

January Update Shows Dip in Anticipated State Revenues

[The January Revenue and Economic Update](#)

The most recent update shows revenues at \$102 million, or 2.7%, below what was forecast for November and December 2018. MMB cautions that any monthly update can vary due to the timing of various tax collections.

The November 2018 forecast, one of two complete budget and revenue forecasts prepared annually by the Office of Management and Budget (MMB), projected a \$1.5 billion budget balance. The next complete forecast will be released at the end of February and will be used by the Legislature and Governor to enact a biennial budget. Governor Walz must submit budget recommendations to the Legislature by February 19, 2019.

2019 Legislative Session

The 2019 legislative session is completing its second week, and several legislative committees met this week, mostly to hear informational overviews. The House Local Government Subcommittee has asked Metro Cities to provide information on the organization next week.

Specific legislative updates are below, as well as what will be a weekly “Bills of Note” that shows recently introduced bills of interest to metropolitan area cities.

Federal Government Shutdown

On Monday, the House Ways and Means Committee heard from MMB (MN Management and Budget) Commissioner Myron Frans regarding the federal government shutdown and implications for the state of Minnesota. Commissioner Frans noted one quarter of federal departments are affected, including the Departments of Commerce, Justice, Homeland Security, HUD, Agriculture, the FBI, IRS, and others and informed the committee that Minnesota receives \$1 billion per month from the federal government. The commissioner noted MMB has a process for preparing and planning for any shutdown. Questions from members centered on how the state might fill funding gaps and on whether the state would be reimbursed for any funding it provides during the shutdown.

Governor Walz held a press conference this week at which he stated he is interested in having the state try to address some of the gaps in funding until the shutdown is resolved. The Governor said Minnesota is prepared to address some program funding through February, but that after this date, any funding would need to be appropriated through the Legislature. What might be covered and through what funding sources is not yet clear. Metro Cities will continue to monitor the state’s response to the shutdown. Below are a few links to articles for city officials provided by the National League of Cities:

- [Unending Shutdown is Uncharted Territory for Cities, Towns, and Villages](#)
- [How the Prolonged Shutdown Will Affect Your Local Economy](#)

Legislative Transportation Committees Hold Hearings

House and Senate Transportation Committees held informational hearings this week. The Senate heard a presentation by Frank Dohma from the Humphrey School on the future of transportation in Minnesota as well as from Kristin White, the Connected and Automated Vehicle Innovation Director at MnDOT. Both presentations focused on how connected and automated vehicles may change transportation dynamics. Director White also shared the work of the Governor's Advisory Council on Connected and Automated vehicles. A key take-away for legislators was that change is happening slowly, and that the impacts on infrastructure and congestion are difficult to predict with a high level of certainty.

The House Transportation Committee heard presentations by House Research staff and MnDOT. New Commissioner Margaret Anderson Kelliher also presented to the committee. MnDOT staff said the trunk highway system faces an \$18 billion shortfall over the next 20 years, with \$21 billion expected using current revenue levels, and \$39 billion in expected need. The current 10-year funding gap stands at \$6 billion. The Commissioner conveyed that transportation funding is necessary to ensure the state does not fall further behind.

Metropolitan Council Nominating Committee

As Metro Cities reported last week, a nominating committee for the Metropolitan Council has been named, and interviews with applicants will be conducted starting in late January. The nominating committee consists of 12 members, five of whom are ex-officio. State laws specify a seven-member committee. Metro Cities has supported legislation for an expanded nominating committee with a majority of local officials. See [Metro Cities January 11th newsletter](#) for a list of committee members.

Dates and locations of interviews for applicants are below. Names of finalists will be made public on the Metropolitan Council's website. Applicants selected to be interviewed will testify at one of four public meetings:

Date	Council District	Location	Time
Jan. 29	1, 2, 9, 10	Blaine City Hall	6:00 pm
Jan. 30	11, 12, 13, 14	Oakdale City Hall	6:00 pm
Feb. 12	3, 4, 15, 16	Savage City Hall	6:00 pm
Feb. 13	5, 6, 7, 8	Minneapolis (TBD)	6:00 pm

Several bills are introduced that would modify the nominating process, including a bill initiated last year by Metro Cities to expand the nominating committee size from seven to 13 members and provide for a majority of city and county officials appointed by Metro Cities and the Association of Minnesota Counties, respectively. Other bills also expand the size of the committee and adjust its makeup. A bill requiring local governments to approve the members of the Metropolitan Council has also been introduced. No bills are yet scheduled for hearings. Metro Cities has listed these bills in the Bills of Note sections of this newsletter as well as last week's newsletter.

TAB Selects Regional Solicitation Projects

The Transportation Advisory Board (TAB) approved Regional Solicitation projects at their meeting on Wednesday. The Regional Solicitation is the method by which federal transportation dollars from the Surface Transportation Block Grant Program and Congestion Mitigation Air Quality

program are allocated within the metro area. The funding was distributed among roadway, transit and travel demand management, and bicycle and pedestrian projects.

A total of \$199.75 million in total projects was approved. Of this amount, \$109 million went to roadways, \$52 million went to transit and travel demand management projects, and \$31 million went to bicycle and pedestrian projects. \$4.585 million was also approved for two unique projects, with \$4 million going to car share project in St. Paul and \$585,000 for the Regional Travel Behavior Inventory.

To view selected projects, click [here](#).

Metropolitan Council Holds Public Hearing on Rogers Wastewater Plant Acquisition

This week, the Metropolitan Council Environmental Services (MCES) hosted an open house and public hearing on the Council's plan to acquire the Rogers Wastewater Treatment Plant (WWTP). The acquisition of the plant is part of the 2040 Water Resource Policy Plan and is identified in the City of Rogers 2030 Comprehensive plan. The city formally requested acquisition in October 2018.

Under the proposed plan, MCES will acquire and operate the plant. Planning for a new Crow River Wastewater Treatment Plant will begin in 2020, with operations beginning in 2030. MCES will operate the current Rogers WWTP until it is decommissioned in 2031. Staff have determined that the costs to acquire and operate the Rogers WWTP will be cost neutral over 10 years.

The public comment period for the plan is open until January 24th. Comments can be submitted online [here](#). Comments can also be sent via email to anna.bessel@metc.state.mn.us or by phone at 651-602-1125.

Appointments to TAB and Metro Cities Board of Directors

The Metro Cities Board of Directors Executive Committee on Monday appointed two city officials to fill the vacancies on the Transportation Advisory Board (TAB). The TAB qualifies the region for federal transportation funds and is a participant in transportation planning and funding in the region. Myron Bailey, Mayor of Cottage Grove, and Mark Windschitl, Mayor of Chaska, were appointed to fill the two open seats. The Metro Cities Board of Directors ratified the appointments at their January 17th meeting.

The Metro Cities Board of Directors had a vacancy for the seat held by Bob Stewart, former Councilmember of Edina. As the vacancy occurred more than 60 days from the annual process for electing members, the Board is required to fill the seat. On Thursday, the Board appointed Jason Gadd, Councilmember in Hopkins, to the Board. Mr. Gadd will complete the remainder of the 2-year term for which he has been appointed and will then be eligible for an additional 2-year term.

Bills of Note

[HF 33](#), Poston: Bill adds service cooperatives to the definition of local government units.

[HF 40](#), Dehn- Bill restores voting rights to those convicted of a felony who have completed their sentence.

[HF 45](#), Schultz- Bills provides for automatic voter registration of applicants for a driver's license, instruction permit, or state identification card.

[HF 54](#), Norne's- Bill expands the requirement for notification of data security breaches.

[HF 59](#), Dettmer- Bill appropriates \$6 million for the safe routes to school grant program.

[HF 68](#), Hertaus: Bill transfers transportation planning functions from Metropolitan Council to MNDOT.

[HF 94](#), Vang: Bill increase the number of voters an individual may assist in marking a ballot

[HF 98](#), Hornstein: Bill requires the Metropolitan Council to provide special transportation service in Lakeville.

[HF 100](#), Frieberg: Bill appropriates funds for street and highway intersection improvements in the city of Golden Valley.

[HF 106](#), Lucero- Bill requires state and local governmental entities to comply with the enforcement of state and federal laws governing immigration and provides for certain duties of law enforcement and the courts.

[HF 107](#), Lucero: Bill prohibits cities with a municipal liquor store from denying a liquor license on the basis that there is a municipal liquor store.

[HF 117](#), Grossell: Bill reduces local government aid to cities that pass sanctuary city ordinances.

[HF 132](#), Masin: Bill would require state agencies to involve local units of government, including cities, in user acceptance testing if they are impacted by new information technology business software.

[HF 162](#), Green: Bill would limit the amount a public agency, including a city, may pay to acquire real property or an interest in real property to the county assessed value.

[HF 171](#), Koznick: Bill extends the Metro Mobility service area.

[HF 173](#), Kunesh-Podein: Bill appropriates money for improvements to a segment of marked Trunk Highway 65 in Columbia Heights.

[HF 191](#), Hornstein: Bill requires election of Metropolitan Council members.

[HF 192](#), Masin: Bill provides staggered terms for Metropolitan Council, expands the membership of the nomination committee, requires additional information to be made publicly available as part of the selection process, clarifies council member qualifications, requires new advisory committee.

[HF 195](#), Lee- Bill would require Met Council prioritize bus upgrades to areas with poor air quality.

[SF 93](#): Kiffmeyer: Bill transfers and appropriates money for purposes of the Help America Vote Act.

[SF 97](#), Bigham: Bill allows early termination from the metropolitan agricultural preserves program.

[SF 101](#), Goggin: Bill appropriates money for the business competitive grant program.

[SF 124](#): Isaacson: Bill provides for automatic voter registration of applicants for a driver's license, instruction permit, or state identification card.

[SF 156](#): Ruud: Bill includes service cooperatives in the definition of local government units.

[SF 163](#): Marty- Bill would require the Metropolitan Council and greater Minnesota transit systems to reduce transit fares to 25 cents and would appropriate an unspecified amount of funding to compensate for the loss of transit revenue.

[SF 169](#): Laine- Bill appropriates funding for aquatic invasive species grants to local governments, including cities.

[SF 211](#): Senjem- Bill would credit a surcharge on vehicle parking violations to highway user tax distribution fund.

[SF 214](#): Hoffman: Bill modifies tax increment financing authority for the city of Champlin.

[SF 231](#): Dibble: Bill would restrict state and local officials from cooperating with federal immigration enforcement efforts.

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