

**INVER GROVE HEIGHTS SPECIAL CITY COUNCIL MEETING  
MONDAY, JANUARY 14, 2019- 8150 BARBARA AVENUE**

**1. CALL TO ORDER and 2. ROLL CALL**

The City Council of Inver Grove Heights met in a special session on Monday, January 14, 2019, in the City Council Chambers. Mayor Tourville called the meeting to order at 5:30 p.m. Present were Councilmembers Piekarski Krech, Bartholomew, Perry, and Dietrich; City Administrator Lynch, City Attorney Kuntz, Administrative Services Coordinator Isaacson, Community Development Director Gundlach, Finance Director Smith and Parks and Recreation Director Carlson.

**3. LEGISLATIVE MEETING**

City Administrator Lynch stated that annually, the City invites our Legislative teams and Lobbying individuals and Organizations to come before the City Council to speak about the Session and what they see happening. This provides an opportunity for the Council to ask questions. The City of Inver Grove Heights Legislative positions and initiatives are included in the Council packets and the information is the same as they are in other Organizations. He mentioned items to note would be the Bonding Bill Effort and the Rich Valley Trail information.

Craig Johnson, League of Minnesota Cities, stated that he is a part of the Lobbying team for the League. He referenced a color handout that has priority items that were selected by their Board of Directors and stated that Policies are available on the Website at LMC.org. He stated that his role covers land use and environmental issues.

He explained that the State will be adopting budgets for its State Agencies. Overview Sessions began today with various Committees bringing in State agencies to explain what each Division does and how they are funded. He stated that the House of Representatives in the State Legislature changed leadership in the last Election, the majority switched to Democrat. There are all new Committee Administrators, Committee makeups, and 39 new members of the House of Representatives. He stated, for example, that he went to the new House Water Subcommittee, where they went through all State Agencies that regulate water and what each one does. This included waste water, drinking water and stormwater. That will continue with the Met Council's role on water two weeks from now.

He stated that the issues on their highlighted list are ones they feel they need to put effort into. He commented that he would be working on the water policy. He stated that all of the State Agencies that do our programs and Permits for water have their budgets up. There may be aggressive proposals to increase fees on Cities on stormwater to finance the State Agency work, which is not currently funded by fees. There is not an annual stormwater fee on stormwater permits. He commented that he would keep the Council informed as they go through the Session. He stated that if they are making changes to staffing or funding, that we maintain or improve the services cities say they are needing such as technical support on permitting issues, on land use planning and zoning issues where Agencies have some part on environmental review.

Mr. Johnson stated that there is a Hearing this week on his other issue, Urban Forest Management. There are substantial requirements in cities for managing public rights of ways and Parks for forest health and for helping Communities deal with forest health on private properties. He stated that Emerald Ash Borer is becoming a bigger issue that is spreading quickly in the State and there could be some funding coming for that. He commented that there is a hearing in the Senate this week to start that discussion. He stated that the idea would be to have a pot of funds available, perhaps \$5 million dollars, to be used as a Grant pool. This would be for a Community who says that they need to update their inventory or to replace trees for a certain number of acres. He stated that they would give out what that cities budget would be, the in-kind

matching and ask the State how they can get funds for those cities. He commented that they previously had one-time dollars in the amounts of \$3 million dollars and \$2 million dollars, which went out instantly. They are hoping to get that funded again.

He stated that his Director, Gary Carlson, has said that he does not have an optimistic outlook for getting a quick solution on Federal Tax Conformity. There are too many strings attached to other issues. He stated that what there is of a one-time surplus will probably be heavily committed to addressing that when it is done. He commented that it's rare in a budget year that everything has finished without having to go to a Special Session.

Daniel Lightfoot stated that this is his fourth week at the League of Minnesota Cities. He will be covering housing and telecom issues. He stated that of the \$1.5 billion-dollar surplus that was forecasted, some is earmarked for Federal Tax Conformity. That amount also has a lot of one-time money in it and does not account for inflation. He stated that one priority, which he will be covering, is broadband connectivity in the State of Minnesota. Both the House and Senate dropped Bills this week as part of their Top Ten Priorities to fund the Border to Border Broadband Grant Funding Program through the Offset Broadband Development and DEED, for \$70 million dollars over the next biennium. He commented that this is consistent with the Governor's Task Force's recommendation and something that the League will continue to support. He stated that they would connect Communities that are unserved and bolster those Communities that are underserved. That program will get Communities to the point of meeting our State-wide Broadband speed goals. This would be for 100 mega-bits per second download speeds and 20 upload speeds.

He stated that another telecom issue is currently happening at the Federal level for Small Cell Wireless issues. That work was done in 2017 to create State Legislation for small cell wireless issues. The order for the small cell wireless facilities deployment and placement is currently in effect as of today. He stated that some of the policies in that order would directly preempt what was worked on in 2017 in regard to esthetic standards and time that local government can take to review applications for small cell wireless citing and for macrocell citing and public rights of way. The National League of Cities and the League has provided comments in opposition to items outlined in the order. He stated that they will provide their members with guidance on how to navigate what is going to be required of cities.

He stated that the Telcom space is the advanced notice and proposed rulemaking for the in-kind contribution deductions when it comes to cable franchising fees. The FCC issued an advance notice stating that they are mulling over allowing cable companies to deduct in-kind contributions from the 5% cable franchising fee that goes to local Governments. He stated that could include extended channel capacity and some things that the local Government would negotiate with a cable company could be included in that deduction. He commented that this has some negative implications when it comes to PEG channels. This is something they are following closely.

Mr. Lightfoot stated that they are focusing on identifying more tools for local Governments when it comes to leveraging public and private dollars for spurring development of affordable and workforce housing. This means supporting programs that are run through MHFA. He stated that they would be supporting increased funding for the Challenge Program and utilization of programs like a potential tax credit contribution fund that could be leveraged by local governments. He stated that there could be some State match dollars for local housing trust funds.

He stated that another item was their continued work on the sales tax exemption on construction materials. In 2013 the exemption was put in place, but the process for getting that exemption was onerous and they are continuing to push to simplify that process. And also, extending that sales tax exemption to all local government purchases.

Mr. Johnson stated that there is a listing of the Leagues Government Relations Staff and the areas that they cover are in the handout. He encouraged the Council to call anytime. He stated that any of them could volunteer to be on a Policy Committee if they are interested. There are three half day meetings during the summer, one in July, August, and September. He commented that there are four topic areas, and that they would appreciate their involvement.

Patricia Nauman, Executive Director of Metro Cities. Metro Cities represents Cities across the metro area. They represent Cities not just at the Legislature and Executive Branch, but also at the Metropolitan Council. She stated that Metro Cities works closely with other City organizations and partners. The House has changed from Republican to Democrat, with numerous new members. It is their job to get to know them, the new Governor, and the new Administration. She stated that there are over 80 Policies that are lobbied at during the Legislative Session, those are then narrowed down to a slate of priorities. She stated that Metro Cities identified a few priorities for the Legislative Session, one being transportation. This would be for trying to secure money for City streets, in any type of comprehensive transporting funding bill. She stated that transportation funding is a long term, complicated issue. There is usually agreement on the need for funding, but rarely agreement with how to go about it. She stated that the priorities that Metro Cities had identified focus on support for increased funding for MSA (Municipal Street Aid) Cities, funding for a small Cities account to address the needs of Cities that do not qualify for MSA funding, and creation of a large Cities funding account to address street needs for Cities not covered by MSA formulas. She stated that priorities identify the need for structural solutions and resources to support transit systems throughout the Metro area.

She stated that housing is a priority for Metro Cities. They have identified the need and support for additional tools, resources, and funding in various ways. This includes affordable housing, life cycle housing, and other housing local communities need. She commented that there was a lot of discussion last summer about the need for funding and the lack of housing and how to fund. Be it from regional sources, or dedicated sources. She stated that the Organization continues to support having the resources that traditionally come from the State to continue to come from the State in a sustainable adequate way.

She stated that they support to restore funding for the Minnesota Investment Fund and the Job Creation Fund. Those funds were restored and they make sure that those funds are funded adequately. She stated that Metro Cities will also be initiating Legislation to support funding for Inflow and Infiltration Mitigation. Inver Grove Heights does qualify for that funding. She stated that if they are able to secure funds, and there are eligible repairs, this City would be eligible to apply for that funding. She stated that there is secured money from past Bonding Bills, and that last year they received \$5 million. The problem is significant on the public side with the local public system and private homes. She commented that getting State funding for private property mitigation is difficult but they will attempt to get funding again this year.

Ms. Nauman stated that construction and sales tax exemption is a League initiative and is something that Metro Cities supports. She commented that another Metro Cities priority is that they maintain local control and decision making. They are watching the wireless issues and transportation network companies.

She stated that Emerald Ash Borer is something that the Organization supports. They have a position that represents Cities at the Metropolitan Council. She commented that Metro Cities does have a position that supports stagger terms, an expanded Nominating Committee, more local input into the process for selecting members, and more sunlight and transparency in how members are selected. She stated that the organization opposes local officials serving on the Metropolitan Council.

Katie Sun, representing the Municipal Legislative Commission (MLC), stated that MLC is a subset of Metro Cities. It consists of 17 suburbs, those tend to be larger suburbs with more of the commercial/industrial property tax wealth. She stated that they support about 99% of the same issues as the League and Metro

Cities. They advocate for boosting the circuit breaker and other programs that potentially help low income tax payers that are in more property wealthy areas. She stated that another issue they track is fiscal disparities. Most of the Cities and MLC are contributors to fiscal disparities, if there are Legislative proposals to change that, MLC has not supported using those funds for other types of projects or funds.

She spoke about items that they follow such as transportation funding and being regionally balanced. Having a transit component as well as the small cell changes. She stated that the League has taken the lead on that Federal issue and that there were proposals at the State level. Last year there was a proposal to cap the fees that Cities can collect. She commented that it will be interesting to see how these Bills play out.

She stated that she brought a copy of the MLC Legislative Program as well as a paper copy to their Legislative breakfast. She commented that the date for the breakfast has been changed and will now take place on Friday, February 15<sup>th</sup>.

Ms. Sun stated that she has been helping with two cities priorities. The first is Argenta Trail. She commented that last session they successfully received approximately \$6 million dollars for that project. She stated that the Mayor and City Administrator Joe Lynch were at the Capital frequently on that item and she congratulated them as it does make a difference. She stated that there is one language tweak and commented that if there is a Bonding Bill and that she hasn't heard any pushback on it. She stated that it was about making sure that the scope of the project matches what Dakota County would like. It was some additional blocks that they wanted to include when they finished the scope. She stated that they are talking to Legislators to make sure it gets into the Bill, if there is a Bonding Bill.

She stated that the other City priority was the construction sales tax exemption for the Fire Station. The Fire Chief, Mayor, and the City Administrator, testified and spoke to Legislators about the need for updating that Station and having it in a good location for residents.

She stated there was a tax bill, but the tax bill was vetoed for other reasons. She commented that even though it was vetoed, it is a good indication of support for this session. She stated that Senator Klein and new Representative Ruth Richardson will be the Chief Authors. They have had the Bill drafted and are working on getting some Co-Authors.

Joel Carlson stated that he owns a Legal Research and Government Affairs business located in St. Paul. He stated that he represented the City of Inver Grove Heights on a specific issue since 2013. This was regarding what to do to compensate the City when there are declining waste deliveries to the landfill which extends the life of the landfill and reduces the amount of Host Community Fees that cities like Inver Grove Heights and Burnsville receive. He stated that their response to that was to go to the Legislature with this problem and in 2013, the Host Community Grant Program was established. It appropriates \$875,000 each year of the biennium to cities that host landfills in their Communities to offset the loss of revenue received from the declining waste and help them with development in their Cities as they know how difficult it is to redevelop land around landfills. He stated that they got the Legislative to fund that program again in 2015 and 2017. They hope to get that funding again this year. He stated that this is base level funding established in 2013 and should be in the Governor's budget recommendation. He commented that there are two new committee Chairs this year. The program has been beneficial, the City has used the funds for good public purpose.

Mr. Carlson responded that both Cities approach the problem jointly. Both are experiencing the same decline in Host Fee Revenue, but also the extended life of the facilities. He stated that it has been a good program but has a different impact on those Communities.

Mayor Tourville stated that the Press Core met with the Governor, the House and Senate Minority and Majority leaders this morning. One of the issues that has been around for awhile is hands-free cell phone use and to get bipartisan support, the type of penalty still needs to be worked out. He stated that the DFL supported it completely last year, but this year they have some Republican Senators as Authors.

Ms. Nauman agreed that this has been spoken about for a while with some Bipartisan support.

Mayor Tourville summarized other topics and stated that Election Rules were discussed. Early voting, Veterans, and Felony Conviction of Early Release. Also mentioned was Budget and Bonding and that there were no guarantees that there would be a Bonding Bill, though they think there may be a small one. He stated that there was some discussion on the conformity between the Federal and State and why they didn't do it last year. It was stated that it is a \$600 million dollar hit to the State of Minnesota. He commented that Social Security came up as there are several States that are deciding not to tax Social Security, which is a cost of \$300 million.

He stated that it was reassuring that the Federal Government has said that taxes are still being done. Some people have been getting refunds every year with the same implications and the same job. They were looking at the possibility of no refund, depending on taking deductions or not, as well as Federal and State. He commented that this is a topic that would probably have a lot more discussion.

He stated that there was also discussion that by the time things get done, and as long as the Federal Government is partially closed, the \$1.5 billion will get used quickly. He commented that he had heard it was about \$1 billion dollars a month that the State of Minnesota gets from the Federal Government.

Mayor Tourville stated that the Governor's Group met over the weekend and should have information by the end of the week with some areas that may be challenged. Questions could be if the money doesn't come in where is it coming from. He commented that every State is looking at it.

He stated that the News Core was well represented, both Minority and Majority from the House and the Senate. The House has had more of a change with 39 members and from going from GOP to DFL and having the only State House that has a split.

He stated that another item that kept coming up was to remind the Senate that everybody is up for Election in 2020.

Mayor Tourville stated that they take a look at the groups they work with frequently. The MLC, Metro Cities, The League and The Trust. He commented that this helps the City through issues. Both deal with the Metro Council. He asked if there were four or five vacancies within the Metro.

Ms. Nauman responded that the entire Metropolitan Council needs to be appointed. A Nominating Committee to recommend members of the Metropolitan Council has been named. She stated that there will be four interviews with four times/dates, that they will interview candidates. There are over 150 applicants to serve on the Metropolitan Council, which is a large number. She stated that the Nominating Committee, under the Dayton and Pawlenty Administration, had all local Officials serving on it. It is a seven-person Committee as required by Law. She stated that the Governor expanded the size of the Nominating Committee, which is something that Metro Cities supports. They did it with Ex-Officio members to get around the constraints of the Statute. She stated that Committee is not a majority of local Officials which is what they support, but that five of those members are Ex-Officio. There are some current members who have applied to remain on the Council. She stated that she would be publishing more information and reminders of those meeting dates and times in the coming weeks.

Mayor Tourville stated that he is one of the seven members on that Nominating Committee.

Councilmember Piekarski Krech commented that some areas have more candidates than others such as Minneapolis or St. Paul, rather than those that are farther away.

Mayor Tourville responded that St. Paul has the largest number.

Councilmember Piekarski Krech asked how many members.

Ms. Nauman responded that there are 17 members.

City Administrator Lynch stated that he wanted to point out the Rich Valley Trail Connection and that we support this and Council has approved it. Dakota County is carrying the main Legislative effort on it. He stated that it is being supported due to the fact that we have supported it by city Resolution.

Mayor Tourville stated that we are working with Dakota County, but would probably be the lead, going forward on a Bonding Bill as referenced to 117<sup>th</sup> Street. He stated that the reason is that this is still a City street, the owner of a street has to be the requestor. He commented that the County realizes that it should probably be the County or State. There will be more information on this as it proceeds.

Mayor Tourville stated that even if they do not have a Bonding Bill, this would be for a language fix on Argenta and 70<sup>th</sup> Street. They are not asking for any more money. He commented that there may not be as much of a strain on local Government and local control as they have their own party now. He commented that it consists of four members that want more local control. They are not DFL or GOP, they are a different group. He commented that the group is comprised of two people that have Authored about one hundred bills a year for less local control, and more State, without any funding for it.

Councilmember Piekarski Krech asked what the name of the group was.

She stated they are called The New Republicans.

Councilmember Dietrich asked what Committee's Representative Richardson is sitting on.

Mr. Johnson responded that Representative Richardson will be on the Commerce Committee, Education Finance Division, and the Transportation Finance and Policy Division.

Mayor Tourville asked City Administrator Lynch to get information to the group as to what Committees Senator Klein and Representative Richardson are on.

#### **4. ADJOURN**

The meeting was adjourned at 6:19 p.m.