



March 22, 2023

Chair Klevorn and Members of the State and Local Government Committee,

On behalf of the 837 member cities of the League of Minnesota Cities, we appreciate the opportunity to share written testimony regarding the League's positions on provisions contained in the HF 1826 DE1 amendment.

Medical exception in Open Meeting Law. The League, along with a coalition of local government entities, supports the limited medical exception to the Open Meeting Law in Article 3, Section 1 that will allow elected officials to fully participate in meetings via interactive technology from a nonpublic location up to three times in a year if a health care professional has advised them against being in a public place for medical reasons. This provision is narrowly crafted to provide limited flexibility for elected officials to navigate medical issues in their lives while managing the duties of their elected office.

Expanded investment authority. The League supports the additional investment authority for AA-credit rated local units of government in Article 3, Sections 2 to 4 and for the local government insurance trusts in Article 3, Section 5. Currently, cities and counties have a limited number of investment options such as U.S. Treasuries, highly rated U.S. Government Agencies, highly rated state and local municipal bonds, and certificates of deposit from banks that are FDIC-insured. These investments work well for short-term investments of a few months to a few years for purposes such as cash to pay operating expenses between the time a local government receives property tax payments. However, these fixed-income investments do not work as well for long-term investments such as when a city is setting aside long-term capital funds to pay for replacing a water treatment plant or for local government insurance pools who are paying workers compensation benefits to an injured employee over 15 years or more years. The additional authority included in this bill will allow cities to invest up to 15 percent of certain funds held for long-term capital plans with the State Board of Investment or in certain index mutual funds, similar to the authority currently provided to AAA-rated cities and would allow local government insurance trusts to invest similarly to the State Board of Investment.

Construction manager at risk. While the League does not have a position specifically on construction manager at risk contracts as included in Article 3, Sections 11 and 12, our adopted policies support broader use of alternative contracting and purchasing methods that streamline the process and reduce local purchasing costs. We appreciate discussion of municipal contracting laws and providing additional tools with the goal of giving cities more flexibility to provide quality goods and services at the lowest cost to taxpayers.

Native landscapes. Article 3, Sec. 10 requires cities to allow natural landscaping on any parcel. It does not allow a community without adequate training or staffing to restrict or prohibit those sorts of landscaping. It will be difficult for cities to discern with a street drive-by whether a property is a properly managed natural landscape or needs to be addressed as a nuisance. Local city councils are already able to allow natural landscaping based on their staff capacity and the input of local residents and a growing number of cities are doing this, but in manners that work best for their communities. This is not an issue that warrants the state removing local controls.

Municipal hotel licensing. While the League does not have an official policy regarding municipal hotel licensing, the League is generally supportive of Article 3, Sec. 13 as it aims to provide cities additional tools to respond to hotels that significantly overburden public safety due to criminal activity such as human trafficking, robberies, assault, and illegal drug activity. Some cities have sought individual legislation to achieve this authority, though other cities have reported similar challenges with certain hotels. This provision would allow cities to address bad actors that routinely place significant strain on public safety.

Compensation limit repeal. The League supports the repeal of the local government compensation limits in Article 3, Sections 14 and 17. Currently, this law, which is unique to Minnesota, limits the total compensation (salary plus certain benefits) for an employee of a political subdivision to no more than \$206,939 per year, beginning January 2023. The compensation cap not only directly impacts specific positions requiring expertise, educational attainment and experience such as chief administrative, technology and finance positions, in many jurisdictions the cap also results in salary compression challenges for other positions within the local government. The existing waiver process is not a solution to the issues created by the cap. The process is time-consuming, and decisions are not always timely. Despite local official's efforts to secure specific waivers, many past requests were deemed unnecessary, unneeded or approvals were authorized below the request of the jurisdiction creating immediate challenges for city and county employers. The League is asking to allow these important employment decisions to be made at the local level.

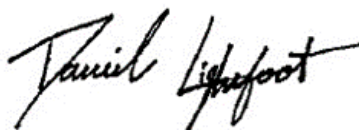
Sprinkler system reporting. The League appreciates the inclusion of the reporting requirements for high-rise multifamily buildings that do not have sprinkler fire suppression systems in Article 3, Sec. 16 so long as the reporting is paired with funding to address the retrofitting of buildings. The cost to retrofit these buildings is often cost prohibitive to property owners and we are hopeful that the reporting will better inform the legislature on the amount of state resources necessary to ensure that all high-rise multifamily buildings are equipped with life-saving sprinkler fire suppression systems.

We appreciate the committee's consideration of this letter.

Sincerely,



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