding to assist cities with cost participation.

Substantive changes recommended:

- **LE-9. Housing Policy (pg. 94):** The League's Housing Task Force recommended changes to reflect the Missing Middle Housing legislation considered in 2024. The changes clarify the League's position on zoning and land use reform. The addition supports policies that allow local leadership on zoning and land use, ability to tailor policies to individual communities and opposition to one-size-fits-all zoning and land use mandates on cities.
- **LE-14. Residential Programs (p.104):** The 2024 legislature passed a new statute that prohibits cities from imposing rental licensing requirements on certain licensed group residential settings (group homes). In recognition of the importance of cities' ability to ensure life safety standards for residents, the League's Housing Task Force recommended changes to LE-14, including language to repeal the preemption legislation. The Housing Task Force's

recommendation was later amended by the Improving Local Economies Policy Committee to support a “revision” of the legislation rather than repeal.

- **LE-16. Community Land Trusts (p.108):** In 2023 the legislature enacted a .75 percent property tax class-rate reduction for community land trust properties. The committee recommended the League support legislation that would provide parity for existing land trust properties with current 4d low- income rental classification (LIRC) units that receive a .25 percent property tax class rate.

Policy deletion recommended:

- **LE-34. Comprehensive Plans and Environmental Review (p.126):** Comprehensive plans are long-range guiding documents that broadly outline a city’s vision for development. Recent litigation had called into question whether comprehensive plans constitute conduct that is likely to have an environmental impact and are therefore subject to citizen lawsuits under the Minnesota Environmental Rights Act (MERA), which resulted in LE-34 being adopted by the LMC Board prior to the 2024 session. The League helped pass legislation during the 2024 legislative session that clarified that metropolitan area comprehensive plans approved by the Metropolitan Council are not required to complete environmental review, but that individual project environmental review requirements would not be affected. Because of this success, the recommendation is to delete the policy.

Human Resources and Data Practices Committee (pink packet, pgs. 141-185)

Chair Evan Vogel presented on the work of the Human Resources and Data Practices Committee. He noted no new policies, substantive changes to two existing policies and the recommended deletion of two policies as follows:

Substantive Changes recommended:

- **HR-2. State Mandates on Employer Leave Policies (p.142):** The committee recommended updating the League’s existing policy with a joint position on Earned Sick and Safe Time and Minnesota Paid Leave, the two new state laws that impose mandates on employer leave policies in the state. The new policy language supports minimizing legal mandates on employer leave policies, state funding that pays the full cost of any mandated employment-related expenditures, eliminating expensive duplicative legal protections and processes for public employees, and eliminating contradictory existing laws regarding public employment.
- **HR-13. Public Safety Duty Disability (p.158):** Following the implementation of the 2023 duty disability changes, the League has identified portions of the new law that should be clarified. The committee recommended adding provisions to ensure: adequate communication between employers, employees and the Public Employees Retirement Association (PERA); employees and employers are held financially harmless while an employee is receiving treatment; and employees are eligible for mental health treatment while they are still working, and they may continue to work while receiving treatment if they are able to work.

Policy deletions recommended:

- **HR-17. Tele-Health Exams (p.164):** In July 2023, the Board of Peace Officer Standards and Training adopted Minnesota Administrative Rule 6700.0675 (A) (2), which addresses the League policy by providing for in-person or virtual psychologist interviews as part of the police officer hiring process. The policy is no longer needed, and the committee is recommending deletion.
- **HR-18. Public Employees Retirement Association Police and Fire Plan Membership Eligibility for Fire Department Employees (p.165):** This policy was drafted to seek correction of an issue that made firefighters being promoted to department leadership positions such as fire marshal ineligible for the Public Employees Retirement Association Police and Fire (PERA-P&F) Plan. Legislation enacted in 2024 clarifies this issue and the committee is recommending deletion of this policy.

Improving Fiscal Futures Committee (green packet, pgs. 186-219)

Chair Sarah Rathlisberger presented on the work of the Improving Fiscal Futures Committee. She noted that the committee is not recommending any new policies, substantive policy changes or policy deletions.

After the committee updates, Finn asked if there were any questions. Vogel and Maas-Kusske noted some concern that some committee members were representing their own interests and not the interests of their city. Finn replied that the League could do some level setting before the committees meet next year and do reminders throughout the policy adoption process. The Board generally expressed a desire to set expectations with members ahead of next year's development process. The IGR team will also add a committee member section to their advocacy document.

Daniel Lightfoot provided a brief update on housing. He mentioned that the missing middle housing legislation will be coming back to the 2025 legislative session. He stated that we need significant resources to educate the state and public on this issue. He is concerned about what will happen if the League isn't in the room for discussions on the issue and what the second version of the bill will look like. We are intent on preserving local control on zoning and housing.

5. General Updates

5.1 Employer of Choice Update FY2025

Lisa Schaefer shared an update on the Employer of Choice strategies for 2025. The focus will be on recruiting, retaining and engaging top talent so that we continue to ensure we are the Resource of Choice for our members. She talked about some of the previous initiatives including a lump sum payment and a deferred compensation contribution.

In 2025, the program components are grouped into three strategic areas: culture, compensation and benefits. Cultural strategies include updates to our performance review and pay for performance process, as well as a renewed focus on leadership development for all supervisors of staff.

Compensation strategies will include 1) improving our market position, and 2) moving annual employee increases from September 1 to January 1 to align with the new fiscal year. Eligible employees received a 3% “Special Adjustment” compensation increase on September 1, 2024, to account for market changes and help in the transition to the calendar fiscal year. Regular annual increases for eligible employees will occur on January 1, 2025. Increases will range from 4.5% to 6.0% depending on an employee’s position within the salary range.

The benefits strategy includes the addition of employer paid long-term disability insurance and improving the affordability of health and dental insurance for all employees. Affordability of health and dental insurance will be accomplished by a combination of plan design changes, increased employer contributions, and continuing to incentivize wellness initiatives.

We are currently working on changes to sick leave/ESST to comply with changes to legal requirements. We will also move from a “maximum carryover” method of vacation to a “maximum accrual” method for vacation balances.

Neal asked about compensation and what organizations we use for comparisons. Schaefer noted that we use a consultant and pull data from both the public and private sectors.

Johnson was impressed with the update and noted that it is a positive offering of benefits.

5.2 Clerks Academy Executive Summary

Adriana Temali provided a quick review of the summary. The current Clerks Academy curriculum blends online courses along with a two-day in-person program. This September the program was offered in St. Paul and Staples, and we had 117 clerks attend. This was up from 109 in 2023. Over half of the attendees were from cities with populations under 2,500. 30 people have attended the training more than once as it provides a good refresher. This year’s program received high remarks and attendees ranked the opportunity to network with their peers as the most valuable part of the program. She thanked everyone involved in the planning, coordination and execution of the event.

5.3 Fall Forums Briefing

Fall Forums will be held October 21 – October 25. Adriana Temali also shared an overview of what topics will be covered in the seven webinars. The topics include digital accessibility, employment laws and working with unions, budget policy considerations in the current economic climate, elections, cybersecurity, the legislative process, and leadership strategies. By registering, you will receive an all-access pass that allows you to pick-and-choose which webinars you want to attend.

5.4 Fall Engagement Update

Madison Hagenau shared an overview of what is being planned for the fall visits this year. Over the next couple of months, Luke, and members of the executive committee along with IGR staff will be meeting with members around the state to hear about what is on the minds of our city officials. The insights we pull from these

visits is important as we use this data to determine topics for our future trainings. An update on these visits will be given to the board at a later date.

5.5 LMCIT

Dan Greensweig provided a brief update on what's happened in the Insurance Trust since the last meeting. He noted that the LMCIT board met recently and discussed rates and dividends for both Workers' Compensation and Property/Casualty. On the work comp side, the results are looking much better than predicted. Medical inflation was lower than expected and PTSD claims have been resolved for much less than anticipated. Rates will be reduced by 20% and trustees approved a \$5 million dollar dividend.

The board also worked on the Property/Casualty program and those program participants will see a reduction of 6% in rates and will share a \$3 million dividend.

Lastly, he noted that there will be two vacancies on the LMCIT board come March 2025. Dave Callister, Plymouth City Manager is stepping down because of term limits and Clint Gridley, Woodbury City Administrator is stepping down to focus on other professional obligations. Additional details on filling these vacancies will be provided to this board at a future meeting.

5.6 Legal

Patricia Beety reported that the Municipal Amicus Program (MAP) Board met recently and is recommending that we file an amicus brief in support of the city of Minneapolis in a second case involving a PTSD diagnosis. This case is like the recent Peterson vs. Minneapolis case. We will be filing an amicus brief in Rowe similar to our Peterson brief where we'll ask the supreme court to reverse the lower court and defer to the Legislature any policy decision to expand benefits. We'll once again point out the material steps taken by lawmakers last session that demonstrate the position that persons with mental illness can, and should be provided with treatment, and that many mental illnesses, including PTSD, are not necessarily a lifetime condition

She also noted that we are submitting written comments to the Post Board regarding their final draft of a model policy for School Resource Officers (SRO). After reviewing the policy, we found some significant problems with parts of the policy that veer from or modify the statute's language.

Beety will provide an update to the board on both items at a future meeting.

6. Affiliate Organizations Update

6.1 Coalition of Greater Minnesota Cities
No update provided

6.2 Minnesota Association of Small Cities
Heck noted that the association will be holding their fall board retreat in Perham on October 24-25.

6.3 Metro Cities

Buchholtz mentioned that their board will be voting on which policies will be up for adoption tonight and then on November 21st the membership will adopt those policies. Their guest speaker on the 21st will be Political Analyst David Schultz, who will share his perspectives on the elections.

7. President's Message

7.1 President Miller spoke a bit about the article he included in the packet on the importance of handwritten notes. He makes it a point to write notes to his staff on a weekly basis. He knows his staff appreciates the gesture because he can walk around and see them posted up in their offices and cubicles. He thanked board member Maas-Kusske for the note following the board retreat and board member Rogers for the beef sticks.

8. Executive Director Update and Adjournment

Fischer emphasized the importance of the November board meeting as the board will be adopting their legislative policies for 2025. He asked that the board members spend some time studying the policies and making sure they understand the issues, so we can have an effective meeting next month.

He also noted that there are elections coming between now and the next board meeting and wished everyone good luck in their race and are grateful for everything you do to step up and serve your community.

Respectfully submitted by:

A handwritten signature in black ink, appearing to read 'Luke Fischer', written in a cursive style.

Luke Fischer, Executive Director