



We Want to See YOU at the Metro Cities Annual Meeting on April 20th!

Don't forget to RSVP for the upcoming Metro Cities Annual Meeting at the University Club in St. Paul on Thursday April 20! The event will begin at 5:30 pm with a social hour, followed by guest speakers Briana Bierschbach with *MinnPost* and Patrick Condon with the *Star Tribune*, and will wrap up with a brief (but important!) business meeting to elect members and officers to the Board of Directors.

All member city staff and elected officials are welcome and encouraged to attend! Please contact Kimberly if you have any questions; click [here](#) for more information. We look forward to seeing you all on April 20th!

RSVP to Kimberly at 651-215-4000 or Kimberly@MetroCitiesMN.org.

Legislative Update

Today marks the last day of legislative activity before the Legislature breaks for an Easter/Passover recess. Legislators will return to work on Tuesday, April 18. Most omnibus finance bills have passed the Senate and House, apart from the Health and Human Services bill being heard today in the House, an omnibus Capital Investment bill (House) and omnibus Legacy bill (Senate). Capital investment bills are not bound by committee deadlines.

As has been reported by the media, there are significant differences in legislative bills and the Governor's priorities, and policy and spending differences between Senate and House bills. Differences in House and Senate omnibus bills will be negotiated by conference committees that will be appointed and begin meeting after the legislative recess. Non-partisan legislative staff have begun the process of preparing "side by side" comparisons of House and Senate bills that will be used by conference committees.

Governor Dayton and minority leaders in the Legislature have begun to express concerns with the content of some omnibus bills and spending priorities and/or funding reductions in bills, including the level of tax reductions in the tax bill, cuts to state agencies in the State Government omnibus bill, and revenue sources and funding priorities in the House and Senate transportation bills. Governor Dayton indicated he will send a letter to legislators next week outlining areas of specific concern in the omnibus bills.

Below are legislative updates on specific bills and issues of interest to Metro Cities.

Small Cell Wireless Bill Update

A House floor amendment that would have added provisions from the small cell wireless bill [HF 739](#)-Hoppe to the omnibus House Jobs Bill, [SF 1937](#)-Garofalo were prepared but withdrawn for consideration by the author as the bill was debated Thursday. The language and bill preempt local control and management of rights of way regarding the deployment of small cell wireless equipment. The bill is strongly opposed by Metro Cities. The Senate companion bill did not meet legislative deadlines. Last week, the small cell wireless bill provision, which had been included in the omnibus Jobs bill, was stricken from bill as it was heard in committee. Metro Cities worked with other stakeholders to push removal of the provision, and is continuing to closely watch this

issue and be engaged in discussions on this bill with the LMC and others. Our chief concerns continue to be preserving the ability of municipalities to maintain local decision making authority and fully accounting for the costs incurred by cities in the maintenance of the public right of way.

House Jobs Bill Includes MIF/JCF Funds, Housing Cut, Restrictions on Local Control

The House passed an omnibus Jobs, Housing, Energy and Commerce bill, [SF 1937](#)-Garafalo on Thursday evening. The bill includes funding for economic development programs in DEED and housing programs in the Minnesota Housing Finance Agency as well as several policy provisions of concern to Metro Cities.

Funding restoration of the Minnesota Investment Fund and Job Creation Fund is a priority for Metro Cities this year and the bill funds MIF at \$12 million in FY 18 and \$11 million in FY 19. These numbers are lower than the \$15 million/year level the programs were funded at in 2015.

The Job Creation Fund would receive \$5 million both years under the bill, lower than the \$12.5 million per year Metro Cities is advocating for. A provision that would have restricted metro eligibility for JCF financing was removed during Thursday's floor session via an amendment from Rep. Kelly Fenton (Woodbury). Language in the bill would have excluded projects in certain counties based on low unemployment rates or higher average wages relative to the state average. Metro Cities advocated to have the language removed, and appreciates Rep. Fenton's efforts to have this provision stricken from the bill.

Two specifically named projects in the bill would directly receive MIF funds; \$4 million for the DigiKey expansion in Thief River Falls and \$750,000 for a waste to energy project in Inver Grove Heights and are included in the MIF appropriation for FY 18. The bill also includes language allowing cities with MIF revolving loan funds a one-time exemption from the MIF restrictions. A city would pay a twenty percent penalty for the state if it chose to use its loan funds in this way.

The House bill does not fund the Redevelopment Grant Program, which received \$2 million in 2016. The program currently does not have any funds left after last month's grant awards. Metro Cities is requesting \$10 million for the biennium. The bill also funds the next round of broadband grants with \$7 million.

Appropriations for the state's equity initiatives would change under the bill. Rather than making targeted appropriations, as was done in 2016, DEED would run competitive grants under the Pathways to Prosperity program, which is funded with \$9.2 million from the Workforce Development Fund and \$10 million from the general fund, over the biennium.

Several workforce programs are funded in the bill, including the Job Skills Partnership at \$4.2 million per year.

The Housing Challenge Program is funded in only the first year of the biennium, at \$13 million. Metro Cities and housing advocates have called for funding in FY 19 for the flexible fund, which supports single family, multifamily, owner-occupied as well as rental housing. Funds for housing rehabilitation, home ownership, supportive housing and homeless prevention are included.

Several policy provisions of concern to Metro Cities are included. Among these are language preempting local governments from prohibiting consumer plastic bags, and a provision that erodes local control over the negotiation of local housing goals with the Metropolitan Council by requiring legislative approval of housing goals. The bill also requires legislative approval of the Met Council Housing Policy Plan.

This bill also includes a provision from [HF 330](#) that makes changes to interim ordinances. An amendment to remove the two-thirds language failed. Metro Cities has been working with the LMC on this issue; the LMC at this point is neutral on the language included in the bill.

A provision that would preempt local right of way and other controls regarding the deployment of small cell wireless equipment was removed from the bill last week. This provision was strongly opposed by Metro Cities and a coalition of local government associations that worked to have the provision removed.

Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Private Inflow-Infiltration Funding Included in House Legacy Bill

Funds to assist with private inflow-infiltration mitigation on private properties was included in the House omnibus Legacy bill as it was heard in the House this week. \$500,000 from the Clean Water Fund, proposed by Rep. Rick Hansen-West St Paul, is appropriated to the Metropolitan Council for this purpose under the adopted amendment. Metro Cities is reviewing the language of the amendment, which as proposed differs from established criteria for reducing I/I and no longer specifies that the funding is metro-specific. Metro Cities will work with Rep. Hansen and a conference committee on the Legacy bills once meetings are underway. \$2.5 million is also included in the Senate capital investment bill for inflow-infiltration mitigation efforts on local public infrastructure, for which Metro Cities has also advocated.

Minnesota Investment Fund to Receive Legislative Audit

The Legislative Audit committee this week approved a slate of topics to be reviewed by the Office of the Legislative Auditor (OLA) over the next year. Statutes require an economic development program to be included and the committee chose the Minnesota Investment Fund for review. Evaluation issues may include reviewing job and investment goals by companies which use MIF financing, regional distribution and benefits of MIF awards, and monitoring and administration of MIF funds by DEED and local governments.

Cities across the metro have applied for MIF loans to support dozens of economic development projects in their communities. MIF was cut by \$6 million at the end of the 2016 legislative session and Metro Cities is advocating for funding restoration this year. More information on the audit can be found on this [OLA fact sheet](#).

Other topics were also selected for review by the OLA: Guardians Ad Litem program, Office of Health Facility Complaints, Voter Registration, and Duplicative Agency Functions/Early Childhood Screening Programs. In addition, there will be an initial evaluation of the viability of studying the Board of Animal Health. There was concern from some legislators that topics with the most votes in the survey of legislators were not being selected for evaluation.

Metropolitan Council Environment Services (MCES) Customer Forum

MCES officials held the first of two customer forums on Thursday and will hold a second forum next **Thursday, April 13, 1:30PM to 3:30PM at Golden Valley City Hall at 7800 Golden Valley Road. City officials received notice of these sessions from MCES. The forums include an overview of MCES and insights into the MCES budget process and the “why” behind MCES services and fees.**

Last year, Metro Cities requested, in addition to the customer budget forums conducted in late spring and early summer, a customer forum geared to elected officials, managers and finance directors, to address budget and wastewater rate concerns and questions. The customer forums

this year are again in addition to the budget forums that will be conducted in a few weeks.

At the forum MCES staff noted that they had heard last year that city officials wanted more tools, more online access and more communication, including accessible one-page documents on topics and explanations of charges, as well as more regular communication that could help facilitate coordination on capital projects.

A copy of the power point used for the forum can be found [HERE](#).

During the forum, MCES officials noted that debt service is the primary reason for recent increases in the wastewater charge and that 85% of MCES' capital improvement plan is on preservation. MCES officials indicated that the proposed wastewater charges for the next few years will be in the 5-7% range, and then proposed to decrease to less than a 4% increase. Rates will be formally adopted by the Metropolitan Council in late July.

To RSVP for next week's forum, please contact Kris Hess at kristin.hess@metc.state.mm.us or 651-602-1016.

Bill Introductions of Note

[H. F. 2590](#), (Cornish) A bill for an act relating to public safety; prohibiting a local governmental unit from dissolving a law enforcement agency without a referendum.

[H. F. 2592](#), (Nash) A bill for an act relating to local government; requiring notice of certain ordinances and resolutions; requiring an economic analysis on the impact of licensed businesses and local or state tax revenue.

Metro Cities News is emailed periodically to all Metro Cities member mayors, councilmembers, city managers and administrators to keep officials abreast of important metro city issues. This information is also intended to be shared with city staff.

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Metro Cities 145 University Ave W., St. Paul, MN 55103-2044 Phone 651-215-4000 Fax 651-281-1299
www.MetroCitiesMN.org *...click for full article*