

City of Ramsey
Agenda
City Council Work Session
Monday, February 8, 2021

5:30 pm
Lake Itasca Room, 7550 Sunwood Drive NW

This meeting is being held in accordance with Minnesota Statutes 13D.021. Due to the COVID-19 Pandemic, it is not practical and prudent for all members of this board to attend in person. Current Minnesota law requires certain social distancing standards that impacts the capacity of the Council Chambers. For those at highest risk, it is advised to isolate themselves from the general public. For these reasons, it is not practical and prudent to have this meeting exclusively in person. Members of the public are welcome to attend in person or remotely.

Remote Attendance available at www.cityoframsey.com/meetings. To maximize social distancing due to the COVID-19 Pandemic, those that can join remotely are encouraged to do so. Those joining remotely and requesting to speak are asked to use a webcam when speaking.

- 1. Call to Order**
- 2. Topics for Discussion**
 1. Consider Next Steps for Implementation of Centralized Water Treatment Plant
 2. Discussion Regarding the City's Draft Strategic Communications Plan
 3. 2021 Legislative Platform
- 3. Topics for Future Discussion**
 1. Review Future Topics/Calendar
- 4. Mayor/Council/Staff Input**
- 5. Adjournment**

Meeting Date: 02/08/2021

Information

Title:

Consider Next Steps for Implementation of Centralized Water Treatment Plant

Purpose/Background:

The purpose of this case is to receive consensus direction from the City Council on how staff should proceed to implement the Centralized Water Treatment Plant project.

Attached is a copy of the latest draft Feasibility Study dated February 3, 2021 for the proposed centralized water treatment plant as prepared by SEH, Inc. The study is filled with information on the City's water supply source, water quality and quantity, water supply system infrastructure, water treatment process options and recommendations, water treatment plant site evaluations, estimated costs, funding sources, effect on water rates, and project schedule. Staff's intent is not to duplicate the information from the Feasibility Study within this case. Instead, only information that Council members may find most helpful in understanding the need for the centralized water treatment plant project is presented below.

The City of Ramsey utilizes groundwater from the Tunnel City-Wonewoc (TCW) aquifer, formerly known as the Franconia-Ironton-Galesville (FIG) aquifer, as its exclusive source of drinking water. A total of eight municipal water supply wells exist, with seven being available to supply water to the City's municipal water users. Water test results from the municipal wells show that concentrations of manganese range from 0.02 mg/L to 0.37 mg/L. The Minnesota Department of Health (MDH) recently established Health Based Values (HBV) for manganese of 0.100 mg/L for bottle-fed infants, and 0.300 mg/L for everyone else. Four of Ramsey's eight water supply wells exceed the MDH HBV for manganese.

In 2019, MDH recommended that the City develop short and long term plans to reduce manganese concentrations in our water supply system. In April of 2019, the City began supplying water to municipal water users using only the three wells with the lowest manganese concentrations to make sure manganese concentrations throughout the water supply system would not exceed the MDH Health Based Value (HBV) for manganese of 0.100 mg/L. The long term solution requires construction of a water treatment plant to remove manganese from the municipal water supply system.

To properly plan for long-term solutions to reduce manganese and iron concentrations in the municipal water supply system, to properly treat any other emerging contaminants, and to ensure the existing aquifer used as the City's sole groundwater source has adequate capacity to meet the future needs of the City, Staff solicited proposals from qualified consultants to provide professional engineering services under the following three general areas.

1. **Analyze Source Water.** Analyze and report on the overall accessibility, capacity, chemistry and limitations of the Tunnel City/Wonewoc (TCW) aquifer, the existing source water for the City of Ramsey's municipal groundwater supply system, and on the long-term viability of continuing to use the TCW aquifer as the sole source of water for the municipal water supply system. This will allow the selected consultant to adequately prepare a preliminary design report by understanding the chemistry of the municipal groundwater supply system and therefore which primary, secondary and/or emerging contaminants will need to be treated over the anticipated life of the facility. This work will also allow the selected consultant to provide recommendations on the need for and use of alternative sources of water.
2. **Develop Water Model.** Develop a model of the City of Ramsey's municipal water supply system using an industry standard software program. This model will allow the selected consultant to adequately prepare a preliminary design report, and will allow the City to evaluate future operations throughout the system by considering variable flow regimes when water is drawn from different wells and storage tanks at different

times, variable water usage patterns by municipal water consumers, and proposed system expansions.

3. ***Prepare Preliminary Design Report.*** Prepare a preliminary design report exploring available options and recommending preferred processes for treating known and emerging contaminants that will potentially need to be treated over the anticipated life of a centralized water treatment facility in the City of Ramsey. The report must examine available treatment process options for identified contaminants potentially needing treatment, recommend a preferred treatment process for each identified contaminant, identify required space needs for preferred treatment processes, identify anticipated expansion needs, provide a recommendation as to the required size and preferred location for the facility, and provide cost estimates for constructing and operating the facility over its anticipated life.

On October 8, 2019, the Ramsey City Council adopted Resolution #19-248 awarding a contract to SEH Inc. for Improvement Project #19-12. SEH, Inc. has since completed a draft Feasibility Study addressing the three general areas outlined above, and their findings are generally as follows.

- The TCW aquifer will be able to continue to produce potable water to meet present and foreseeable future demands.
- The most cost-effective method for removing manganese and iron from the City's drinking water is chemical oxidation followed by sand filtration. These processes require construction of a water treatment plant.
- Based upon an analysis of Ramsey's 2040 water demand, the initial capacity of the water treatment plant should be 10 million gallons per day (MGD), with the ability to expand to 20 MGD.
- Four water treatment plant sites were evaluated including the Fire Station site, Public Works site, Water Shop site, and Vacant City property site. The Public Works site is recommended since it requires the least overall construction costs and offers the greatest operational efficiencies. In addition, in January of 2020 the City of Ramsey's Planning Commission, Economic Development Authority, and Public Works Committee all voted unanimously to recommend City Council approval to construct the water treatment plant on the Public Works site.
- Two treatment process alternatives were evaluated including gravity filtration and pressure filtration. Gravity filtration is recommended.

It should be noted that Chris Larson, the former project manager with SEH, Inc. who developed the draft Feasibility Study and previously met with the City Council to discuss this project, left SEH in late December. The new project manager from SEH is Mr. Miles Jensen, who had worked closely with Chris to perform QA/QC reviews on the draft Feasibility Study. Mr. Jensen is therefore very familiar with this project, and will now be responsible for completing the project for SEH.

Next Steps

The City has been able to continue to supply its municipal water users with safe potable water without interruption by running the three municipal wells with the lowest manganese concentrations continually for almost 2 years now, which has and will continue to cause the existing water supply system infrastructure to wear out faster than normal.

The City has been utilizing Wells #5, #6 and #7 since April of 2019. Since such time, we have been running these three wells almost non-stop, which is very hard on moving parts such as meters, motors and pumps. Last fall the City had to repair Well #7, during which time it was out of service. Then early this winter the same repairs were needed to Well #6, requiring this well to be shut down for a month while it was repaired. Luckily, these repairs were not needed during our peak water use time during the summer months when people area watering lawns, filling swimming pools, washing their cars, etc.

The City also recently had to replace the water meter at Well #6, and have had ongoing issues with Well #7's water meter. A cooling unit also failed recently in the service cabinet for Well #6, which can cause the well to overheat and shut down. Staff believes the constant use of these wells contributed in large part to the required repairs. We have been lucky so far that the repairs were not needed during the summer during peak water use. If one of the wells would need to be repaired during the summer we would need to rely on another well with higher manganese concentrations, which would increase manganese concentrations throughout the system. Staff therefore recommends moving forward with implementation of the water treatment plant project as soon as possible.

In addition, Anoka County recently informed the City they are developing plans to make improvements to Bunker Lake Boulevard between Armstrong Boulevard and Sunfish Lake Boulevard in 2021. This corridor of Bunker Lake Boulevard is proposed to receive the trunk watermain improvements required to serve the proposed water treatment plant with raw water from the six municipal water wells in The COR, and to deliver treated water to the distribution system. To allow these watermain improvements to be constructed in conjunction with Anoka County's interim Bunker Lake Boulevard improvements this summer, which will save significant project costs, the City must prepare watermain improvement plans as soon as possible so the project can be bid this spring. In order to meet these timelines, Staff recommends direct selecting SEH Inc. to prepare final plans and specifications for the required trunk watermain improvements, and to provide project bidding services. In addition, staff recommends conducting a request for proposals(RFP) for moving forward with the design of a centralized water treatment facility as recommended in the study.

If Council supports Staff's recommendations by consensus, Staff will submit a case on consent agenda for the February 23rd regular City Council meeting.

Timeframe:

Approximately 60 minutes has been reserved for this case. Approximately 30 minutes is planned for presenting information, with another 30 minutes reserved for questions and answers after Staff's presentation.

Funding Source:

Funding is not required for this case. Project funding is addressed in detail within the Feasibility Study, and funding will be discussed with Council in detail at the appropriate times during the implementation of the project.

Responsible Party(ies):

The City Engineer will present the case and will field questions during and after the presentation. Mr. Miles Jensen with SEH, Inc. will also be in attendance to respond to questions, if needed.

Outcome:

Staff recommends direct selecting SEH Inc. to prepare final plans and specifications for the required trunk watermain improvements, and to provide project bidding services. In addition, staff recommends conducting a request for proposals(RFP) for moving forward with the design of a centralized water treatment facility as recommended in the study.

If Council supports Staff's recommendations by consensus, Staff will submit a case on consent agenda for the February 23rd regular City Council meeting.

Staff is seeking consensus direction from the City Council on next steps for moving the project forward, or for providing additional information as needed to assist the City Council in forming future direction to Staff on how to move the project forward.

Attachments

Ramsey WTP Feasibility Study 02 04 21

Form Review

Inbox	Reviewed By	Date
Kathy Schmitz	Kathy Schmitz	02/04/2021 03:00 PM
Kurt Ulrich	Kurt Ulrich	02/04/2021 03:48 PM
Form Started By: Bruce Westby		Started On: 01/29/2021 07:15 AM
Final Approval Date: 02/04/2021		



Feasibility Study - Draft

Water Treatment Plant

City of Ramsey, Minnesota

RAMSY 154354 | February 3, 2021



Building a Better World
for All of Us®

Engineers | Architects | Planners | Scientists

Feasibility Study - Draft

Water Treatment Plant
City of Ramsey, Minnesota

SEH No. RAMSY 154354

February 3, 2021

I hereby certify that this report was prepared by me or under my direct supervision, and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

Miles B. Jensen, P.E.

Date: February 3, 2021 License No.: 19869

Reviewed By: _____ Date: February 3, 2021

Short Elliott Hendrickson Inc.
3535 Vadnais Center Drive
St. Paul, MN 55110-3507
651.490.2000



Executive Summary

The City of Ramsey has eight water supply wells with concentrations of manganese ranging from 0.02 mg/L to 0.37 mg/L. The Minnesota Department of Health (MDH) has established a Health Based Value (HBV) for manganese of 0.100 mg/L. Four of Ramsey's eight water supply wells exceed the MDH HBV for manganese. MDH has recommended to the City that they develop plans to address the manganese. In addition to the potential health concerns with manganese, Ramsey's drinking water also exceeds the Secondary Standards for iron and manganese. Water with concentrations of iron and manganese above the Secondary Standard causes aesthetic problems including red and black staining of plumbing fixtures and laundry and taste complaints.

The City of Ramsey currently utilizes groundwater from the Tunnel City-Wonewoc (TCW) aquifer as its exclusive source of drinking water. An evaluation was conducted of the TCW aquifer which determined that the TCW should be able to continue to produce potable water to meet present and foreseeable future demands.

The most cost-effective method for removing manganese and iron from drinking water is chemical oxidation followed by sand filtration. These processes require construction of a water treatment plant. Based upon an analysis of Ramsey's 2040 water demand, the initial capacity of the water treatment plant should be 10 million gallons per day (MGD), with the ability to expand to 20 MGD.

Four water treatment plant sites were evaluated including the Fire Station site, Public Works site, Water Shop site, and Vacant City property site. The Public Works site would be the least expensive to construct because it could share garage space, a generator, and security infrastructure with the onsite Public Works facility. The Public Works site also offers operational efficiencies because it is on the same site as the new Public Works facility. In January of 2020, the City of Ramsey's Planning Commission, Economic Development Authority, and Public Works Committee all voted unanimously to recommend City Council approval to construct the water treatment plant on the Public Works site.

This study evaluated two treatment process alternatives including gravity filtration and pressure filtration. With gravity filtration, the water flows by gravity through concrete filter cells into a holding tank (clearwell). The water is then pumped into the distribution system. With pressure filtration, the water is pumped from the wells through steel pressure filters and directly into the distribution system.

Report level project and life cycle cost opinions for the two alternatives are included below. The project costs include the capital cost plus 10-percent contingency, 1-percent administration, and 12-percent engineering costs. Life cycle costs represent the total cost of owning and operating the water treatment plant for 50 years and include capital cost, equipment replacement, labor, gas, chemicals, insurance, electricity, and annual equipment repair.

	<u>Project Cost</u>	<u>50 Year Life Cycle Cost</u>
Gravity Filter Treatment Plant	\$31,890,000	\$70,570,000
Pressure Filter Treatment Plant	\$30,280,000	\$74,940,000

As the table indicates, the gravity filter treatment plant has a slightly higher project cost, but a lower overall life cycle cost. The pressure filter treatment plant has a higher life cycle cost due to the expense of painting and maintaining the steel filters; whereas concrete gravity filters require very little maintenance.

Executive Summary (continued)

In addition to having lower life cycle costs, gravity filters have other advantages over pressure filters including: (1) more treatment options including aeration and detention without requiring another pumping step, (2) water from the gravity filters does not go immediately into the distribution system so if problems occur with treatment processes operators have time to react, (3) gravity filters are open to view and access, and (4) gravity filtration systems have a greater amount of operational flexibility including the ability to treat surface water.

A gravity filter treatment plant is the recommended alternative due to the advantages it offers at a comparable cost.

If the City elects to proceed with a water treatment plant project, the proposed project schedule could be as follows:

<u>Item</u>	<u>Completion Date</u>
Public Involvement	March 2021 – April 2021
Preparation of Plans	May 2021 – September 2021
Ad for Bid	October 2021
Bid Opening	November 2021
Construction Start	December 2021
Construction Complete	June 2023

However, Anoka County is planning “interim” improvements to Bunker Lake Boulevard between Armstrong Boulevard and Sunfish Lake Boulevard in 2021 to improve operations and safety in anticipation of traffic volumes doubling while planned improvements to Highway 10 are constructed between 2022 and 2025. Therefore, to construct the raw and finished watermain associated with the water treatment plant project as cost-effectively as possible, plans and specifications for the raw and finished watermain improvements are recommended to be prepared and bid in conjunction with Anoka County’s proposed improvements to Bunker Lake Boulevard.

Operating the water treatment plant is not anticipated to require additional Staff. While Staff will need to visit the plant on a daily basis to operate and maintain it, this time will generally be offset by the time Staff currently spends operating and maintaining the six municipal wells and three pump houses within The COR.

If a water treatment plant project is pursued, immediate distribution water quality improvements should not be expected. The water treatment plant will produce water free of iron and manganese; however, it takes time for the iron and manganese deposits in the distribution system to dissipate and overall water quality to improve.

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Feasibility Study - Draft

Water Treatment Plant

Prepared for City of Ramsey

1 Existing Water Infrastructure

1.1 Overall System Description

The City of Ramsey's water system dates back to 1985 when a well, pressure tank storage, and distribution piping was constructed. Today, Ramsey's water system provides drinking water to approximately 4,400 residences and approximately 340 businesses. The existing water system consists of the following major components:

- Eight municipal wells
- Four pump houses
- Chemical feed systems in each pump house to add chlorine, fluoride, and polyphosphate
- Over 83 miles of watermain
- Over 900 fire hydrants
- Three water towers with a combined storage of 4 million gallons (MG)

The wells pump water to their respective pump houses, with Wells No. 1 and 2 pumping to Pump House 1, Wells No. 3 and 4 pumping to Pump House 2, Wells No. 5 and 6 pumping to Pump House 3, and Wells No. 7 and 8 pumping to Pump House 4. Following chemical addition at the Pump Houses, water is pumped directly into the distribution system.

1.2 Raw Water Supply

The City of Ramsey operates eight (8) municipal wells finished in the Tunnel City-Wonewoc (TWC) aquifer. Table 1 provides a summary of each well. Figure 1 in Appendix A shows the Ramsey distribution system map that identifies the locations of the wells, as well as the towers.

Table 1 – Well Data

Well No.	Year Constructed	Formation	Depth	Casing Depth (ft)	Casing Size (in)	Capacity (gpm)
1	1984	Ironton-Galesville	320	243	14	700
2	1987	Ironton-Galesville	320	240	14	220
3	1997	Ironton-Galesville	345	222	30	1,450
4	1998	Ironton-Galesville	321	191	30	850
5	2000	Ironton-Galesville	316	215	30	850
6	2005	Ironton-Galesville	390	282	30	900
7	2007	Ironton-Galesville	332	216	30	850
8	2007	Ironton-Galesville	354	245	30	1,400

Notes: Well No. 2 used exclusively for irrigation of River's Bend Park.

The combined capacity of all of the wells is 7,220 gallons per minute (gpm) which is equivalent to 10.4 million gallons per day (MGD). The firm capacity (capacity with the largest well out of service) is 5,770 gpm or 8.3 MGD.

If a centralized water treatment plant is constructed, Wells No. 1 and 2 would not initially be connected to the water treatment plant due to the significant expense required to extend trunk watermain to the water treatment plant. The firm capacity without considering Wells No. 1 and 2 is 4,850 gpm or 7.0 MGD.

All of the wells are located in the southern part of the City north of U.S. Highway 10, with Wells No. 1 and 2 located in the south-eastern portion of Ramsey, and Wells No. 3 through 8 located in the south-central portion of Ramsey.

Maintenance records indicate that the wells, pumps, and motors are inspected and repaired on a routine basis. The condition of the wells, pumps, and motors system-wide appears to be good.

1.3 Current Water Treatment

Chlorine is added to the well water to provide a disinfectant residual in the distribution system. The City utilizes a free chlorine residual in the distribution system rather than chloramine, which is a less powerful disinfecting agent created when chlorine is mixed with ammonia. The City does have low levels of naturally occurring ammonia in their well water, although chlorine is fed past the breakpoint to completely oxidize the ammonia.

Polyphosphate is added to the water to sequester iron and manganese. Sequestering of iron and manganese keeps the metals in solution and prevents them from precipitating to form oxides, and thus preventing aesthetic water quality issues such as color, taste, and sedimentation. Sequestration does not remove iron or manganese, and polyphosphate degrades over time which may cause aesthetic issues at dead-ends and outer ends of the distribution system.

In accordance with Minnesota State Statute, fluoride is also added to the treatment process to promote strong teeth.

The chemicals are added to the raw water from the wells in each of the pump houses prior to being pumped into the distribution system.

1.4 Existing Water Towers

The City of Ramsey currently has three water towers with storage capacities of 0.5 MG (tower 1), 1.5 MG (tower 2), and 2.0 MG (tower 3). Towers 1 and 2 are located in the south-eastern and south-central parts of the City respectively, while tower 3 is located in the north-eastern part of the City. The 0.5 MG tower is a spheroid style steel water tower constructed in 1989, while the 1.5 MG and 2.0 MG towers are fluted column steel water towers constructed in 2000 and 2010, respectively.

2 Distribution System Modeling

A hydraulic computer model was generated to evaluate the performance of the City's current water distribution system, as well as evaluate the system into the future as the water system expands, experiences increasing demands, and utilizes a water treatment plant instead of individual wells pumping into the system. The model used the most recent GIS information for the City's water system assets, and was created using WaterGEMS®, a pipe network program developed by Bentley®. Flow testing was conducted within the distribution system in October 2019 to calibrate and help verify the accuracy of the computer model. A summary of the flow test results and locations are listed in Table 2.

The water model allows the water system to be examined, while adding proposed features to the system. This provides an indication as to what pressures and flows would be available in the water system with the various proposed features. The model also allows for the examination of component operation within the system such as water tank filling cycles. There are many other exercises that the model can be used for in the future in relation to water system operations and planning. The water model can continue to be an operations and planning tool for the expanding water system.

Table 2 – Hydrant Flow Test Results

Flow Test	Location	Field Hydrant Flow (gpm)	Pressure Differential Field Results (psi)	Pressure Differential Model Results (psi)	Pressure Differential (psi)
1	Olivine St. NW south off of 147 th Ln. NW	1,171	2	1	-1
2	Dead-end on Vanadium St. NW	1,123	4	2	-2
3	Dead-end on 140 th Ave. NW	1,205	8	10	2
4	Dead-end on 142 nd Ln. NW	984	26	42	16
5	Corner of Tonto St. NW and Alpine Dr. NW	1,188	4	6	2
6	Dead-end on 152 nd Ave. NW	1,047	9	7	-2
7	Corner of 157 th Ave. NW and Krypton St. NW	1,152	7	9	2
8	Dead-end on Lithium St. NW	1,047	7	8	1
9	Dead-end of east end of 167 th Ln. NW	1,197	4	2	-2
10	Dead-end of new cul-de-sac off of 159 th Ave. NW	1,078	6	7	1

Flow Test	Location	Field Hydrant Flow (gpm)	Pressure Differential Field Results (psi)	Pressure Differential Model Results (psi)	Pressure Differential (psi)
11	Current dead-end on 149 th Ave. NW	1,234	5	5	0
12	West dead-end on 147 th Ln. NW	1,123	3	8	5
13	Dead-end on 137 th Ave. NW	1,188	11	10	-1
14	East dead-end on Rivlyn Ave. NW	1,031	10	10	0

During the calibration process of the Ramsey water system hydraulic model, pumping rates, customer demands, and tower water levels were set to the conditions recorded during the field testing. Individual pipe roughness coefficients (C-factors) were adjusted until the calibrated system model closely simulated field test data as indicated in Table 2. As indicated from Tests 4 and 12, the model was unable to be calibrated to match the field tests. For Test 4, it is believed there was an error when measuring during the field test. The age and size of the pipe on 142nd Ln. NW is the same as the pipe on 140th Ave. NW (Test 3), which the model calibrated closely with. It is believed that the pipe roughness coefficient used for the pipe on 142nd Ln. NW is accurate. For Test 12, it is believed that there is another pipe off of Bunker Lake Blvd. that connects to the new development along 147th Ln. NW that is not yet geo-located, because when adding an additional pipe, the model calibrates closely with the field data. The pipe along 147th Ln. NW is a new 8" pipe, so it is believed that the pipe roughness coefficient used for the pipe is accurate. Additionally, Test 10 was conducted on hydrants in a new development. Previously, this area was at a lower elevation than it is currently. This caused the model to not correlate well with the field-testing data. The elevations of the hydrants in the model were adjusted to more closely correlate with the field data, and as the pipe in the development is new, it is believed that the pipe roughness coefficient used for the pipe is accurate.

Once the computer water model was constructed and calibrated, the model was used to calculate the operating conditions in the water distribution system.

2.1 Existing System Static Pressures

Water system pressure is primarily a function of elevation with some degree of pressure loss as water flows across the system. Static pressures throughout the distribution system as determined by the water model are shown in Figures 1-3 in Appendix B for average day demand (ADD), maximum day demand (MDD), and Peak Hour Demand. Low pressures generally occur in areas where the elevations are relatively high compared to the overflow elevation or hydraulic grade line (HGL) of the system.

As you can see in Figures 1-3 in Appendix B, the pressures across the system are generally consistent, and are approximately the same between the three demand scenarios. All areas of the system are within the range of 50 to 80 psi as you can see in Table 3.

Table 3 – Water System Static Pressures

	Average Day Demand	Maximum Day Demand	Peak Hour Demand
Minimum Pressure (psi)	56	56	56
Average Pressure (psi)	68.5	68.1	67.5
Maximum Pressure (psi)	77	77	76
Demand (gpm)	1,221	3,330	5,498

All three demand scenarios were done with the towers at an HGL of 1,031 feet. No wells were running during the model simulation.

2.2 Existing System 24-Hour Simulation

A 24-hour extended period simulation was run for average day demand (ADD) and maximum day demand MDD to model how the existing system performs in terms of pressure, velocity, and tank levels. System pressures are recommended to be in the range of 35 psi to 80 psi, and pipe velocities are recommended to not exceed 5 feet per second. For an average day demand, 1.72 MGD was assumed, and for maximum day demand, a maximum day peaking factor of 2.73 was assumed to get a maximum day demand of 4.7 MGD. For both demand scenarios, diurnal demand curves were used, and were developed by analyzing SCADA operation data documenting system water tower levels, as well as using industry standards and previous experience. These diurnal demand curves are shown in Figures 1 and 2 and were used for all modeling simulations. The operating range of Tower 1 was assumed to be 6 feet where wells would initially turn on when the HGL of Tower 1 went below 1,025 feet, and the wells would turn off when the HGL of Tower 1 went above 1,031 feet. Figures 4-5 in Appendix B show the operation of the wells and towers for both demand scenarios.

The pressures across the system were generally consistent throughout the 24-hour simulation for both demand scenarios. As can be seen in Figures 6-7 in Appendix B, at no point did pressures drop below 50 psi, and at no point did pipe velocities exceed 3 feet per second for the ADD simulation or exceed 5 feet per second for the MDD simulation. In fact, only one segment of pipe exceeded 4 feet per second during the MDD simulation.

Figure 1 – ADD Diurnal Curve

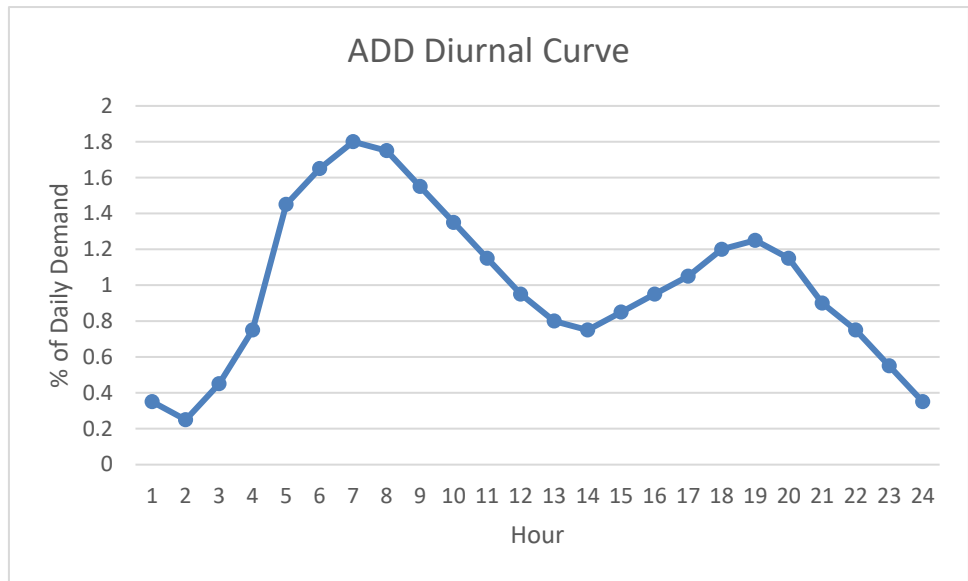
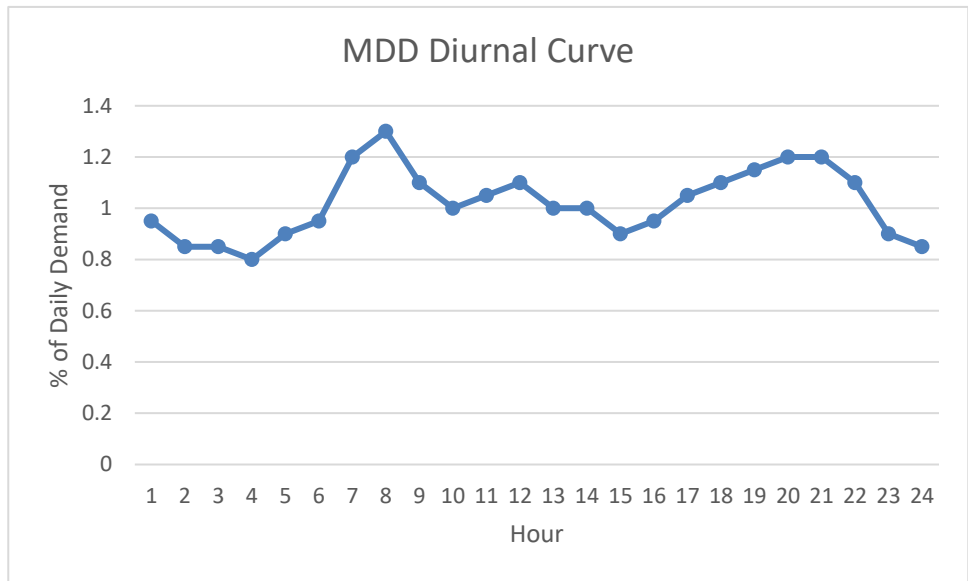


Figure 2 – MDD Diurnal Curve



2.3 Existing System Available Flow for Fire Protection

Designing a water system to provide adequate fire protection is an important consideration. Adequately sized watermain is an important consideration to supply desired fire flows. Guidelines for determining fire flow requirements are provided by the ISO. ISO is the insurance service organization responsible for evaluating and classifying municipalities for fire insurance rating purposes. Available fire flow for fire protection (fire flow) in this report is defined as the flow capacity at a point in the water distribution system which causes the pressure to fall to 20 psi (residual pressure). A map of the fire flow analysis for the distribution system under a maximum day demand is shown in Figure 8 in Appendix B. Note that the fire flow analysis for the

distribution system was done for junctions (watermain intersections and at dead-ends) instead of hydrants, so the fire protection in some areas may be better than shown as a hydrant may be nearby on a larger sized watermain. In general, low fire flows occur where normal pressures are already low, and in areas with small diameter watermains, or in areas with older watermains. Dead-ends typically have noticeably weaker fire flows than looped watermain as well.

To determine if the water system is deficient in available fire flow, a basis for fire protection must be established. For planning purposes, the minimum fire protection requirement can be based on land use according to Table 4.

Table 4 – Minimum Fire Flows

Land Use	Flow (gpm)
Park	500
Single-Family	1,000
R-1 Low-Density Single Family	1,000
Two-Family	1,000
Multi-Family	1,500
High-Density Multi-Family	1,500
Service Office	1,500
Community Commercial	2,500
General Commercial	2,500
Industrial	3,500
Mixed Use-Neighborhood	2,000
Mixed Use-Community	2,000
Mixed Use-Regional	2,000

In general, the City is well protected with over 98% of the distribution system having fire flows of 1,500 gpm or higher. When comparing available fire flows with the City’s existing land use map there are a few areas where the available fire flow may be deficient. Specifically, a small industrial land use area north of Highway 10 and south of the southern dead-end of Jasper Street NW, as well as the dead-end of 142nd Lane NW in the southeastern part of the City.

2.4 Existing System 24-Hour Simulation – Treatment Plant

Similar to the existing system 24-Hour simulation, a 24-hour extended period simulation was run for ADD and MDD demands to model how the existing system performs in terms of pressure, velocity, and tank levels with a treatment plant as the sole source of water. With a single source versus wells spaced throughout town, the worry is that the furthest points from the treatment plant may experience lower pressures due to headloss through the distribution system. An ADD of 1.72 MGD and a MDD of 4.7 MGD were assumed.

Figures 9-10 in Appendix B show the operation of the treatment plant high service pumps and towers for both demand scenarios, and Figures 11-12 in Appendix B show the minimum pressures for both demands scenarios. Pressures across the system were generally consistent throughout the 24-hour simulation for both demand scenarios, and at no point did the pressure drop below 50 psi during both demand scenarios, and at no point did velocities exceed 5 feet per

second. Modeling of both demand scenarios show that the existing system performs very well with a treatment plant as the sole source of water.

2.5 2040 System 24-Hour Simulation

By 2040, Ramsey's estimated average day demand is expected to increase to 3.5 MGD, and the maximum day demand is expected to increase to 10.3 MGD. With this increased demand, it is important to ensure that the distribution system and storage facilities are adequately sized to meet the future demand. The storage capacity of the current water system is 4 MG, which will still meet the Minnesota Department of Health's recommendation of having enough storage to meet or exceed the ADD, so additional storage will not be required through 2040.

Although it is impossible to know where future watermain will be required, future watermain was added and sized according to previous reports, which can be seen in Figures 15-16 in Appendix B. Future demands were allocated based on locations future pipes and future development areas.

Figures 13-14 in Appendix B show the operation of the treatment plant and towers for both demand scenarios, and Figures 15-16 in Appendix B show the minimum pressures for both demands scenarios of the 2040 24-hour simulation. Again, the pressures across the system were generally consistent throughout the 24-hour simulation for both demand scenarios, and at no point did the pressure drop below 50 psi during the ADD scenario. Pressures did drop to as low as 37 psi during the MDD scenario in some areas in the future north development between 173rd Ave NW and 181st Ave NW due to the higher elevations, although this can be alleviated by keeping the towers at a higher level. Velocities were kept below 5 feet per second, although a short segment of 16" pipe on Bunker Lake Blvd NW approached around 5.5 feet per second during the MDD scenario for a short period of time, although this is not a concern.

2.6 Distribution Modeling Conclusions and Recommendations

Modeling of Ramsey's water system shows that it performs well currently and with a treatment plant now and in the future. If the City chooses to build a water treatment plant, raw watermain will be needed to bring the well water to the treatment plant. Currently there is raw watermain for bringing well water to the pumphouses, which can be utilized for the treatment plant, although additional and bigger sized raw watermain will be required. The raw watermain required is shown in Figure 1 in Appendix I and was assumed in the modeling. Of note, the 16" watermain along Bunker Lake Blvd NW should be used as finished watermain and was assumed to be in the modeling.

As the population grows, and thus the water demand, there are a few recommendations for improving the water system to be able to operate efficiently with 2040 demands. First, it is recommended that the 16" watermain along Bunker Lake Blvd NW be tied into the 12" watermain along E Town Center Drive. Modeling did not assume this, although it may be advantageous to do so beyond 2040 if the private well owners in the center of town go on city water. The models did assume that the 16" watermain along Bunker Lake Blvd NW ties into the 8" and 12" watermain along Rhinestone Street NW.

Second, with the proposed treatment plant location being on the west side of town, it may be beneficial depending on future demands to extend the 12" watermain along Armstrong Blvd NW to Bunker Lake Blvd, and to extend the 16" watermain along Bunker Lake Blvd NW to E Town

Center Drive. The extensions of those pipes was assumed in the 2040 modeling analysis and prevented additional pipes in the area from exceeding a velocity of 5 feet per second.

Third, as can be seen in Figure 19 in Appendix B, the water level in Tower 2 approached and stayed at an HGL of 1,033 feet. This was done by utilizing an altitude valve in the model for the tower. Due to Tower 2's close proximity to the treatment plant, there is a risk of the tower to overflow, especially during a MDD scenario, as the treatment plant pumps into the system to fill Tower 1. Because of this, an altitude may have to be installed in the future

3 Drinking Water Quality

The City of Ramsey's water is tested on a regular basis by the City and by Minnesota Department of Health (MDH). The following sections discuss Primary and Secondary test results for the City's wells and distribution system.

3.1 Primary Drinking Water Standards

Primary Standards are legally enforceable standards that public water suppliers are required to meet. Primary standards protect public health by regulating the levels of certain contaminants in public water supplies. The United States Environmental Protection Agency (US EPA) establishes maximum contaminant levels (MCLs) for primary standard constituents. Regulated constituents include microorganisms, disinfectants, disinfection byproducts, inorganic chemicals, organic chemicals and radionuclides. A few primary contaminants have been detected in Ramsey's water as shown on Table 5; however, the contaminants detected well below their respective MCLs.

Table 5 – Water Quality - Primary Drinking Water Standards

Contaminant	Highest Average or Highest Single Test Result	Range of Detected Test Results	MCL	90% of Results Were Less Than	EPA Action Level
Lead	-	-	-	1.9 ppb	90% of homes less than 15 ppb
Copper	-	-	-	0.82 ppm	90% of homes less than 1.3 ppm
Barium	0.11 ppm	-	2 ppm	-	-
Arsenic	1.49 ppb	-	10.4 ppb	-	-
2,4-D	0.03 ppb	-	70 ppb	-	-
Combined Radium	2.2 pCi/l	-	5.4 pCi/l	-	-
Total Trihalomethanes (TTHMs)	2.1 ppb	1.70 – 2.10 ppb	80 ppb	-	-
Total Chlorine	1.14 ppm	0.77 – 1.64 ppm	4.0 ppm	-	-
Fluoride	0.81 ppm	0.59 – 1.00 ppm	4.0 ppm	-	-

Notes: Data from Ramsey’s Consumer Confidence Report

3.2 Manganese

According to the Minnesota Department of Health (MDH), too much manganese in drinking water can have negative health effects for babies under one year old. At high concentrations, manganese can also have negative health effects for children and adults. To protect bottle-fed infants, MDH recommends manganese levels of less than 0.100 mg/L. To protect children and adults, a manganese level of less than 0.300 mg/L is recommended. To ensure that all residents are protected, MDH has established a Health Based Value (HBV) for Manganese of 0.100 mg/L.

Manganese also has a secondary standard of 0.05 mg/L where levels above can cause color, staining, and taste issues.

Recently, manganese was included as a contaminant to be monitored under the Fourth Unregulated Contaminant Monitoring Rule (UCMR4), which is discussed in later in this chapter. The City of Ramsey conducted UCMR4 sampling in 2019 which included sampling for manganese. As shown in Table 6, Wells No. 1, 3, 4, and 8 tested above the MDH HBV. Due to the high levels of manganese, MDH has recommended to the City that they develop short-, mid-, and long-term plans to address the high levels. In response to the high levels, the City began using wells with the lowest levels of manganese, and when required to use more wells during higher demand times, the City developed a plan to mix the water from the low level wells with the

high-level wells. As a long-term plan, the City is in the process of determining the best option, but are considering:

- Mixing water from different wells to lower manganese wells;
- Drilling new drinking water wells;
- Installing City filtration systems;
- Constructing a water treatment plant; and
- Using water from neighboring municipal water systems.

Table 6 – Manganese in Ramsey Wells

Well	Manganese (mg/L)	MDH HBV (mg/L)
Well 1	0.320	0.100
Well 3	0.229	0.100
Well 4	0.371	0.100
Well 5	0.022	0.100
Well 6	0.023	0.100
Well 7	0.052	0.100
Well 8	0.223	0.100

Note: Well 2 used exclusively for irrigation

3.3 Secondary Drinking Water Standards

Secondary Standards are non-enforceable guidelines for contaminants that cause aesthetic or cosmetic effects, such as taste, odor and color, and can cause problems with piping. The Secondary Standard for manganese is discussed in Section 3.2. Table 7 presents the iron and hardness data for Ramsey’s wells.

Table 7 – Iron and Hardness in Ramsey Wells

Well	Iron (mg/L)	Hardness (mg/L CaCO ₃)
Well 1	0.551	256
Well 3	0.529	280
Well 4	0.240	-
Well 5	0.801	-
Well 6	0.787	211
Well 7	0.818	225
Well 8	0.704	-

3.3.1 Iron

The secondary standard for iron is 0.3 mg/L where iron concentrations above the secondary standard can cause a rusty color to the water, sediment build-up, a metallic taste, and reddish or orange staining. As shown on Table 2, the drinking water from the Ramsey wells consistently

exceeds the Secondary Standard for iron with concentrations ranging from 0.240 mg/L to 0.818 mg/L.

3.3.2 Hardness

Hardness, which is a measurement of multivalent cations, such as calcium and magnesium, is an aesthetic issue due to its ability to cause scaling and build-up on fixtures, as well as its reaction with soaps producing a sticky and gummy deposit. Although not included as a secondary standard, water with a hardness above 120 mg/L as CaCO₃ is considered hard water.

As shown on Table 2, the drinking water from Ramsey's wells is considered hard with a hardness ranging from 211 mg/L to 280 mg/L.

3.4 Emerging Contaminants

The US EPA uses the Contaminant Candidate List (CCL) and the Unregulated Contaminant Monitoring Rule (UCMR) to screen potential contaminants for further regulation. The CCL and UCMR are discussed in the following sections.

3.4.1 Contaminant Candidate List

The US EPA maintains a Contaminant Candidate List (CCL) for contaminants that may need to be regulated, which is published every five years. The current CCL includes 97 chemicals or chemical groups and 12 microbiological contaminants and can be seen in Appendix C along with the other published CCLs. The list includes chemicals used in commerce, pesticides, biological toxins, disinfection byproducts, and waterborne pathogens. The contaminants on the list are not currently regulated by existing Primary drinking water standards. It should also be noted that the US EPA reviews existing regulated contaminants. If existing standards are modified, they are typically lowered (i.e. arsenic) and not raised.

3.4.2 Unregulated Contaminant Monitoring Rule

Along with the CCL, UCMR is used by the EPA to collect data for contaminants that are suspected to be present in drinking water, but do not have health-based standards set under SDWA. Occurrence data are then used to determine whether particular contaminants should be regulated in the interest of protecting public health. Monitoring under UCMR is conducted every five years for no more than 30 contaminants and is required for all community water systems over 10,000 people, and for a representative sample of systems with populations less than or equal to 10,000 people. Selection of contaminants to be monitored is determined through existing prioritization processes, including contaminants previously monitored under UCMR, and the CCL. Other contaminants of interest may also be chosen. Since the promulgation of UCMR, there have been four rounds of sampling with the fourth round (UCMR4) currently underway. Among the four rounds of UCMR sampling, some of the contaminants include:

- Pesticides
- Volatile Organic Compounds (VOCs)
- Synthetic Organic Compounds (SOCs)
- Metals
- Hormones
- Flame Retardants

- Perfluorinated Compounds (PFAS)
- Disinfection Byproducts
- Cyanotoxin Chemicals
- Other chemicals used in industrial and manufacturing practices

The majority of these contaminants are from anthropogenic, or human activity, sources, and thus necessitates the need to be vigilant in protecting City wells from pollution. As discussed further in Chapter 5, the City’s wells are well protected from anthropogenic pollution, but continued safeguarding of the wells will be crucial in preventing a new contaminant in the City’s drinking water supply that requires treatment.

Although it isn’t possible to predict what contaminants will be regulated in the future, having flexibility in a treatment system is important to provide treatment options for possible future contaminations, new regulations for contaminants, and as testing abilities continue to improve.

4 Water Demand

Ramsey’s average daily water demand from 2009 to 2019 ranged from 1.6 to 1.9 million gallons (MGD). The maximum daily demand, usually occurring during summer months due to lawn watering and other non-consumptive use, ranged from 4.1 to 5.5 MGD.

The projected annual average water demand for the City is expected to increase to 3.5 MGD and up to a projected daily maximum of 10.3 MGD in the year 2040. A list of future water projections from the City’s Water Supply Plan is included below.

Table 8 – Projected Water Demands

Year	Projected Total Population	Projected Population Served	Projected Average Daily Demand (MGD)	Projected Maximum Daily Demand (MGD)
2020	27,550	13,921	1.8	5.3
2025	30,450	18,547	2.4	7.0
2030	33,350	22,987	3.0	8.7
2040	39,150	26,988	3.5	10.3

4.1 Adequacy of Existing Water Supply

As discussed in Section 1.2, if a centralized water treatment plant is constructed, Wells No. 1 and 2 would not initially be connected to the water treatment plant due to the significant expense required to extend trunk watermain to the water treatment plant. The existing firm capacity without considering Wells No. 1 and 2 is 4,850 gpm or 7.0 MGD. Table 8 predicts that Ramsey has sufficient firm capacity without Wells No. 1 and 2 through the year 2025. When maximum day demands reach 7.0 MGD, Ramsey should consider drilling another well.

By the year 2040, Ramsey will need 10.3 MGD in firm capacity. To provide this capacity without using Wells 1 and 2, an additional 3 wells will be needed by 2040 (assuming 850 gpm per well).

5 Groundwater Availability

The City of Ramsey currently utilizes groundwater as its exclusive source of drinking water. For planning purposes, the City needs to understand whether groundwater can continue to provide existing and future water demands.

5.1 Description of the Hydrogeological Setting

The following sections describe the hydrogeology (groundwater) in Ramsey.

5.1.1 Surficial Hydrogeological Setting

The surficial geology in the region is primarily associated with erosional and depositional glacial events during the Quaternary Period. Surficial aquifers throughout this region have highly variable aquifer properties. The Metropolitan Council classifies these as having a moderate to high water yield for potable use; however, it is often challenging to identify the locations for the most productive units with some areas providing little or no yield for water supply. Depending on the location, the presence of finer grained units that can act as confining layer will affect water recharge rates to these aquifers and limit the quantity of water these aquifers can supply. Surficial aquifers are often the first aquifer to be recharged and thus can be more vulnerable to contamination. Therefore, the overall water quantity and quality is described by the Metropolitan Council as variable.

5.1.2 Bedrock Hydrogeologic Setting

The bedrock underlying the City of Ramsey and surrounding areas consists of Precambrian to Ordovician age Paleozoic sedimentary strata overlying Precambrian age basement rock. While variation and extent of bedrock aquifers occur, in general five regional aquifers are described and support much of the potable water for the Twin Cities region, from oldest to youngest: (1) Mt Simon-Hinckley (2) Tunnel City-Wonewoc (3) Prairie du Chien-Jordan (4) St. Peter, and (5) Quaternary aquifers. These aquifers are hydrologically disconnected by a variety of interbedded confining layers. Regional aquifers can also be subdivided further; for example, the Tunnel City-Wonewoc Aquifer maybe be hydraulically disconnected if the Lone Rock Formation (of the Tunnel City Group) acts as a confining unit. Primary lithology, and hydrogeologic designations are summarized in the table below, from oldest to youngest, for the area.

Table 9 – Bedrock Aquifers

Geologic Formation	Age	Primary Hydrogeologic Designation	Approximate Thickness	Primary Regional Lithology
Hinckley Sandstone	Pre-Cambrian	Aquifer	Not Available	Quartzose sandstone overlying the Precambrian bedrock
Mt Simon Sandstone	Middle Cambrian	Aquifer	~200 to 336 ft	Quartz sandstone that contains interbedded siltstone and very fine sand.
Eau Claire Formation	Middle to Upper Cambrian	Confining	~60 to 90 ft	Fine grained sandstone, siltstone and shale.
Wonewoc Sandstone	Upper Cambrian	Aquifer	~ 50 to 60 ft	Very fine to very coarse grained Sandstone.
Tunnel City Group	Upper Cambrian	Aquifer / Confining	~ 150 to 180 ft	Lower is massively bedded very fine to fine-grained sandstone; upper is coarse grained sandstone.
St Lawrence Formation	Upper Cambrian	Confining	~ 38 to 59 ft	Dolomitic siltstone with interbedded very fine-grained sandstone and shale.
Jordan Sandstone	Upper Cambrian	Aquifer	~ 85 to 100 ft	Upward sequence of fine to coarser grained sandstone.

Regionally other bedrock aquifers exist that are not listed above, the following are aquifers present within the City of Ramsey area. These aquifers are discussed in detail in the following sections. Throughout the City of Ramsey, The Tunnel City group is the uppermost Bedrock unit meaning the St Lawrence and Jordan Sandstone is only sparsely present. Above these Bedrock units are unconsolidated sediment discussed in sections above.

5.1.2.1 Jordan Aquifer

The Jordan Aquifer is generally considered to be hydrologically connected to the Prairie Du Chien Unit. However, as evident from the geologic bedrock map (Figure 2 in Appendix D) the Prairie Du Chien Unit was either not deposited or has been entirely eroded through much of this area. The thickness and presence of this aquifer through this area is scarce and laterally disconnected. Where present, Within the City of Ramsey, the Jordan Sandstone thickness is minimal at around 20-30 feet and appears heavily eroded. Quaternary deposits directly overlay this unit and the Jordan Sandstone is likely recharged by these deposits.

5.1.2.2 Wonewoc / Tunnel City Group

The Tunnel City Group and the underlying Wonewoc Sandstone (formerly known as the Franconia-Ironton-Galesville Aquifer) supply water for much of the Northwest Metro region. Presence and thickness of the Tunnel City is depicted on Figure 6 in Appendix D, and for the Wonewoc on Figure 8 in Appendix D. Areas where the Aquifer is not present primarily occur within bedrock valleys where previous streams and surface water features carved away the bedrock unit. A large unconformity of the Wonewoc Sandstone is depicted within Anoka County where heavy erosion of this unit appears to have taken place prior to the deposition of the Tunnel City Aquifer. This area is depicted where the Wonewoc aquifer thickness thins or is not present

(Figure 8 in Appendix D). Potentiometric surfaces of this units are depicted on Figures 7 in Appendix D for the Tunnel City and Figure 9 in Appendix D for the Wonewoc Sandstone. Potentiometric surfaces were created by the Minnesota Geologic Survey and provide a rough estimate for water elevations for a proposed well within these units and their groundwater flow direction.

The Metropolitan Council generally describes the productivity of the Tunnel City – Wonewoc Aquifer as variable. Yields tend to be moderate to low with some of the highest yields reported where bedrock units are highly fractured.

5.1.2.3 Mt. Simon-Hinckley Aquifer

The Mount Simon-Hinckley Aquifer is generally described by the Metropolitan Council as a high to moderate yield aquifer. New high-capacity wells are generally not permitted by the Minnesota Department of Natural Resources as use has been restricted by Minnesota Law, therefore it is not discussed in this report in greater detail.

5.1.3 Ramsey Municipal Wells

The City of Ramsey wellfields are comprised of 8 wells. Wells 1 and 2 are located in the southeastern portion of city limits, while Wells 3 through 8 are located in the south-central portion of the City. The City of Ramsey currently receives all of its potable water from the Tunnel City-Wonewoc aquifer. The well locations are depicted on Figure 1 in Appendix D. These wells are detailed in the table below.

Table 10 – Ramsey Well Data

Well No.	Unique Well No.	Date Constructed	Aquifer	Total Depth (ft)	Casing Depth (ft)	Casing Diameter (in)
1	161441	1984	Tunnel City Group	323	243	14
2	416183	1987	Tunnel City Group	320	240	14
3	580306	1997	Tunnel City-Wonewoc	345	222	30 x 24
4	580313	1998	Tunnel City-Wonewoc	321	191	30 x 24
5	593672	2000	Tunnel City-Wonewoc	316	215	30 x 24
6	706840	2005	Tunnel City-Wonewoc	390	282	30 x 24
7	743832	2007	Tunnel City-Wonewoc	332	216	30 x 24
8	743833	2007	Tunnel City-Wonewoc	354	245	30 x 24

5.1.4 Daily Volume of Water Pumped

The Minnesota Department of Natural Resources (MnDNR) permits high-capacity wells and records total water use within wells deemed to be high capacity. All of the City of Ramsey wells are considered high-capacity wells with an approved MnDNR appropriation permit. All yearly water use is recorded within MnDNR's Water Permitting and reporting system (MPARS). Additionally, The City of Ramsey has an approved Water Supply Plan (Third Generation for 2018-2028).

The City of Ramsey currently preferentially utilizes wells from their south-central well field that includes wells 3 through 8. City Wells 1 and 2 are to the southeast of the primary well field and has a decreasing utilization rate. Well locations are depicted on Figure 1 in Appendix D.

As discussed in Section 4, the average daily water demand from 2007 to 2017 ranged from 1.62 to 1.92 million gallons (MGD). The maximum daily demand ranged from 4.1 to 5.5 MGD. The projected annual average water demand for the City is expected to increase to 3.5 MGD and up to a projected daily maximum of 10.2 MGD in the year 2040.

5.1.5 Aquifer Response to Well Pumping

Aquifer response to well pumping can be measured in many ways. The most common and observable measurement within a well is through measurement of the drawdown, or change in static water levels, and also through calculating the well specific capacity. These measurements help to quantify water use within a well. As a well continues to pump it creates a radius of influence where nearby water is drawn down into what is called a cone of depression. This correlates to well interference and can have a combining effect when multiple high capacity wells are pumping. These terms are discussed in the Minnesota Department of Health publication, "A Guide to the Rules Relating to Wells and Borings" (Minnesota Rules, Chapter 4725). The adjacent image from the handbook describes this terminology. The following sections will discuss these terms in detail.

5.1.5.1 Well Drawdown

Well drawdown is the decrease of water from the baseline static water level. It can also be described as a decrease in water elevation, potentiometric surface, or water head. As a well is pumped, drawdown is induced by the removal of a volume of water from the aquifer. As the well continues to operate it can also create an area around the well where water is drawdown. This area of drawdown is known as a cone of depression or the area of Influence from a pumping well.

When a well discontinues pumping, water from surrounding aquifers will flow into the area and bring water levels back to static levels. Pumping temporarily creates an area of low potentiometric water pressure, and when the well is shut off water will flow into the area to balance out that change in potentiometric surface. This is known as recharge, or recovery. The recovery period like the drawdown is determined by the hydrogeological properties of the aquifer. Drawdown observed in the City of Ramsey wells are typical for Twin Cities bedrock aquifers. The following chart depicts a drawdown and recover of Well 5 during a 2-day period starting May 3rd to May 5th in 2019.

Figure 3 – Terms Relating to Well Performance

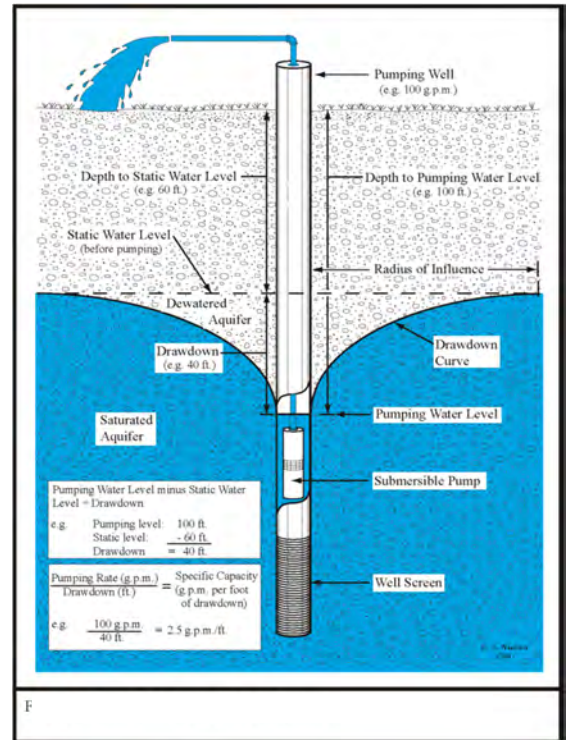
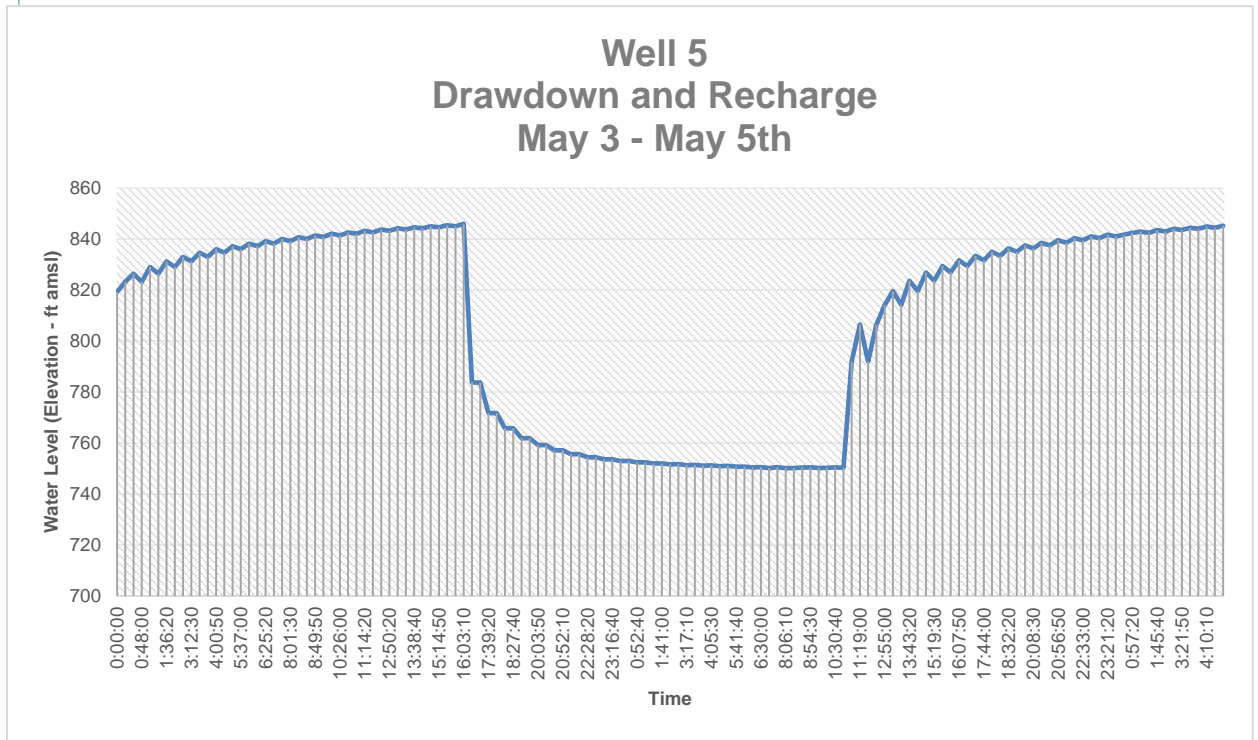


Figure 4 – Well 5 Drawdown and Recharge



At the start of this period, Well 5 water levels were recovering to static at approximately 23 feet below ground surface. Pumping commenced at 15:15 on May 3rd and continued for the next 18 hours. Initial drawdown or instantaneous drawdown is depicted by the step increase in drawdown from 16:51 to 18:27. Water levels over this period fell 80 feet. Water levels over the following 18 hours decreased another 40 feet. The well ceased pumping at 10:30 on May 3rd and recharge to the aquifer took 17 hours to return to static water levels.

Current well pumping and rates of recharge appear good with the aquifer being able to recharge water to static in a relatively low period of time.

5.1.5.2 Well Drawdown and Available Head

Water levels from the source water aquifer, the Tunnel City-Wonewoc Aquifer, are much higher than the topographic elevation of the top of bedrock. This scenario is known as a confined aquifer, where the potentiometric surface, or water head, is higher than the topographic location of the aquifer.

Presently, water quantity throughout the region is good and there are no regulations actively being enforced on pumping levels within a well. Well interference and long-term groundwater trends through pumping/drawdown is conducted on a case by case basis by the Minnesota DNR if a problem arises.

Typically, it is not a good idea to drawdown water levels in a confined aquifer below the top of bedrock as it can introduce oxygen into the formation. Additionally, water levels should stay sufficiently above the specifications of the water pump design.

For confined aquifers, the Minnesota DNR has established a two-tiered aquifer protection threshold system to ensure the long-term viability of the pumped aquifer and to prevent exceedance of the aquifer safe yield as defined by MN Rule 6115.0630 Definitions Subps.15 and 16. These thresholds allow for appropriation from the aquifer but establishes minimum water level elevations to be maintained as a safeguard to protect the structural integrity of the aquifer itself. Threshold elevations are set in observation wells completed in the source aquifer and not pumped wells.

- The first threshold is set at an elevation that is 50% of the pre-pumping available head above the top of the aquifer. If water levels drop to the 50% threshold, pumping will need to be evaluated and a possible reduction in rate and volume may be required.
- The second is a water level elevation associated with 25% of the pre-pumping available head above the aquifer. At the 25% threshold, pumping would need to cease to prevent exceeding the safe yield for the artesian aquifer.
- If more than one aquifer is impacted by pumping, then thresholds are set similarly in the other aquifers.

The table below depicts the static water level and the approximate available head above top of aquifer in the City of Ramsey’s current municipal wells taking account the Minnesota DNR 50% and 25% thresholds.

Table 11 – Drawdown in Ramsey Wells

Well No.	Unique Well No.	Total Depth (ft)	Casing Depth (ft)	Static Water Level Depth (ft)	Approximate Drawdown to Top of Aquifer (ft)	Approximate Drawdown to 50% threshold (ft)	Approximate Drawdown to 25% threshold (ft)
1	161441	323	243	9.5	233.5	116.75	175.1
2	416183	320	240	9.5	230.5	115.25	172.8
3	580306	345	222	26	196	98	147
4	580313	321	191	18	173	86.5	129.7
5	593672	316	215	25	190	95	142.5
6	706840	390	282	37	245	122.5	183.7
7	743832	332	216	25	191	95.5	143.2
8	743833	354	245	15	230	115	172.5

These MnDNR threshold values are approximate as an observation well has to be established by the MnDNR for baseline water elevations; however, the table above provides an estimate for which the city should manage water levels.

5.1.5.3 Well Specific Capacity

Well specific capacity is the rate of pumping per unit of drawdown expected. This is generally expressed as gallons per minute (GPM) per foot of drawdown. All of the City of Ramsey wells experience a sharp initial displacement of water as the wells are turned on (as seen in Well 5 drawdown examples above). For the purpose of this report, this initial displacement was not considered in the calculations for Well Specific Capacity in order to give a more accurate depiction of how the aquifer will respond once stabilized to various pumping rates.

Well Specific Capacity for the City of Ramsey was determined to be approximately 30 to 40 GPM / ft after initial displacement. This indicates a 30 to 40 GPM increase in pumping rate will increase total drawdown by 1 foot. The Specific Capacity was established analyzing the following recent results from pumping.

5.1.6 Bedrock Hydrogeologic Sensitivity to Pollution

Water quality for bedrock aquifers are generally a function of recharge rates for water originating from surficial waters, or percolation from direct precipitation, that may carry contaminants. Aquifers generally flow from areas of high potentiometric conditions to areas of low potentiometric conditions which can be influenced by surface topography, bedrock topography, Well Influence, and the hydraulic properties of the geologic units.

The areas of higher potentiometric conditions often correspond to recharge areas or where water enters the aquifer and, as a result, are the most susceptible to distributing such contamination to the bedrock aquifer. Recharge areas may have variable recharge rates and may even decrease because of the properties of the material in which it flows. Confining units, formations primarily made up of fine-grained material, reduce groundwater flow rates and provide more geologic protection. Geologic protection can be described in categories as to how quickly water can percolate from the surface to the bedrock from 'Low' to 'High'.

Figure 4 in Appendix D depict bedrock protection 'Geologic Sensitivity' for Anoka County. While the majority of the bedrock aquifers exhibit a low geologic sensitivity, some areas are depicted with a high sensitivity. The areas of high sensitivity do not appear to correspond to specific bedrock geologic conditions. Instead, high sensitivity is more likely related to where confining units have been removed and where coarse-grained Quaternary sediment overlies the bedrock surface.

Figure 5 in Appendix D depicts tritium samples taken within the City of Ramsey. Tritium is a radioactive isotope of hydrogen that can be used to indicate water age. MDH classifies young (post-1953) water, as indicated by the presence of 1 TU or greater in the well water. Tritium results for these samples depict a mixed result. This mixed result reflects uncertainty about the pathway for young water (containing tritium) to reach the deeper bedrock aquifers. Although the presence of tritium may be the result of a compromised well casing allowing surface water seepage, conservatively, it is assumed that some pathways may exist.

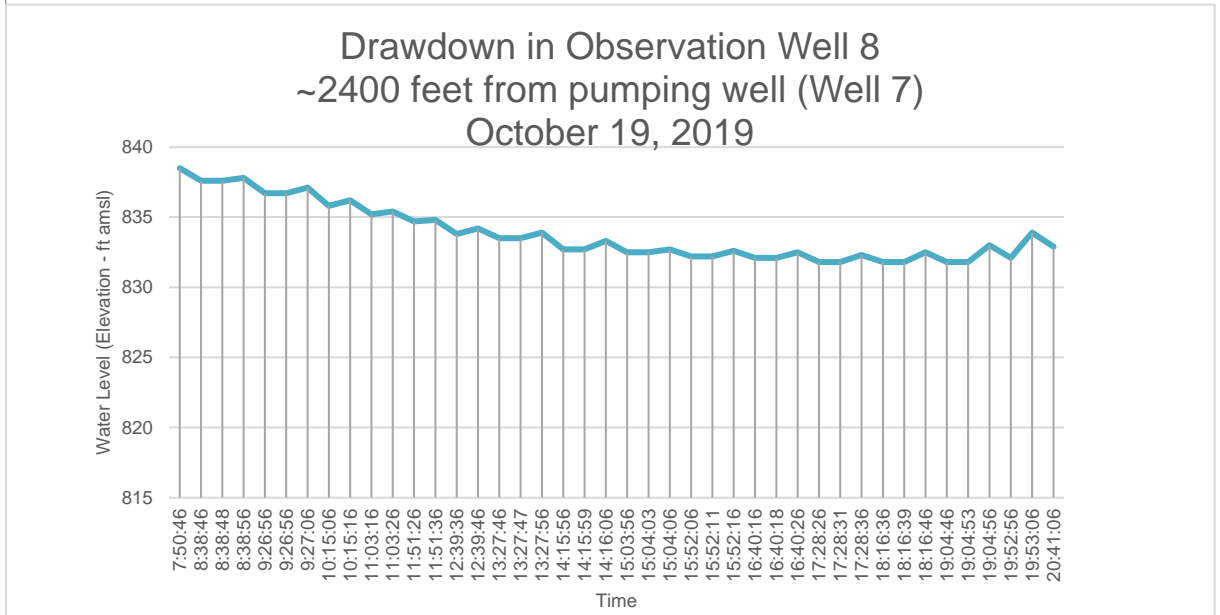
5.1.7 Well Spacing

Determining the proper spacing of wells in Artesian Aquifers is a balance of well drawdown, the ability of the surrounding formation to recharge, and further economic considerations (USGS 1961). In general, the farther apart high-capacity wells are from one another, the less mutual interference will occur on the wells. Additionally, the economics of well spacing needs to be weighed against the potential drawdown of the wells.

The USGS in 1961 developed a method utilizing the Theis equation for hydraulics to determine expected well drawdown and the surrounding cone of depression. Calculations using this equation were completed to understand the hydrogeology of this aquifer system.

The following example depicts drawdown in well 8 over the course of 12-hour period while well 7 was pumping at an Average of 800 GPM.

Figure 5 – Drawdown in Observation Well 8



During the course of Well 7 pumping, Well 8 at a distance of 2,400 feet observed approximately 6 to 9 feet of drawdown.

The Theis equation predicts a cone of depression approximately 2,448 feet from pumping well 7.

Theis Equation for the City of Ramsey		
Time =	0.5	days
Theis W(u) Function	0.752	unitless
Drawdown =	6	ft
Transmissivity =	11493	gpd/ft
Pumping Rate =	800	gpm
Theis u variable =	0.390	unitless
$r^2 = 4Ttu / 4S$		
Storativity =	0.0002	unitless
Radius rounded for map	2400	ft

These results indicate that a single well pumping at current well field spacing does not induce mutual well interference. This 6-foot cone of depression is depicted on Figure 11.

However, complexities arise as present-day conditions see the use of 3 to 5 concurrent wells, and a 2040 demand increasing up to a projected 500% daily maximum demand. In order to model these scenarios and their resulting cone of depressions a groundwater model was developed.

5.1.8 Model

The groundwater flow and cone of depression calculation for the City of Ramsey were determined using an existing regional MODFLOW model that was developed by Barr Engineering Company for the Metropolitan Council (Metro Council, 2014). MODFLOW is a 3D, cell-centered, finite difference, saturated flow model developed by the U.S. Geological Survey (McDonald and Harbaugh, 1988; Harbaugh et al., 2000).

MODFLOW was developed by the United States Geological Survey and is publicly available. The specific software code used for this delineation was MODFLOW-2005 (Harbaugh, 2005). The program has been thoroughly documented, is widely used by consultants, government agencies, and researchers and consistently accepted in regulatory proceedings. MODFLOW is also an extremely versatile program capable of simulating groundwater flow in up to three dimensions while offering a variety of boundary condition options, confined or unconfined aquifer conditions and allowing for vertical discretization through the use of layering.

The Metro Model consists of nine layers that represent the major aquifers and aquitards within the seven-county metropolitan area. These layers represent, from top to bottom (youngest to oldest), the following units: (1) surficial aquifer of glacial deposits; (2) St. Peter Sandstone or Quaternary Buried Artesian Aquifer; (3) Prairie du Chien Group; (4) Jordan Sandstone; (5) St. Lawrence Formation (aquitard); (6) Tunnel City Group; (7) Wonewoc Aquifer, (8) Eau Claire Formation (aquitard); and (9) Mt. Simon Sandstone. The regional groundwater model was calibrated to steady-state water levels and river base flows. Model parameter development and error is discussed in the Metro Model report.

A local model limited to an approximate radius around the city limits was extracted from the regional seven-county model using telescopic mesh refinement with the Groundwater Vistas software. Constant and general head boundaries around the limits of the model along with wells, rivers and lakes, and infiltration, provided the model boundary conditions.

The model grid was refined around the City of Ramsey wells. Variable grid spacing was used, ranging from approximately 2 meters near the City of Ramsey wells to approximately 500 meters at the edge of the grid.

Prior to their use in the delineations, the following modifications were incorporated in the refined models:

- Local areas of modified horizontal conductivity were included in the model.
- The pumping rates for baseline (no pumping), maximum present-day use, and projected 2040 demand were inputted into scenarios of the model.

To determine the water contours of the aquifer and the resulting cone of depressions multiple model runs using multiple flow rates were inputted into the city wells. Baseline conditions were established creating a model that input no pumping from the City wells. This represents static aquifer water levels without influence of the City wells. Water elevations from this baseline condition is depicted on Figure 12 in Appendix D. The results from this model run are verified and match MnDNR hydrogeologic atlas potentiometric surface predictions depicted in Figure 7 and Figure 9 in Appendix D.

The second model run input pumping values from June 12, 2019 to predict the cone of depression caused from 8 hours of pumping 4 wells. The resulting head values from this model

were subtracted from the baseline model. Results from this calculation are shown in Figure 13 in Appendix D. This Figure depicts the cone of depression created on June 12, 2019. To check accuracy of the model results Well 3 a non-pumping observation well saw water levels drop approximate 12-15 feet from baseline conditions, essentially matching modeled results.

The third model run adjusted June 12, 2019 pumping wells to be increased to projected 2040 demand. The resulting cone of depression is depicted on Figure 14 in Appendix D. Results indicated almost double the drawdown depicted from the second model run. Well 3 was again input as a non-pumping observation well and would observe 40 feet of drawdown under these conditions.

5.1.8.1 Model Calibration

A qualitative evaluation of the calibration can be made by comparing the simulated potentiometric surface (Figure 12 in Appendix D) with observed water level targets obtained from the MWI database and Minnesota Department of Natural Resources Potentiometric Surfaces (Figure 7 and Figure 9 in Appendix D). Upon review, the calibrated flow model generally captures the major features of the groundwater flow system along with the elevation, shape, magnitude, and gradient of the MWI database observed flow field.

A quantitative measure by which to evaluate the success obtained during calibration is to compare the root mean square of the residuals (RMS) and the maximum observed head difference of the calibration dataset. The calibration dataset included water level information from wells in an approximate 16-mile radius of the city's wells. The root mean square residual of the calibration for layers 6 and 7 for the model was approximately 5.15 meters with a Normalized Root Mean Squared of 5.0 percent. It is noted that this error is less than the calibration target of 15 percent (Anderson et al., 2015).

5.2 Groundwater Modeling Conclusions

The Source water aquifer that the City of Ramsey currently utilizes is a deep-confined aquifer comprised of two geologic units, the Tunnel City and Wonewoc Aquifers. Throughout the region, numerous other unconsolidated and bedrock aquifers exist along with substantial surface water bodies such as the Mississippi River. Overall, the area surrounding the Twin Cities has substantial surface and groundwater resources to support present and long term portable water.

At present, there is no reason to assume that the current source water aquifer for the City of Ramsey will not be able to supply potable water for the foreseeable future. The City of Ramsey's source water aquifer and wells are able to meet present day demand and appear to have a noticeable but temporary radius of influence on the surrounding aquifer. The wells are able to support high pumping rates with specific capacity showing acceptable drawdown alongside the aquifer's ability to recharge to static levels within a day of pumping.

The City of Ramsey will need to balance water demand with drawdown to meet Minnesota Department of Natural Resources drawdown thresholds described in MN Rule 6115.0630 Definitions Subps.15 and 16. Two thresholds are in place and regulate that wells must not drawdown MnDNR assigned static water levels to within 50-percent and 25-percent to the top of aquifer. These threshold values are set by a MnDNR observation well and would typically be enforced if long term issues are observed. Thresholds for the City of Ramsey could become a concern if there is extended pumping within a single well or pumping by multiple wells in close proximity.

In summary, it is SEH's opinion that there is a 95% to 99% certainty that the source water aquifer for the City of Ramsey will continue to produce potable water to meet present and foreseeable future demands; however, the City of Ramsey should plan additional well sites to ensure static water levels remain sufficiently above top of aquifers to meet MnDNR thresholds.

Single well pumping for the City of Ramsey, as depicted by Well 5 in May, 2019 saw approximately 90 to 100 feet of temporary drawdown. This observed drawdown nears the MnDNR 50-percent threshold; however, the pumping extended multiple days and recharged within the same time period back to static levels. This supports the ability of the wells to supply continued water and ability to stay within prescribed State Statute.

A single well also creates a radius of influence drawing down adjacent water levels. The zone of influence for a single well was observed and modeled to be approximately two to three thousand feet, meaning that a single well pumping at approximately 800 feet will not cause a significant drawdown in another well. When multiple wells are being utilized such as under heavy day demand or under 2040 conditions the modeled and observed drawdown in nearby wells sees a substantial drop in static water levels from that of a single well pumping. Modeled drawdown during present heavy day conditions depict 30-40 feet of drawdown approximately 1,500 feet around the wellfield. After pumping stops, the aquifer will recharge to static levels within one or two days. In general, it appears new well sites should be spaced at least 1,500 to 2,000 feet away from existing wells to ensure a pumping scheme that gives the aquifer sufficient time to recharge.

Future well sites should attempt to balance the City's current economics, well spacing, and take into account the underlying geology. The City of Ramsey should continue to utilize the current source water aquifer for both a water quantity and a water quality standpoint. The source water aquifer is underneath protective "confining" units that appear to inhibit the influence of new water from brining contaminants to the City's wells and will likely produce consistent water quality unlikely unconfined sources such as surface water that may have a highly variable water quality.

Additional considerations for well Sites should take into account the thickness of the two hydrogeologic units that make up the source water aquifer. The Tunnel City aquifer is not as prolific an aquifer as the Wonewoc aquifer, meaning that the Wonewoc aquifer is a more economical source of water. Figure 15 in Appendix D depicts three potential well sites taking into account these issues. Well Site Area A has Tunnel City aquifer thickness ranging from 100 to 150 feet and Wonewoc thickness ranging from 45 to 60 feet. Well Site Area B has Tunnel City aquifer thickness ranging from 0 to 80 feet and Wonewoc thickness ranging from 35 to 100 feet. Well Site Area C has Tunnel City aquifer thickness ranging from 90 to 100 feet and Wonewoc thickness ranging from 15 to 35 feet. All of these sites have potential for potable water sources, but a test well will need to be installed to confirm their viability. As opportunities to investigate these well sites present themselves the City should consider these as potential well sites.

6 Regional Water Supply Study

Metropolitan Council Environmental Services in conjunction with the Cities of Ramsey, Dayton, Rogers, and Corcoran prepared a study in 2020 that looked at various options for a regional water system. SEH was the consulting engineer on the project. The *Northwest Metro Area Regional Water Supply System Study* (Study) evaluated four approaches to water supply:

- Approach 1: Regional Surface Water Treatment Plant
- Approach 2: Regional Lime Softening Groundwater Treatment Plant
- Approach 3: Regional Conjunctive Use System (Surface Water Augmented with Groundwater)
- Approach 4: Status Quo (communities construct individual lime softening groundwater treatment plants)

So that similar treated water qualities were being evaluated, Approach 2 and Approach 4 assumed that the communities would construct lime softening groundwater treatment plants. A potential driver ultimately requiring lime softened groundwater or the use of surface water is a chloride discharge limit in wastewater.

A finding in the report as it relates to surface water treatment in the vicinity of Ramsey was that *“The Mississippi River has sufficient water quantity to serve the Northwest Metro communities. The water quality in the Mississippi River appears to be acceptable for a conventional surface water treatment plant. St. Cloud, St. Paul, and Minneapolis utilize the Mississippi River as their source of drinking water.”*

The capital cost of a surface water treatment plant is significantly higher than an iron and manganese groundwater treatment plant. Based on costs presented in the report, the project cost for a 10 MGD surface water treatment plant would be \$50 million or more. In addition, the Operation and Maintenance costs of treating surface water is approximately twice as high as iron and manganese treatment.

It should be noted that a surface water treatment plant could provide softened water to the residents of Ramsey; whereas an iron and manganese treatment plant would not provide softened water. However, residents that are concerned about hard water are likely already softening their water with a home softener.

As of the preparation of this report, the Study was still in draft form. When the Study is complete, it will be available to the public on the MCES website. The citation for the report is: *Metropolitan Council. 2020. Northwest Metro Area Regional Water Supply System Study. Prepared by Short Elliott Hendrickson Inc. Metropolitan Council: Saint Paul.*

Because it has been demonstrated that Ramsey should have sufficient groundwater available to meet future demands, a surface water treatment plant is not recommended at this time. A potential Ramsey groundwater treatment plant will be located close enough to the Mississippi River that it could be converted to a surface water treatment plant in the future if it became necessary. It is recommended that surface water features be designed into a potential water treatment plant. The additional cost of the surface water features is approximately \$250,000.

7 Water Treatment

To remove manganese, iron, or hardness from Ramsey’s drinking water, a centralized water treatment plant should be constructed. Adding the necessary processes to treat the water supply at each pump house would not be cost-effective.

7.1 Current and Future Treatment Needs

Many of Ramsey's wells are high in manganese, which has necessitated a solution to reduce the levels due to its health concerns. Ramsey's water is also high in iron and hardness. Ramsey's water otherwise meets all of the primary and aesthetic drinking water standards.

Manganese and iron can be removed with oxidation and sand filtration as discussed in the pilot study in Appendix E. Hardness removal options are discussed in Section 7.5.

Future treatment requirements will depend upon the class of contaminant being treated. Volatile chemicals can typically be removed using an aerator (i.e. gasoline constituents, trichloroethylene [TCE], radon, hydrogen sulfide, etc.). Some organic chemical may be removed using granular activated carbon (potential taste and odor causing contaminants). It may also be possible to add chemical feed systems to remove new contaminants using sand filters (i.e. arsenic, radium). If it is not possible to remove the contaminants by volatilization, carbon filtration, or sand filtration, membrane filters could be necessary (i.e. reverse osmosis). It should be noted that sand filtration is typically required ahead of membrane filters because iron and manganese causes fouling on the membranes.

In addition to potential future contaminants, a water treatment plant could be designed with features that would allow it to be converted to a surface water treatment plant in the future. One of these features would be filter-to-waste piping and valves. Filter-to-waste piping is required for surface water treatment, but is not generally used with groundwater treatment.

Ultimately, having a treatment facility that is flexible and can be retrofitted to meet new potential requirements is very important.

7.2 Treatment Capacity

As discussed in Chapter 4, the maximum day demand ranged from 4.1 to 5.5 MGD in the last 10 years. While the overall maximum day water demand has been flat in the last 10 years, the maximum day demand nearly triples the average day demand. The projected 2040 maximum day water demand is 10.3 MGD.

The recommended capacity of a water treatment plant for Ramsey is 10 MGD under normal conditions with the ability to operate up to 15 MGD for shorter periods. This will allow the City to comfortably treat maximum days through 2040 and possibly beyond.

7.3 Manganese and Iron Removal Options

The most common and most cost effective option for manganese and iron removal is chemical oxidation followed by sand filtration. In groundwater, the manganese and iron ions are in solution. When a strong oxidant is added to the water, it converts the manganese and iron to filterable solids.

The oxidant that is added for iron oxidation is typically oxygen via aeration or chlorine. The chemical oxidant that is added for manganese oxidation is typically sodium permanganate. Chlorine is a less expensive chemical oxidant, but the reaction with manganese is too slow to be used in a filtration process. Options for gravity and pressure filtration are presented later in this chapter.

Other options for iron and manganese removal are chemical oxidation followed by membrane filtration or reverse osmosis. Both of these options are very expensive from a capital cost and operations and maintenance standpoint and are not being considered further.

7.4 Hardness Removal

Hardness in water is caused by excess calcium and magnesium ions in the water. Hard water causes scaling on fixtures and can plug pipes. Hardness can be removed from water on a municipal scale by lime softening or ion exchange softening.

7.4.1 Lime Softening

Lime softening involves adding lime to water to raise the pH to a point where the calcium carbonate is no longer soluble in the water. By forming calcium carbonate precipitate; the calcium can be removed by filtration. A lime softening water treatment plant requires sedimentation, clarification, and filtration and is very expensive. The capital cost of a lime softening water treatment facility for Ramsey could be as much as \$50 million. The operation and maintenance (O&M) of a lime softening water treatment facility would also be significantly more than an iron and manganese removal water treatment facility. Higher O&M for a lime softening plant is due to a larger facility and more chemical processes. It should be noted that a lime softening water treatment plant would also remove manganese and iron, and would not require a separate treatment process.

Due to the high capital and O&M costs associated with a lime softening water treatment plant, it is not recommended for the City of Ramsey.

7.4.2 Ion Exchange Softening

Ion exchange softening involves exchanging calcium and magnesium ions for sodium ions with an ion exchange resin. This is exactly the same process that is used in a home water softener. To regenerate an ion exchange softener, the resin is flushed with a concentrated solution of brine. This regeneration process uses large quantities of salt. A municipal ion exchange water softening system treating 3.5 MGD (Ramsey's 2040 average day demand) would use as much as 6 tons of salt every day.

The capital cost of adding an ion exchange water softening treatment process to a new water treatment facility would be approximately \$5 million. This cost would be in addition to an iron and manganese removal water treatment plant.

The operation cost for salt and wasted water for an ion exchange softening process is approximately \$500 per million gallons of water treated. This is independent of whether it is done by the City or by a resident.

An ion-exchange softening process would add approximately 3 tons of chloride to the wastewater system which is ultimately discharged to the Mississippi River. While the MCES Metro Wastewater Treatment Plant currently meets its discharge limits, chlorides have received more regulatory scrutiny recently. Operating a municipal scale ion exchange softening process may become less feasible in the future due to chlorides in wastewater. In addition, municipal scale ion exchange softening might not be considered environmentally responsible. Due to the higher operation and maintenance costs, potential future regulations, and environmental responsibility, an ion-exchange softening process is not recommended.

7.5 Pilot Study Results

A pilot study was performed by John Thom of SEH of Ramsey's water in January 2020. The Pilot Study Report is included in Appendix E. The objectives of the pilot study were to evaluate the effectiveness of detention time prior to filtration, and to determine the optimal filter media.

The pilot study found no significant difference between direct filtration and utilizing 30 minutes of detention time prior to filtration, and found no significant difference between the silica sand/anthracite and greensand/anthracite filter media. Because the manganese oxide coating on manganese greensand filters is helpful for manganese removal, greensand/anthracite filter media is recommended.

7.6 Filter Sizing

The required filter area is determined by dividing the nominal filtration capacity by a flux rate (filtration rate). Ten States Standards requires sand filtration rates from 2 to 4 gpm / ft². Because the required filtration capacity is 10 MGD under normal operating conditions, the facility will be designed for 10 MGD at 2 gpm / ft². Therefore, if 15 MGD is necessary for short periods of time, the filtration rate will still be in the acceptable range. With a capacity of 10 MGD and a filtration rate of 2 gpm / ft², it is necessary to have 3,200 ft² of filter media. To have reasonable backwash rates and operational flexibility, this will be broken into eight filters.

7.7 Operator Input

Ramsey operators and City Staff toured existing water treatment plants in Andover and Brooklyn Center as part of this feasibility study. Operator feedback from the tours was gathered and incorporated into the building layouts discussed in the following sections.

7.8 Treatment Alternative 1 - Gravity Filter Layout

7.8.1 General

In an iron and manganese gravity filtration system, water to be filtered is pumped, under low pressure, to the treatment facility where it flows by gravity through the various treatment processes. Following the oxidation process, the water flows through the filter cells from top to bottom. As the water passes through the filter media, the insoluble particles of iron and manganese are removed.

As more and more water is filtered, the restriction to flow, created by the accumulation of iron and manganese solids on the media, steadily increases. In a gravity facility, this restriction to flow, called head, is measured in feet of water depth in the filter cells. As the solids accumulate, the depth of water in the filter cells increases. Due to the physical nature of a gravity filter, when the depth of water in a cell reaches its maximum designed head (high water level) backwashing is required. Failure to backwash at the proper time could result in the filter overflowing or poor effluent water quality being produced. Gravity filters are typically constructed of concrete or steel. Steel filters are generally found in smaller water systems. Because of the large size of the filters required for Ramsey, steel filters are not being considered.

The advantages to gravity filtration systems are:

1. Gravity filters provide for more treatment options including aeration and detention without requiring another pumping step. If regulations change or the water becomes contaminated, additional treatment steps can be added to gravity filters.
2. Water from the gravity filters does not go immediately into the distribution system. If problems with the filters occur or if sodium permanganate is overfed (causing pink water), operators have time to react and correct the problem.
3. Gravity filters are open to view and access. This is advantageous in that it enhances the observation, operation and maintenance of the filter functions and components.
4. Gravity filtration systems have a greater amount of flexibility with less disruption during normal maintenance procedures.

The disadvantages to gravity filtration systems are:

1. The facilities tend to have more capital cost than pressure type facilities.
2. Typically requires the facility to be constructed on two floor levels.
3. Provides for less available headloss than pressure facilities which can result in shorter filter run times. Shorter filter run times result in more backwashing which takes a filter out of service.

7.8.2 Building Layout/General Sequence

Gravity filter building layouts are included in Appendix F. The chemical rooms are located on the east side of the building, with exterior doors accessible for deliveries. The electrical, mechanical, high service pump room, and generator rooms are located in close proximity to each other to allow for short conduit runs to motor controls.

The gravity filter layout occurs on two levels to allow for filter height to provide head for the filtering process. The raw water enters the building through the high service pump room where chlorine and potassium permanganate are added. The water travels through the filters by gravity to the clearwell. The water travels from the clearwell to the high service pump chamber where it is pumped into the distribution system. Fluoride, chlorine, and phosphate will be added to the finished water.

7.8.3 Main Level

7.8.3.1 Chemical Rooms

Chemical rooms are clustered on the east side of the building with exterior doors to allow easy access for chemical deliveries. It is expected that chemical rooms will be required for chlorine gas, sodium permanganate, fluoride, phosphate, and possibly polymer to aid in backwash settling.

7.8.3.2 High Service Pump Room

The high service pump room contains the pumps that pump treated water from the clearwell into the distribution system. Because most of the electrical load is located in the high service pump room, it is in close proximity to the electrical room and generator room.

7.8.3.3 Electrical Room

The electrical room contains the motor control equipment and electrical panels. The location of this room in close proximity to the high service pump room, mechanical room, and generator room provide for short conduit and wire runs.

7.8.3.4 Mechanical Room

This room contains the make-up air, dehumidification, and HVAC equipment. The location of this room on an outside wall provides space for air louvers.

7.8.3.5 Blower Room

The blower room contains the filter backwash blower. The backwash blower provides air which is used to help clean the filter media during a backwash.

7.8.3.6 Office/Control Room/Lab

An office/control room/lab is provided for operators to have a SCADA computer to monitor and control the water system. A lab sink and desktop analyzer will be provided to allow operators to monitor water quality. The office is located in the front of the building next to the entrance, and has lots of windows for natural light.

7.8.3.7 Generator Room

A standby generator will be located in the generator room. The generator is capable of running the water treatment plant in the event of a power outage or possibly for peak shaving (peak shaving requires additional emissions compliance). The service entrance and automatic transfer switch are located in this room. Two exterior walls are provided for intake and exhaust louvers.

7.8.4 Upper Level

The upper level is depicted on the Upper Level Floor Plan in Appendix F. The upper level consists of filters and walkways. Windows will be provided in the filter room to allow for natural lighting. Walkways will be provided around the filters to allow the plant operator to inspect the operating conditions of the filters. Control panels (fixed or mobile) will be provided to allow the operators to manually initiate backwashes from the upper level.

7.8.5 Clearwell

A clearwell is located adjacent to the gravity filter treatment facility. The clearwell provides storage and operational flexibility (the box shown on Figure 1A in Appendix F represents 1 million gallons of underground storage). This storage is necessary to (1) maintain a volume of water for backwashing filter cells, (2) to provide the flexibility to treat water at a rate different than the raw water pumping rate, and (3) to provide additional storage for the distribution system.

To provide operational flexibility and to supplement system storage, a 1 million gallon clearwell is the minimum size recommended.

7.9 Treatment Alternative 2 – Pressure Filter Layout

7.9.1 General

In an iron and manganese pressure filtration system, water to be filtered is pumped directly to, and through, the facility's components under pressure. Oxidation occurs inside the pipelines and filter vessels upstream of the filter media. Following the oxidation process, the water flows through the filter vessels from top to bottom. As the water passes through the filter media, the insoluble particles of iron and manganese are removed from the flow.

As more and more water is filtered, the restriction to flow, created by the accumulation of iron and manganese solids on the media, steadily increases. In a pressure facility, this restriction to flow, called head, is measured in pounds per square inch (psi). As the solids accumulate, the headloss, or difference in pressures between the top and bottom sides of the filter media, increases. Due to the design and construction of pressure filters, headloss can be driven as high as 15 psi, although 5 to 6 psi is the preferred upper limit to ensure water quality.

The advantages to pressure filtration systems are:

1. The facilities tend to have less capital cost than gravity facilities.
2. Plants are typically constructed on one floor level.
3. Provide for greater available headloss than gravity facilities which can result in longer filter run times than a comparably sized gravity facility. Longer filter run times require less backwashing which keeps a filter in service longer.

The disadvantages to pressure filtration systems are:

1. Pressure filter systems have less ability to add additional treatment processes (aeration, detention) if regulations or water quality changes.
2. Closed from view and difficult to access internally. This prevents observation of the systems operation. Condition of the filter media and flow distribution during a backwash cycle cannot be readily monitored.
3. Pressure filters are constructed out of steel and require periodic blasting and painting.
4. Inspection of the pressure filters requires entry into a confined space which is a safety hazard.

7.9.2 Building Layout/General Sequence

Pressure filter building layouts are included in Appendix G. The chemical rooms are located on the east side of the building, with exterior doors accessible for deliveries. The electrical, mechanical, and generator rooms are located in close proximity to each other to allow for short conduit runs and motor controls.

The pressure filter layout occurs on one level. The raw water enters the building in pressure pipe and chlorine and permanganate are added. The water goes directly through the filters under pressure where the iron and manganese are removed. Fluoride, chlorine, and phosphate will be added to the finished water.

7.9.3 Main Level

7.9.3.1 Chemical Rooms

Chemical rooms are clustered on the east side of the building with exterior doors to allow easy access for chemical deliveries. It is expected that chemical rooms will be required for chlorine gas, sodium permanganate, fluoride, phosphate, and possibly polymer to aid in backwash settling.

7.9.3.2 Electrical Room

The electrical room contains the motor control equipment and electrical panels. The location of this room in close proximity to the mechanical room and generator room provide for short conduit and wire runs.

7.9.3.3 Mechanical Room

This room contains the make-up air, dehumidification, and HVAC equipment. The location of this room on an outside wall provides space for air louvers.

7.9.3.4 Blower Room

The blower room contains the filter backwash blower. The backwash blower provides air which is used to help clean the filter media during a backwash.

7.9.3.5 Office/Control Room/Lab

An office/control room/lab is provided for operators to have a SCADA computer to monitor and control the water system. A lab sink and desktop analyzer will be provided to allow operators to monitor water quality. The office is located in the front of the building next to the entrance, and has lots of windows for natural light.

7.9.3.6 Generator Room

A standby generator will be located in the generator room. The generator is capable of running the water treatment plant in the event of a power outage or possibly for peak shaving (peak shaving requires additional emissions compliance). The service entrance and automatic transfer switch are located in this room. Two exterior walls are provided for intake and exhaust louvers.

7.10 Backwash Alternatives

Sand filters (gravity and pressure) require periodic backwashing to remove solids from the filters. Backwashing one of the filters (either gravity or pressure) will consume between 40,000 and 70,000 gallons of water. After a backwash, the solids are allowed to settle and the clear water is recycled back to the filters. This can be done with backwash tanks or lamella plate settlers as discussed below.

7.10.1 Backwash Alternative 1 – Backwash Tanks

Backwash tanks simply involve discharging the backwash water to a tank where the water is allowed to settle for a period of time (typically 8 hours). Clear water is decanted from the backwash tank and recycled to the beginning of the treatment process. A backwash polymer may be utilized to increase settling efficiency.

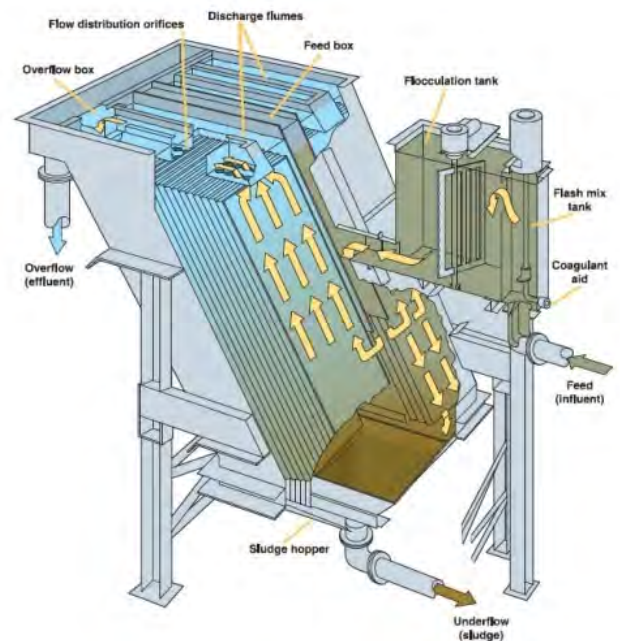
To allow for more than one filter to be backwashed in one day, multiple backwash tanks are required. To provide for efficient operation, three backwash tanks are recommended.

7.10.2 Backwash Alternative 2 – Lamella Plate Settlers

Lamella settling is a process that receives continuous flow from the backwash tank, and provides high rate thickening of the sludge, and reclaims decanted clear water to the beginning of the treatment train. High rate inclined plate settlers typically thicken backwash sludge to approximately 0.5 to 1.5% solids prior to discharging to either a sludge storage tank for further thickening, or directly to the sanitary sewer.

Backwash waste water is pumped from the backwash tank directly into the gravity settler, alleviating settling time. A coagulant is added immediately, as the water flows through a flash mixer and into a flocculation tank. The coagulated sludge then flows into a series of inclined plates, the surfaces which collect the sludge and direct it to a sludge hopper. The clear effluent flows out the overflow and is recycled to the raw water. The inclined orientation of the plates allows for more surface area for the solids to settle upon, while limiting the total space taken up by the equipment.

As with treatment process equipment in general, redundancy is recommended so that in the event that one lamella settler is down, settling operations can continue seamlessly. Therefore, one single lamella settler is not recommended.



7.10.3 Backwash Alternative Comparison

The advantages of lamella plate settlers is that they do not require settling time prior to recycling the backwash water. This eliminates the need for batch processing of backwash water from backwash tanks and provide significant operational flexibility. Backwash tanks can dictate when and if a filter can be backwashed.

Lamella plate settlers waste between 60 and 900 gallons per million gallons of water treated, depending upon whether a sludge holding tank is utilized. Backwash tanks waste between 750 and 5,000 gallons of water per million gallons of water treated.

Because lamella plate settlers provide significantly more operational flexibility and waste less water, lamella plate settlers are recommended for Ramsey.

8 Architectural Design

The City of Ramsey's goal for the water treatment facility is to provide a building that fits with adjacent structures, includes cost effective sustainable design features, is operator friendly, and provides a civic presence to the public.

The water treatment functions of the building will be constructed of poured in-place concrete foundations with masonry, brick, and stone façade. A glass atrium is proposed as an architectural feature and to provide additional natural light. Architectural features from adjacent structures will be incorporated into the design.

For walls that are less visible to the public, cost-effective insulated load bearing precast wall panels will be use. The roof will be constructed of precast concrete double 'T's for the roof structure of the filter room which allows for a greater clear spans and more daylighting.

Sustainable architectural features will include natural daylighting throughout including the filter room, low maintenance poured-in-place and plant precast concrete structure and wall panels, building insulation which surpasses the current energy code. Rain gardens and low maintenance landscaping features can be included in the site design.

An architectural rendering that further demonstrates the design concept for the Fire Station Site is included in Appendix H. If the water treatment plant is constructed elsewhere the architectural treatments will be modified to fit with the adjacent structures.

9 Utility Space Needs Evaluation

City staff was solicited for additional space needs and features in the water treatment plant building in addition to the necessary filters and process rooms. The additional features requested in the building included a training room, and a separate laboratory. An optional 8,000 square foot garage is also included in some of the building layouts.

10 Water Treatment Plant Site Alternatives and Evaluation

Four alternatives for a new water treatment plant site were provided by the City. These alternatives include the Fire Station Site, Public Works Site, Water Shop Site, and Vacant City Property Site. These sites are shown on Figure 1 in Appendix I and are discussed below.

The watermain costs in the following sections assume that watermain is primarily installed within public utility easements, City-owned properties, or in County/City right-of-way next to roads, either in the boulevard or under paved trails.

The costs shown in this section are for purposes of comparing alternatives and do not contain contingency or indirect costs. The costs for the selected alternative are incorporated into the overall project costs presented in Section 12 where contingency and indirect costs are added.

10.1 Fire Station Site

The Fire Station Site is currently private property and would need to be acquired by the City. It was determined that a 3.2-acre site would be sufficient for the water treatment plant and a future

expansion to 20 MGD. Portions of the water treatment plant would be constructed on the existing City-owned Fire Station property. A water treatment plant layout for the Fire Station Site is shown on Figure 4 in Appendix I.

10.1.1 Raw Watermain and Costs – Fire Station Site

The raw watermain required to construct a water treatment plant at the Fire Station Site is shown on Figure 2 in Appendix I. The water main and site acquisition costs are included in Table 10-1. Because the Fire Station Site is remote from other City garage facilities, it is assumed that a water treatment plant garage is needed.

Table 10-1 – Fire Station Site Costs

Item	Unit	Est. Quantity	Unit Price	Cost ¹
24" Raw Watermain	LF	4,350	\$250	\$1,088,000
24" Road Crossing (Jacking)	LF	200	\$1,000	\$200,000
12" Raw Watermain	LF	1,850	\$100	\$185,000
Land Purchase	Lump Sum	1	\$500,000	\$500,000
WTP Garage	Lump Sum	1	\$1,280,000	\$1,280,000
Total				\$3,253,000
¹ Costs are for comparison of alternatives and are not meant to represent the full project costs.				

10.2 Public Work Site

The City is in the process of constructing a new Public Works Facility on a 19.9-acre parcel shown on Figure 1 in Appendix I. The proposed water treatment plant site is a 3.5-acre portion in the northeast corner of the Public Works Site. The northwest corner of the Public Works Site will remain available for other uses or development as it offers the best visibility and has access to both 143rd Avenue and Jasper Street. In addition, constructing the water treatment plant in the northeast corner of the Public Works Site will allow the City to control access to the existing cemetery on the site. A water treatment plant layout for the Public Works Site is shown on Figure 5 in Appendix I.

10.2.1 Raw and Finished Watermain Costs – Public Works Site

The raw and finished watermain required to construct a water treatment plant at the Public Works Site is shown on Figure 3 in Appendix I. The watermain costs are included in Table 10-2. Because a new Public Works building is being constructed on the Public Work Site, it is assumed that a new garage is not needed with the water treatment plant.

Table 10-2 – Public Works Site Costs

Item	Unit	Est. Quantity	Unit Price	Cost ¹
24" Raw Watermain	LF	5,900	\$250	\$1,475,000
24" Road Crossing (Jacking)	LF	200	\$1,000	\$200,000
24" Finished Watermain	LF	3,800	\$250	\$950,000
20" Raw Watermain	LF	1,900	\$175	\$333,000
Well 8 Meter Vault	Lump Sum	1	\$100,000	\$100,000
Total				\$3,058,000
¹ Costs are for comparison of alternatives and are not meant to represent the full project costs.				

10.3 Water Shop Site

The Water Shop Site for the water treatment plant is City-owned property on the west side of Jasper Street, across the street from the new Public Works Facility. The water treatment plant would require approximately 3.5 acres of land. The current City water operations shop is located on this site. Construction of the water treatment plant on the Water Shop Site would require demolition of the existing water operations shop and abandonment of 142nd Ave NW. A water treatment plant layout for the Water Shop Site is shown on Figure 6 in Appendix I.

10.3.1 Raw and Finished Watermain Costs – Water Shop Site

The raw and finished watermain required to construct a water treatment plant at the Water Shop Site is shown on Figure 3 in Appendix I. The water main costs are included in Table 10-3. Because a new Public Works building is being constructed across the street from the Water Shop Site, it is assumed that a new garage is not needed with the water treatment plant. Costs to demolish the existing water operations shop are not included in Table 10-3.

Table 10-3 – Water Shop Site Costs

Item	Unit	Est. Quantity	Unit Price	Cost ¹
24" Raw Watermain	LF	7,200	\$250	\$1,800,000
24" Road Crossing (Jacking)	LF	200	\$1,000	\$200,000
24" Finished Watermain	LF	4,600	\$250	\$1,150,000
20" Raw Watermain	LF	1,900	\$175	\$333,000
Well 8 Meter Vault	Lump Sum	1	\$100,000	\$100,000
Total				\$3,583,000
¹ Costs are for comparison of alternatives and are not meant to represent the full project costs.				

10.4 Vacant City Property Site

The City owns a vacant 4.1-acre parcel located on the east side of Ramsey Blvd NW, west of the Public Works Site shown on Figure 1 in Appendix I. The 4.1-acre parcel would be sufficient to construct Ramsey's water treatment plant. A water treatment plant layout for the Vacant City Property Site is shown on Figure 7 in Appendix I.

10.4.1 Raw and Finished Watermain Costs – Vacant City Property Site

The raw and finished watermain required to construct a water treatment plant at the Vacant City Property Site is shown on Figure 3 in Appendix I. The water main and garage costs are included in Table 10-4. Because the Vacant City Property Site is not on or adjacent to the new Public Works Site, it is assumed that a garage is needed.

Table 10-4 – Vacant City Property Site Costs

Item	Unit	Est. Quantity	Unit Price	Cost ¹
24" Raw Watermain	LF	7,000	\$250	\$1,750,000
24" Road Crossing (Jacking)	LF	200	\$1,000	\$200,000
24" Finished Watermain	LF	4,300	\$250	\$1,075,000
20" Raw Watermain	LF	1,900	\$175	\$333,000
Well 8 Meter Vault	Lump Sum	1	\$100,000	\$100,000
WTP Garage	Lump Sum	1	\$1,280,000	\$1,280,000
Total				\$4,738,000
¹ Costs are for comparison of alternatives and are not meant to represent the full project costs.				

10.5 Water Treatment Plant Site Evaluation and Recommendation

The City had previously planned to locate a surface water treatment plant at the Fire Station site. Some of the raw watermain is in place and it is convenient for metering Well 8. However, the Fire Station site is remote from other Public Works facilities, would have operational inefficiencies, and would require building a garage. The Fire Station site would also require the City to purchase land. Due to the construction of the garage and purchasing land, the Fire Station site is more expensive than the Public Works site.

The Public Works site requires more new raw and finished watermain than the Fire Station site, but because it is on the site of the Public Works Facility that is currently under construction it would not require a garage and could share an emergency generator and security infrastructure with the Public Works Facility. Having multiple public works facilities on the same site also increases operational efficiencies. The Public Works Site is already owned by the City and doesn't require the purchase of private property. If a garage is not included with the water treatment plant, the Public Works Site is the least expensive option.

The Water Shop site requires more new raw and finished watermain than the Fire Station or Public Works sites. It also requires that the existing water operations shop be demolished and 142nd Ave NW be removed and abandoned. Because it is adjacent to the Public Works Site, a garage would not be necessary at the Water Shop Site. Due to the additional watermain and a reduced ability to share an emergency generator and security infrastructure, the Water Shop site is more expensive than the Public Works Site.

The Vacant City Property Site requires more new finished and raw watermain than the Water Shop Site, and more yet than the Public Works Site. In addition, the Vacant Property Site doesn't offer the ability to share an emergency generator or security infrastructure as the Public Works Site does, and doesn't offer operational efficiencies. A garage would also be necessary. The Vacant City Property Site is the most expensive of the four sites evaluated.

In January of 2020, the City of Ramsey's Planning Commission, Economic Development Authority, and Public Works Committee all voted unanimously to recommend City Council approval to construct the water treatment plant on the Public Works site. Stall also recommends the Public Works Site because it offers the least expensive overall construction cost, and also offers the greatest operational efficiencies, which in turn will reduce future operational costs.

11 Impacts to Nearby Properties

The water treatment plant is proposed to be constructed on the new Public Works Site as shown on Figure 5 in Appendix I. The Public Works site is in an industrial area of Ramsey and will already be used for a municipal public works building. Opposition from the neighboring properties to a new water treatment plant is not anticipated.

Water treatment plants are quiet neighbors with relatively little traffic. A standby generator will be part of the water treatment plant project, but it is proposed to be located inside the building and will have sound attenuation. Sound complaints from neighbors are not anticipated.

The operators will visit the plant daily and chemical deliveries will likely be made approximately once per week. Construction complaints are not expected since the water treatment plant is in an industrial neighborhood.

12 Capital Cost Opinions

Feasibility level opinions of probable cost (OPC) broken down by construction category were prepared for the gravity and pressure filtration alternatives. A breakdown of these costs by division are included in Appendix J. Tables 12 and 13 present the capital costs for the gravity and pressure filter treatment plants.

Table 12 – Capital Cost Opinion Summary
Gravity Filter Water Treatment Plant

Item	Cost
Water Treatment Plant:	\$25,650,000
Construction Contingency (10%):	\$2,565,000
Preliminary Construction Cost:	\$28,220,000
Engineering/Construction Admin (12%)	\$3,390,000
Legal/Admin (1%)	\$282,000
Total Estimated Project Cost:	\$31,890,000

Table 13 – Capital Cost Opinion Summary
Pressure Filter Water Treatment Plant

Item	Cost
Water Treatment Plant:	\$24,362,000
Construction Contingency (10%):	\$2,436,000
Preliminary Construction Cost:	\$26,800,000
Engineering/Construction Admin (12%)	\$3,216,000
Legal/Admin (1%)	\$268,000
Total Estimated Project Cost:	\$30,280,000

An optional 8,000 square foot garage could be added to either water treatment plant alternative for a project cost of approximately \$1.5 million.

13 Life Cycle Cost Opinions

Life cycle costs represent the total cost of owning the treatment plants for 50 years and include capital cost, equipment replacement, labor, gas, chemicals, insurance, electricity, and annual equipment repair. Detailed life cycle cost tables are included in Appendix K.

The life cycle costs presented in Table 14 and Table 15 assume a 20-year financing period on the capital costs with 2% interest rates and 2.75% inflation.

Operating the water treatment plant is not anticipated to require additional Staff. While Staff will need to visit the plant on a daily basis to operate and maintain it, this time will generally be offset by the time Staff currently spends operating and maintaining the six municipal wells and three pump houses within The COR.

Table 14 – 50-Year Life Cycle Cost Summary
Gravity Filter Water Treatment Plant

Item	50-Year Life Cycle Cost	Annual Cost
Capital Project Costs	\$31,890,000	\$1,950,000
Equipment Replacement	\$9,680,000	\$310,000
Labor	\$6,490,000	\$110,000
Gas	\$1,180,000	\$20,000
Chemicals	\$6,490,000	\$110,000
Insurance	\$1,770,000	\$30,000
Electricity	\$6,780,000	\$120,000
Equipment Repair	\$7,080,000	\$120,000
Total 50 Year Life Cycle Cost	\$71,360,000	

Table 15 – 50-Year Life Cycle Cost Summary
Pressure Filter Water Treatment Plant

Item	50-Year Life Cycle Cost	Annual Cost
Capital Project Costs	\$30,280,000	\$1,850,000
Equipment Replacement	\$13,990,000	\$450,000
Labor	\$6,490,000	\$110,000
Gas	\$1,180,000	\$20,000
Chemicals	\$6,490,000	\$110,000
Insurance	\$590,000	\$10,000
Electricity	\$6,190,000	\$105,000
Equipment Repair	\$9,730,000	\$165,000
Total 50 Year Life Cycle Cost	\$74,940,000	

14 Alternative Evaluation & Recommendation

The two options for removing manganese from Ramsey’s drinking water that have been evaluated include gravity filters and pressure filters.

The capital cost of the pressure filter treatment plant is slightly less than the gravity filter treatment plant (\$30.3 million versus \$31.9 million). However, the life cycle cost of the pressure filter treatment plant is more than the gravity filter treatment plant (\$74.9 million versus \$71.4 million). The pressure filter treatment plant has a higher life cycle cost due to the expense of painting and maintaining the steel filters; whereas concrete gravity filters require very little maintenance.

In addition to having lower life cycle costs, gravity filters have other advantages over pressure filters including:

- Gravity filters provide for more treatment options including aeration and detention without requiring another pumping step. If regulations change or the water becomes contaminated, additional treatment steps can more easily be added to gravity filters.
- Water from the gravity filters does not go immediately into the distribution system. If problems with the filters occur or if sodium permanganate is overfed (causing pink water), operators have time to react and correct the problem.
- Gravity filters are open to view and access. This enhances the observation, operation and maintenance of the filter functions and components.
- Gravity filtration systems have a greater amount of flexibility with less disruption during normal maintenance procedures.
- Gravity filters could potentially be converted from groundwater to surface water in the future if it became necessary.

A gravity filter treatment plant is the recommended alternative due to the advantages it offers at a comparable construction cost and reduced life-cycle cost.

15 Funding

Water treatment plant projects are commonly funded using general obligation bonds or loans and paid for using water rates. The following sections describe a low interest loan program and example grants opportunities. Another option would be to request bonding through the State.

15.1 Drinking Water Revolving Fund Loan

The Minnesota Drinking Water Revolving Fund (DWRF) loan program provides low interest loans to communities that qualify. DWRF loans typically have interest rates that are lower than other loans or bonds available to communities.

To qualify for a drinking water revolving fund loan, a proposal is written to place the project on the Project Priority List (PPL). The PPL ranks projects by factors including the type of project, a community's financial need, and primary contaminant exceedances. Once a City has a project on the PPL and intends to proceed with construction, the project is placed on the Intended Use Plan (IUP). Projects on the IUP are funded based upon their ranking. Not all projects on the IUP are funded.

Based upon Ramsey's financial status discussed in Section 16, the DWRF program may not be desirable based upon the fact that the City could likely receive a lower interest rate on its own, and due to the administrative requirements and loan restrictions.

15.2 Grants

Grants are available for some water projects but are most commonly given to communities that have a financial hardship. The City of Ramsey would likely not qualify.

One potential grant program that is not tied to financial need is the Clean Water Fund Grant administered through the Minnesota Board of Water and Soil Resources. Clean Water funds may only be spent to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation. A total of \$2,158,000 in grants was awarded in FY2020 for 10 projects related to source water protection. All of the recipient organizations were counties, watershed districts, or conservation districts.

A smaller grant opportunity through the Clean Water Fund is a Source Water Protection grant that is administered through the Minnesota Department of Health. A Source Water Protection Grant is typically tied to a goal in a Community's Wellhead Protection Plan. A Source Water Protection Grant has a maximum value of \$10,000.

16 Effect on Water Rates

The City of Ramsey currently has a minimum quarterly water rate of \$42.15. This rate covers the first 15,000 gallons of water used per quarter. After the first 15,000, the cost per 1,000 of water used gets progressively more expensive. This is referred to as a conservation water rate because it discourages the use of more water.

According to the Ramsey Finance Director, the City of Ramsey has approximately \$25 million set aside for a water treatment plant project, which was collected from Municipal water users for this specific purpose. The City of Ramsey currently raises its water rates 2.5% per year. If the City were to bond for the remainder of the water treatment plant project costs, the City would need to explore water rate impacts. For instance, if water rates were raised at a rate of 5% per year for 4 years, the resulting minimum quarterly rate in 2025 would be \$51.23. This could also pay for additional operation and maintenance costs.

17 Public Involvement

Having informed and engaged residents is important to the success of a major municipal project. To engage residents, the following public involvement activities are recommended:

- Publish information describing the water issues and proposed water treatment plant project on the City's website in March 2020, and in the March-April edition of the Ramsey Resident.
- Send information mailers to residents in March 2020 describing the water issues and proposed water treatment plant project. Consider including discussion about municipal scale water softening, the respective costs to the public, and the fact that many people already own in-home water softeners.

18 Schedule

If the City elects to proceed with a water treatment plant project, the proposed project schedule could be as follows:

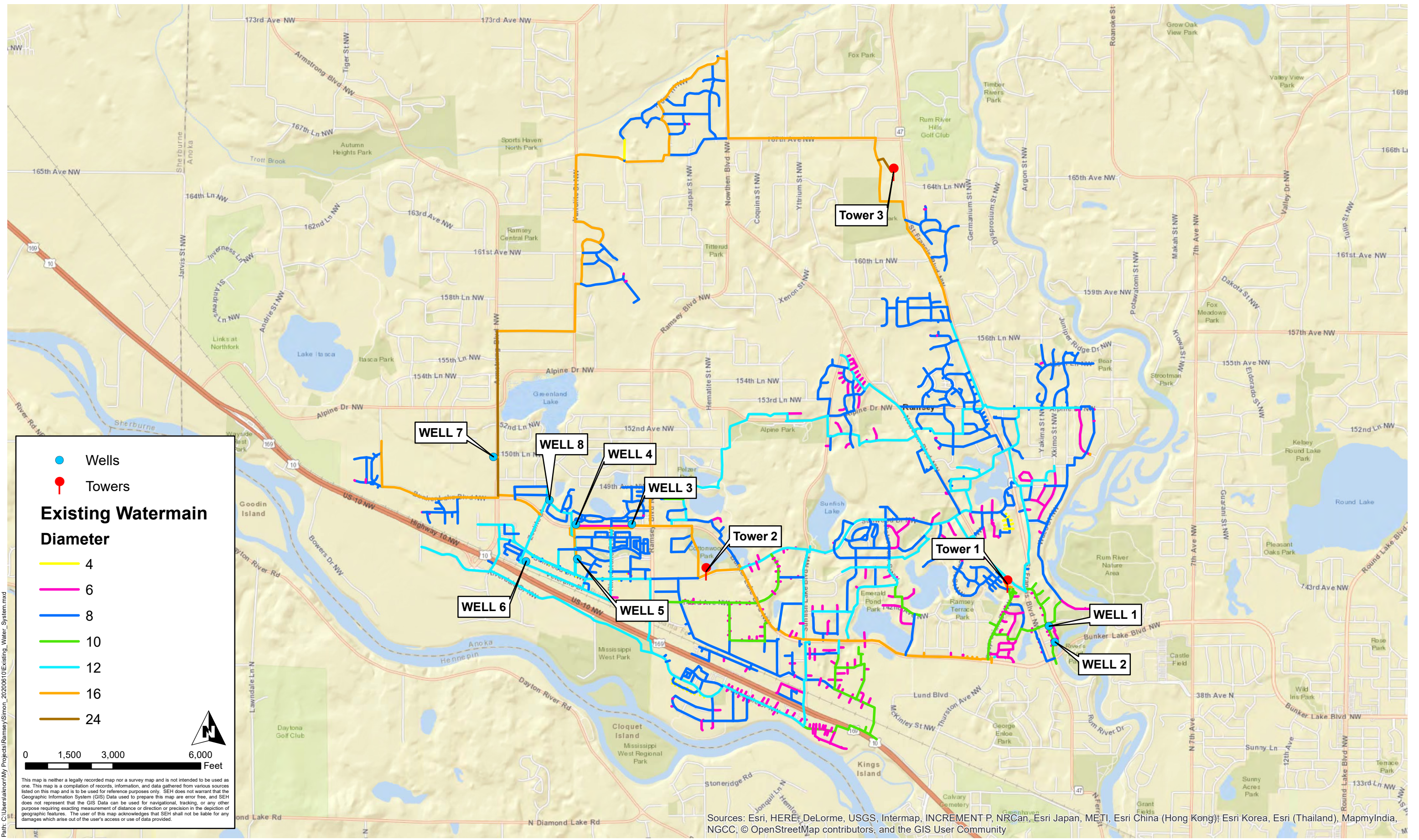
<u>Item</u>	<u>Completion Date</u>
Public Involvement	March 2021 – April 2021
Preparation of Plans	May 2021 – September 2021
Ad for Bid	October 2021
Bid Opening	November 2021
Construction Start	December 2021
Construction Complete	June 2023

However, Anoka County is planning "interim" improvements to Bunker Lake Boulevard between Armstrong Boulevard and Sunfish Lake Boulevard in 2021 to improve operations and safety in anticipation of traffic volumes doubling while planned improvements to Highway 10 are

constructed between 2022 and 2025. Therefore, to construct the raw and finished watermain associated with the water treatment plant project as cost-effectively as possible, plans and specifications for the raw and finished watermain improvements are recommended to be prepared and bid in conjunction with Anoka County's proposed improvements to Bunker Lake Boulevard.

Appendix A

Existing Water System Map



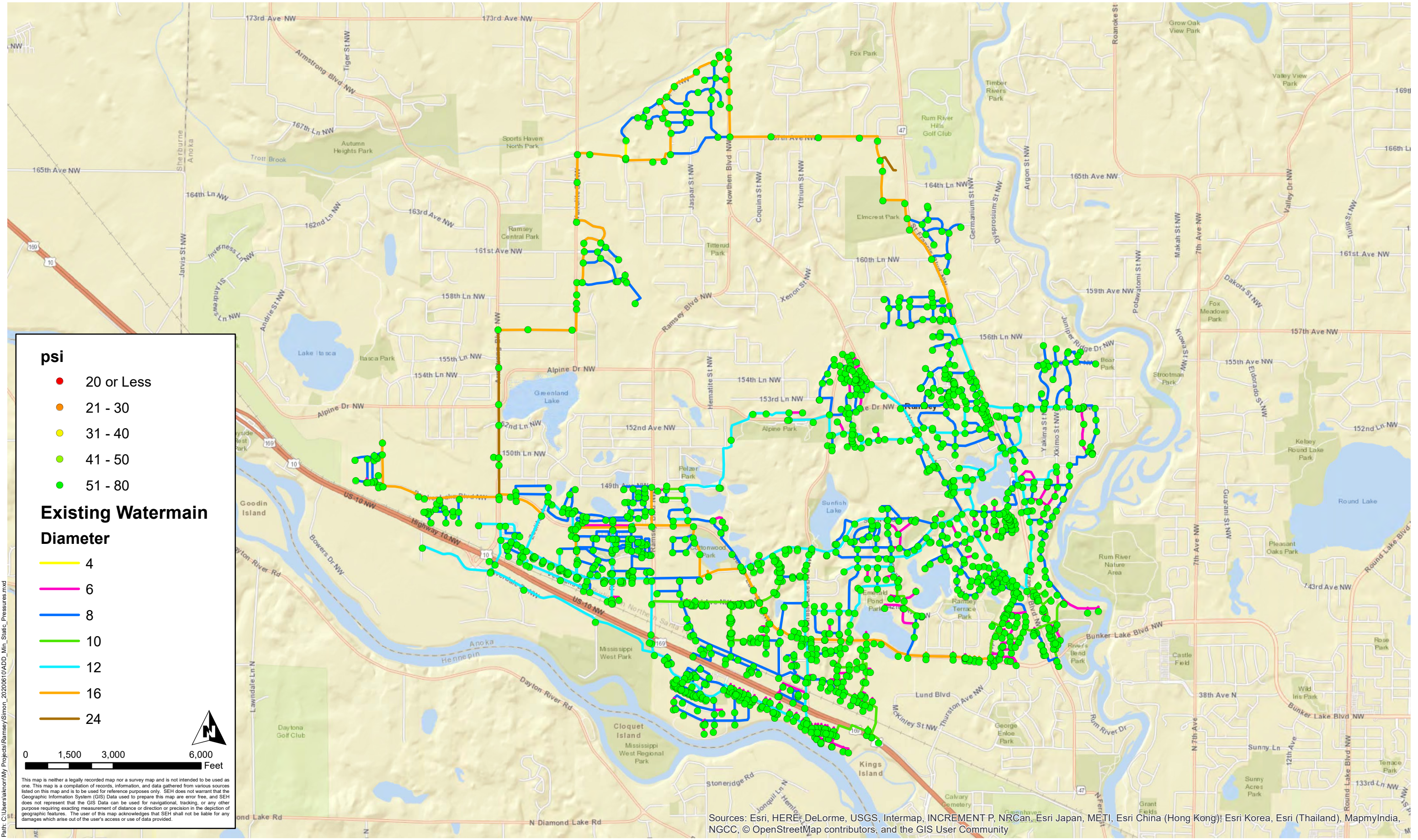
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EXISTING WATER SYSTEM Ramsey, Minnesota

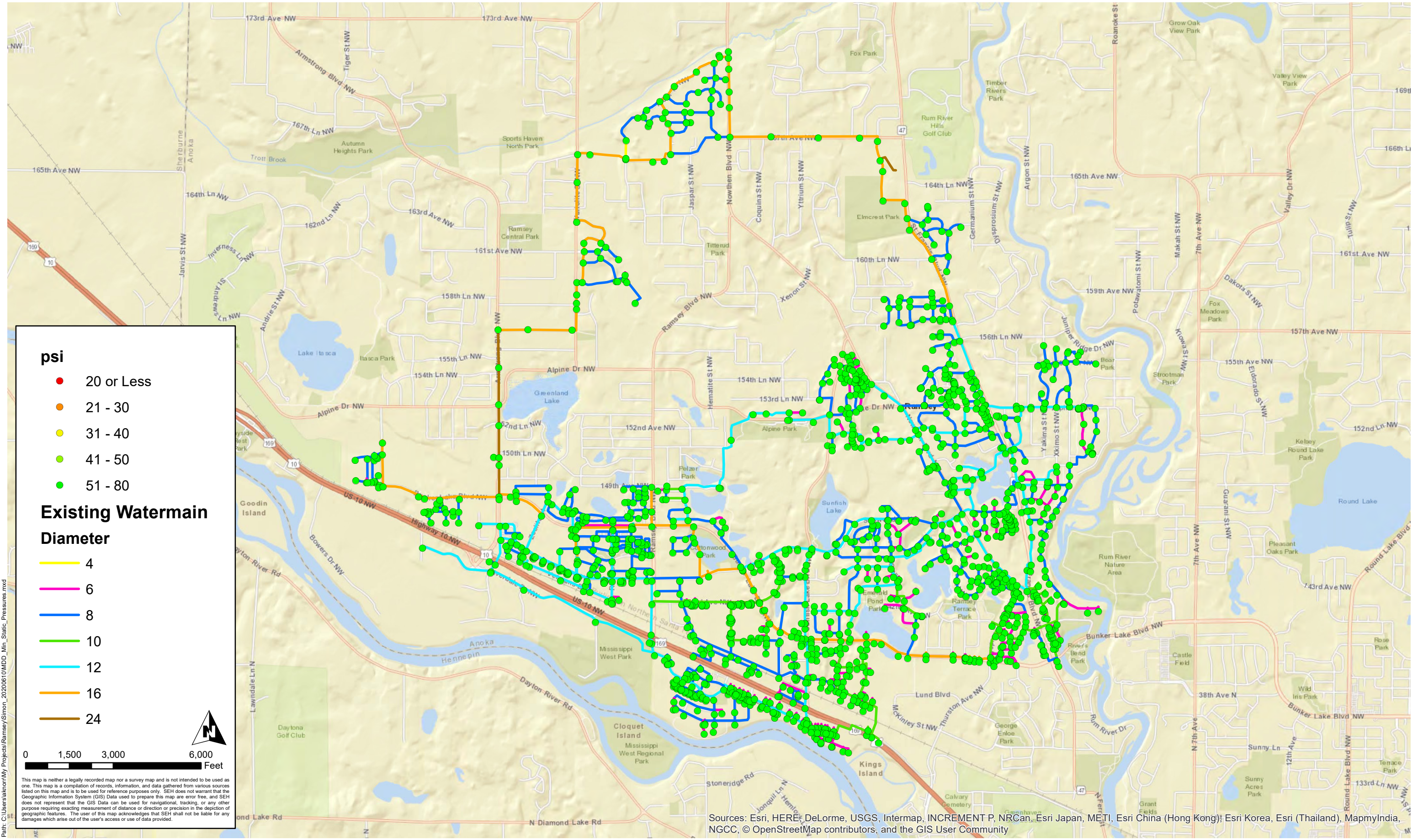
FIGURE 1
 Existing Water System

Appendix B

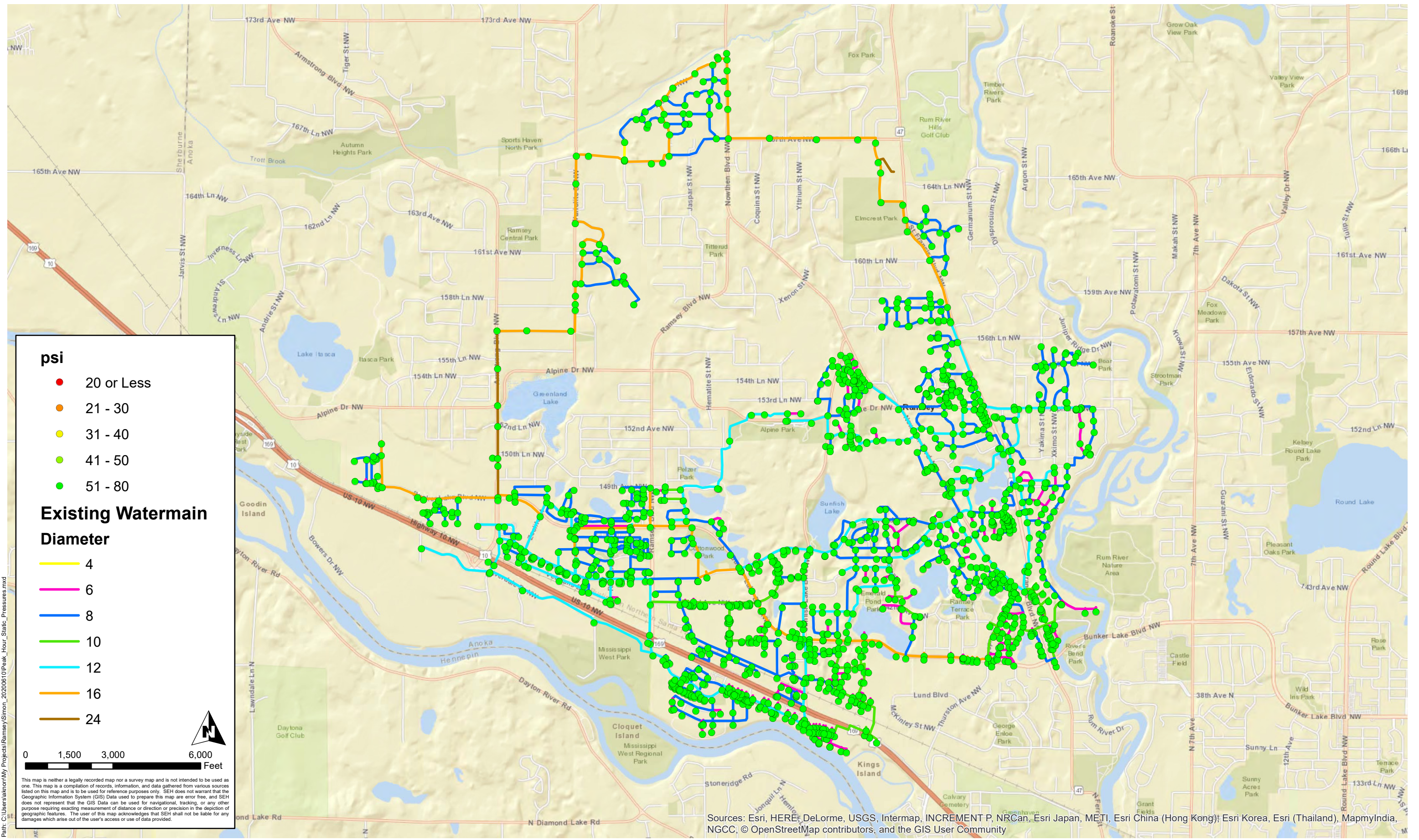
Modeling



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EXISTING PEAK HOUR STATIC PRESSURE
 Ramsey, Minnesota

FIGURE 3
 Minimum Pressures

FIGURE 4

Existing System ADD 24-Hour Simulation Well and Tower Operation

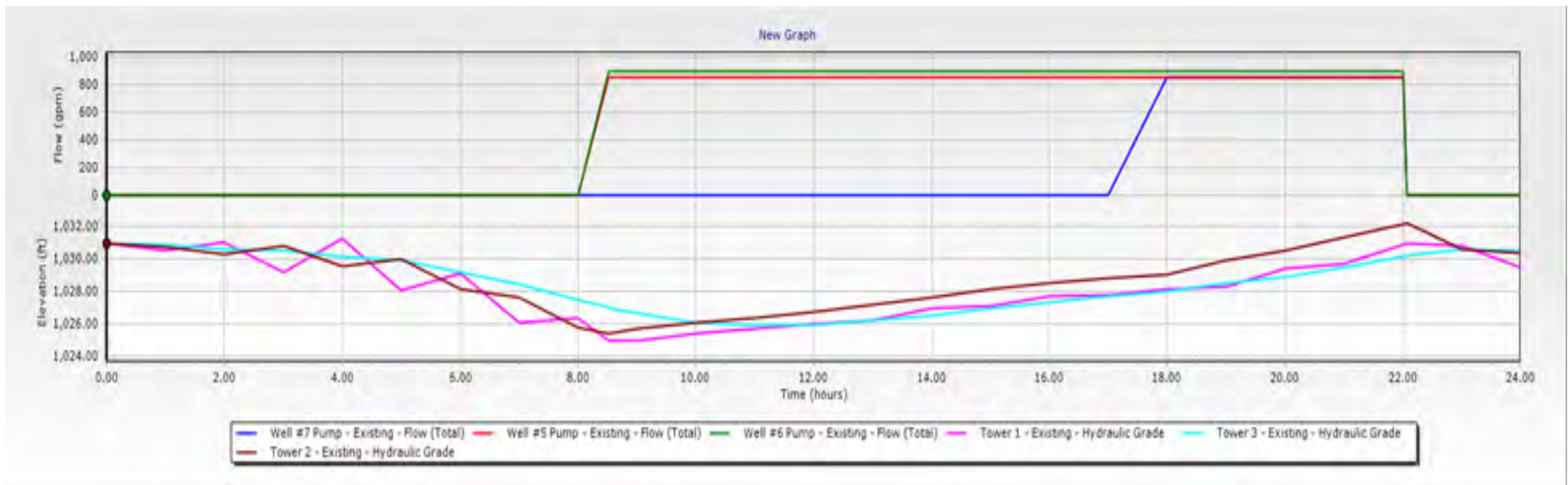
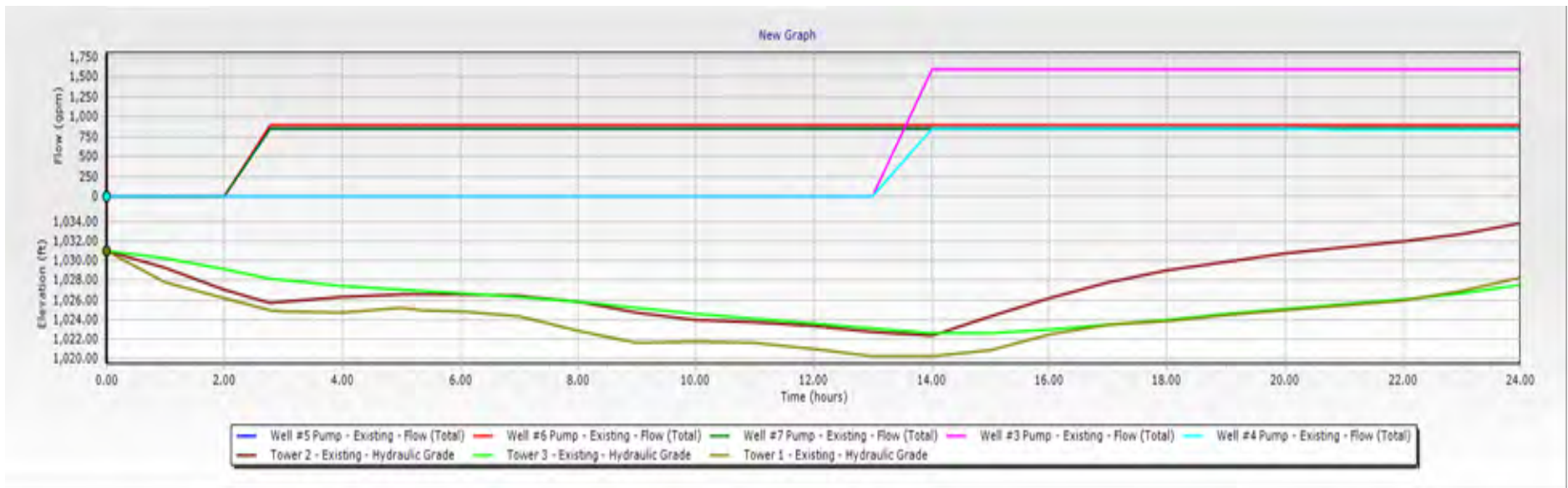
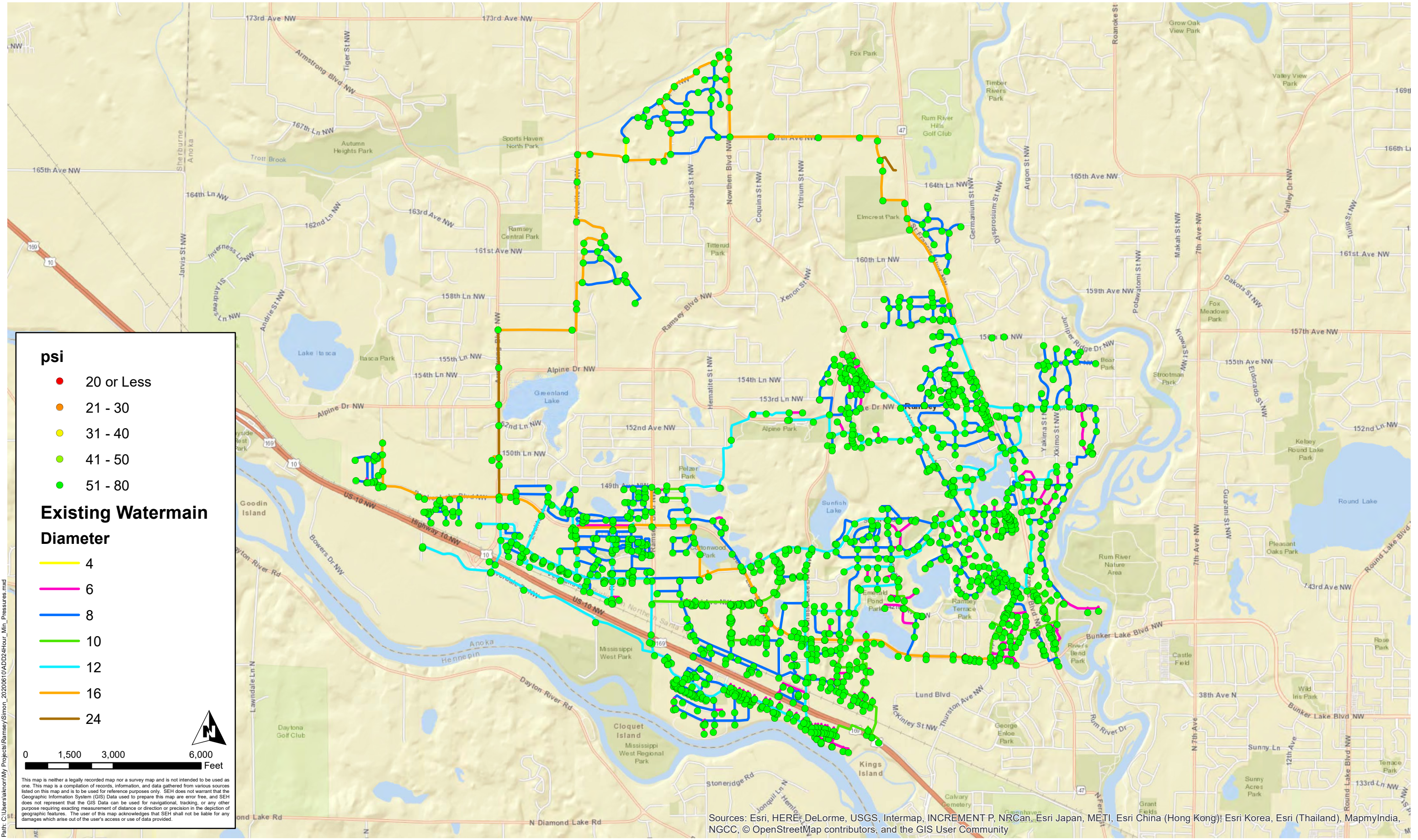


FIGURE 5

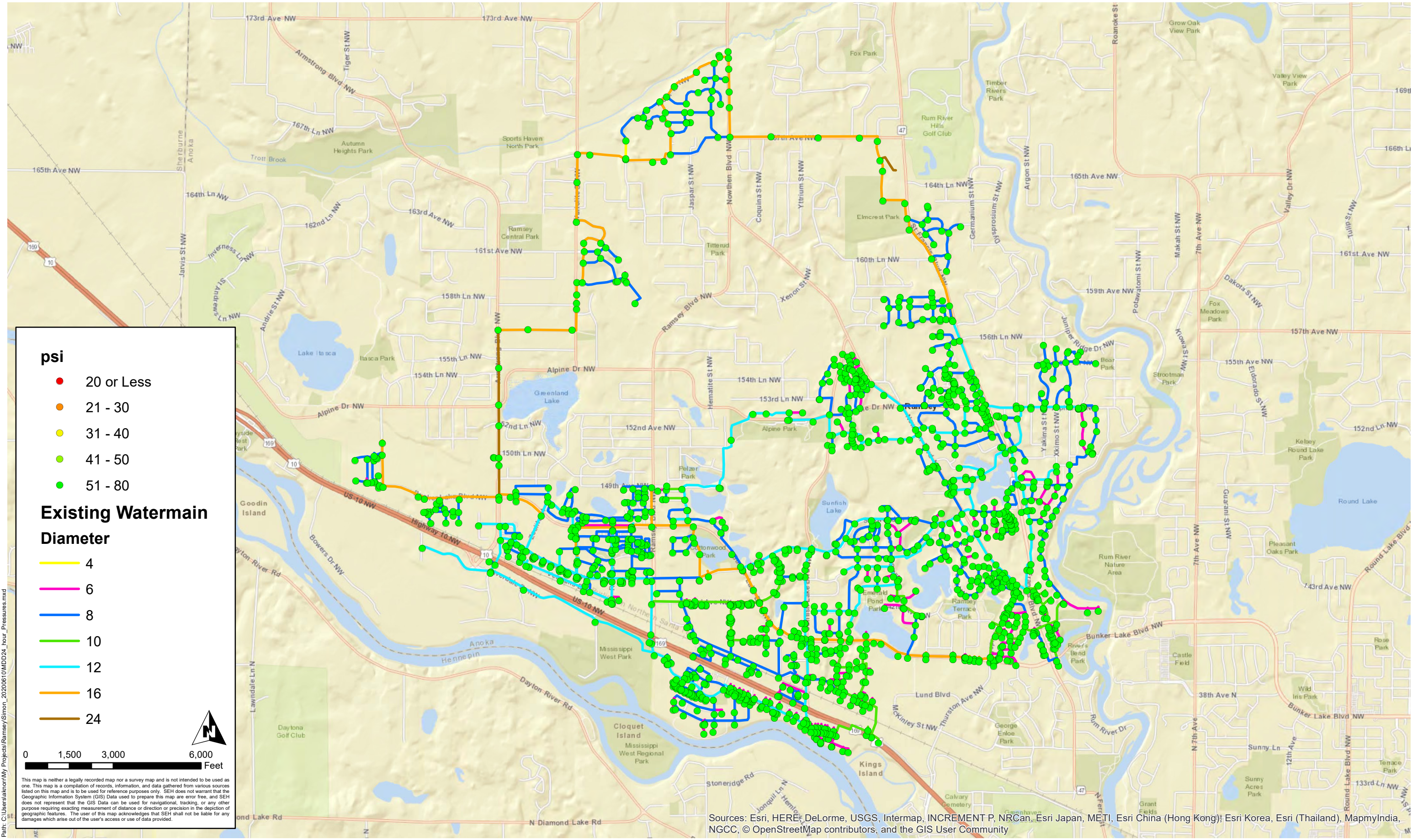
Existing System MDD 24-Hour Simulation Well and Tower Operation





EXISTING ADD 24 HOUR EPS MINIMUM PRESSURES
Ramsey, Minnesota

FIGURE 6
Minimum Pressures



psi

- 20 or Less
- 21 - 30
- 31 - 40
- 41 - 50
- 51 - 80

Existing Watermain Diameter

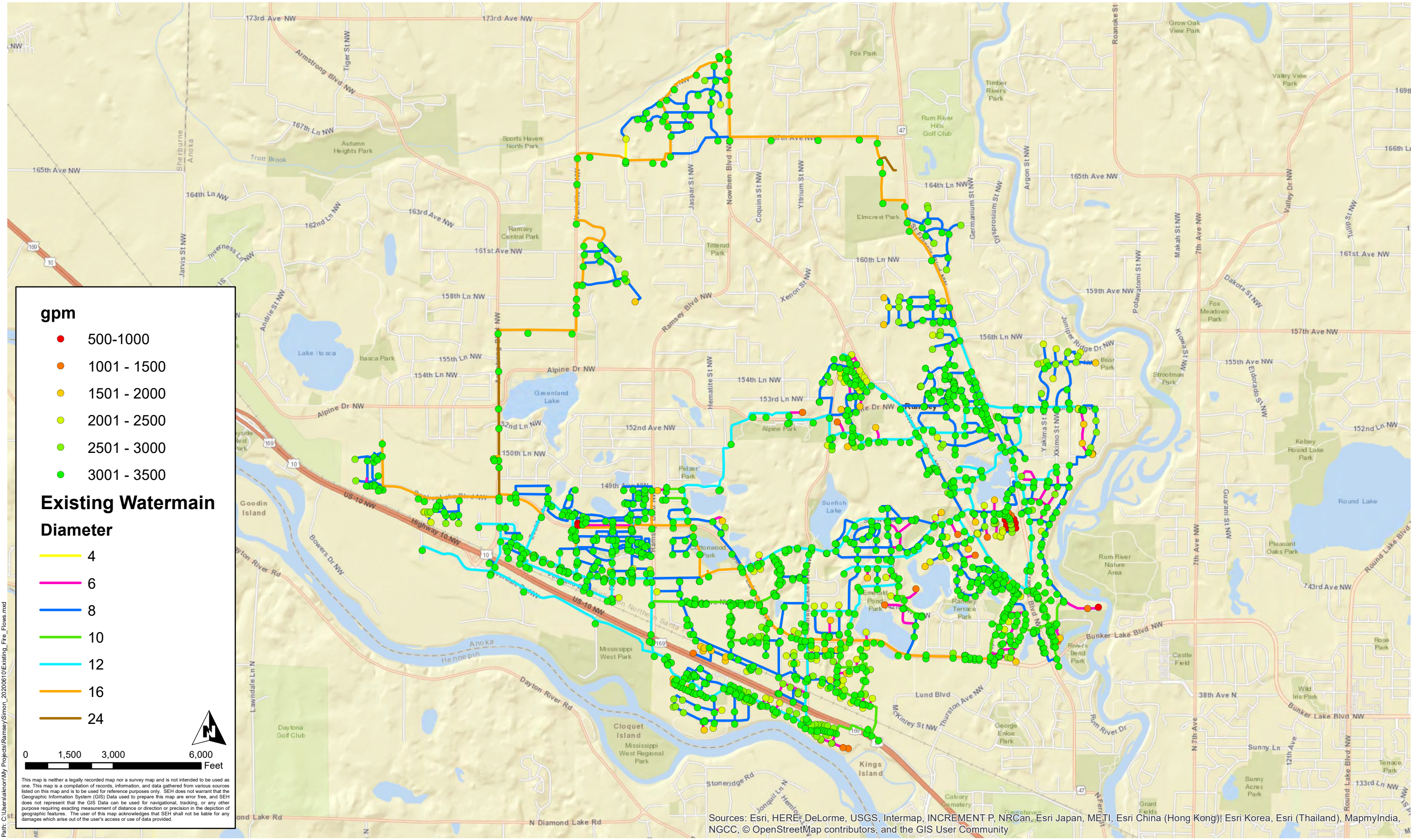
- 4
- 6
- 8
- 10
- 12
- 16
- 24

0 1,500 3,000 6,000 Feet

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EXISTING AVAILABLE FIRE FLOWS
Ramsey, Minnesota

FIGURE 8
Available Fire Flows

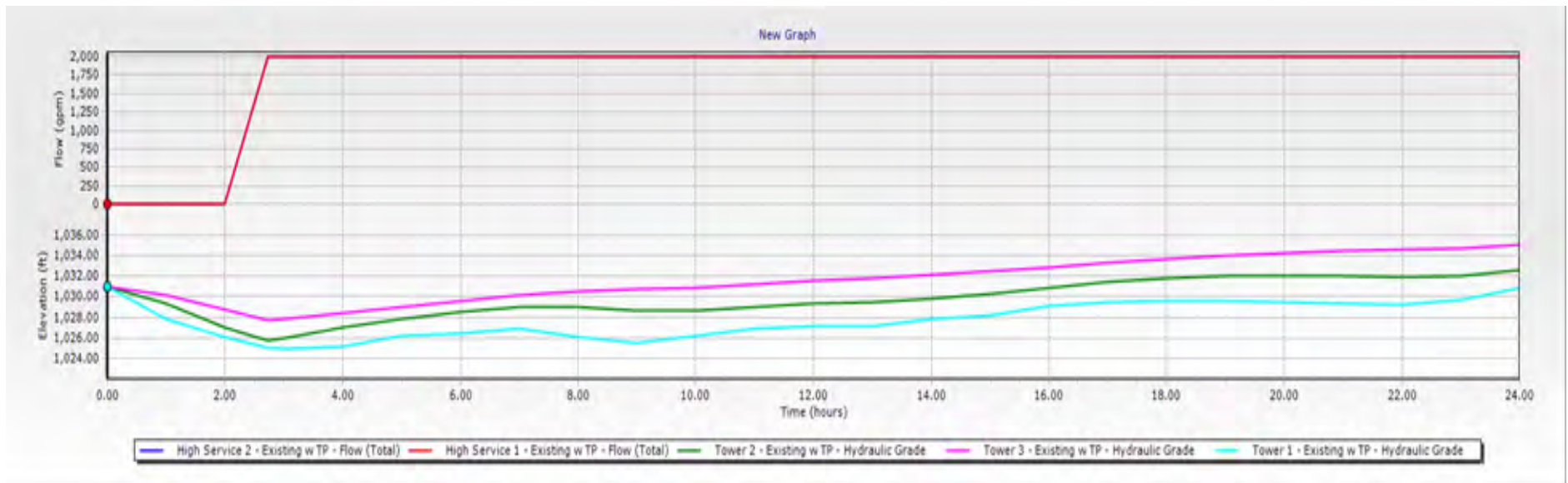
FIGURE 9

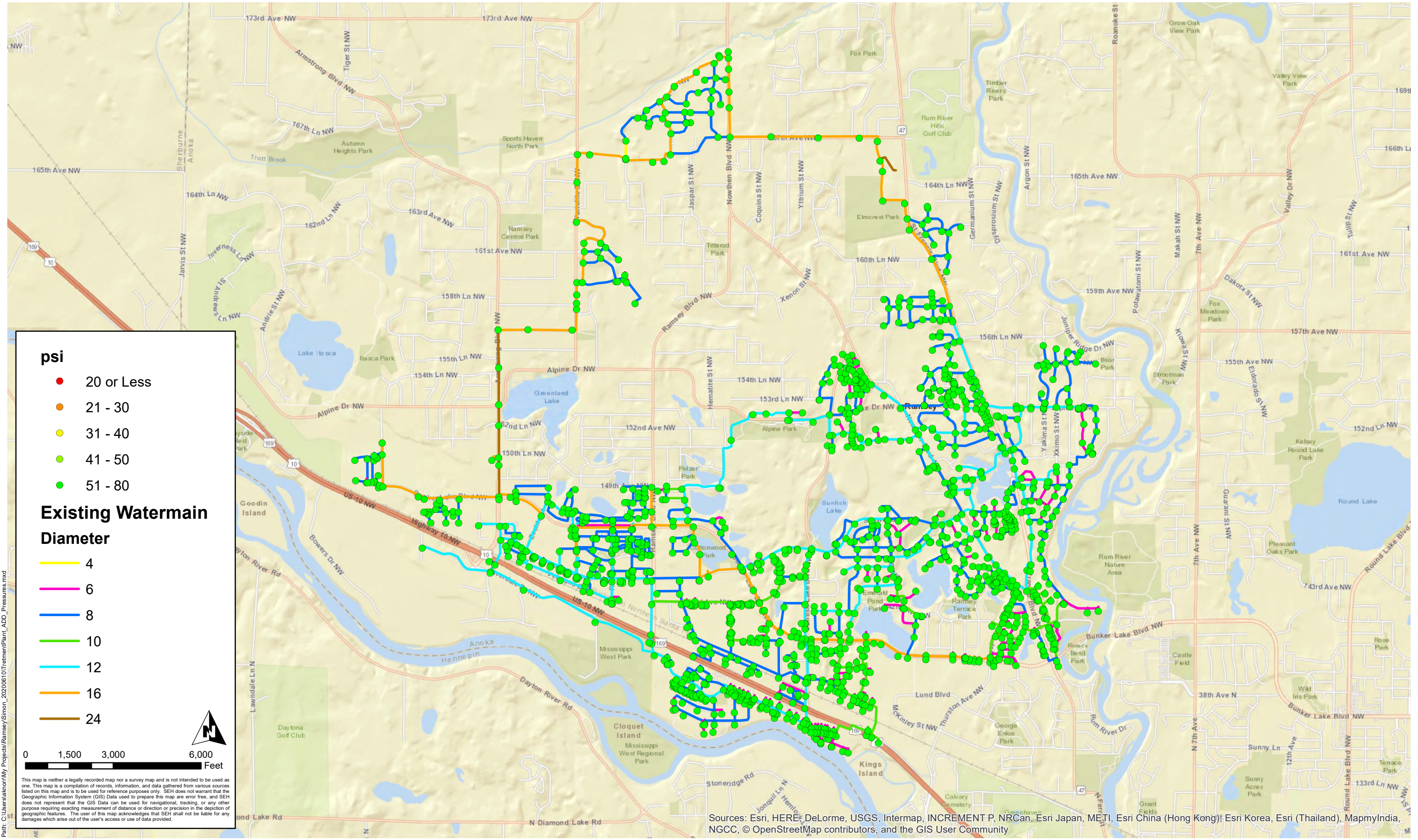
Existing System with Treatment Plant ADD 24-Hour Simulation High Service Pump and Tower Operation

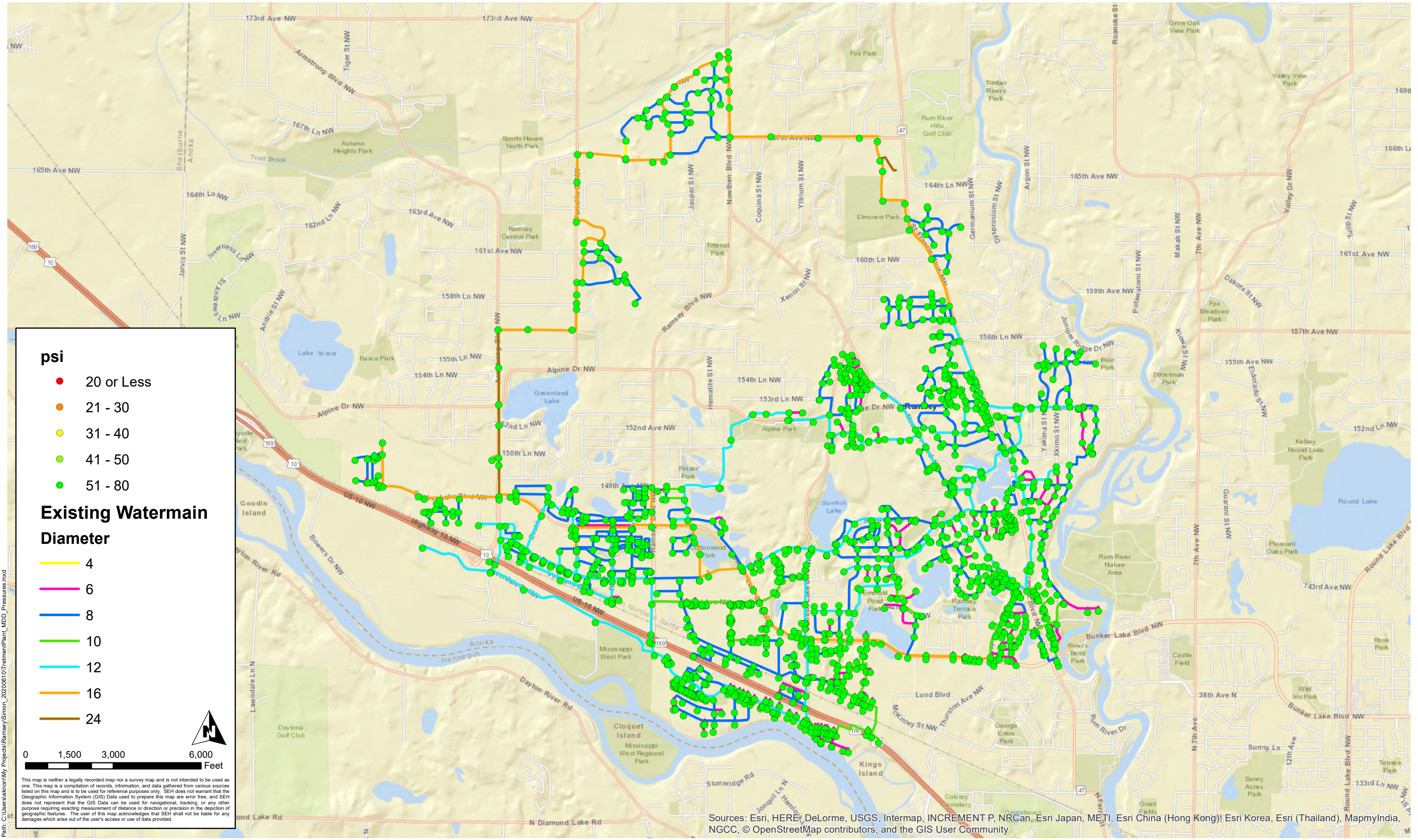


FIGURE 10

Existing System with Treatment Plan MDD 24-Hour Simulation High Service Pump and Tower Operation







psi

- 20 or Less
- 21 - 30
- 31 - 40
- 41 - 50
- 51 - 80

Existing Watermain Diameter

- 4
- 6
- 8
- 10
- 12
- 16
- 24

0 1,500 3,000 6,000 Feet

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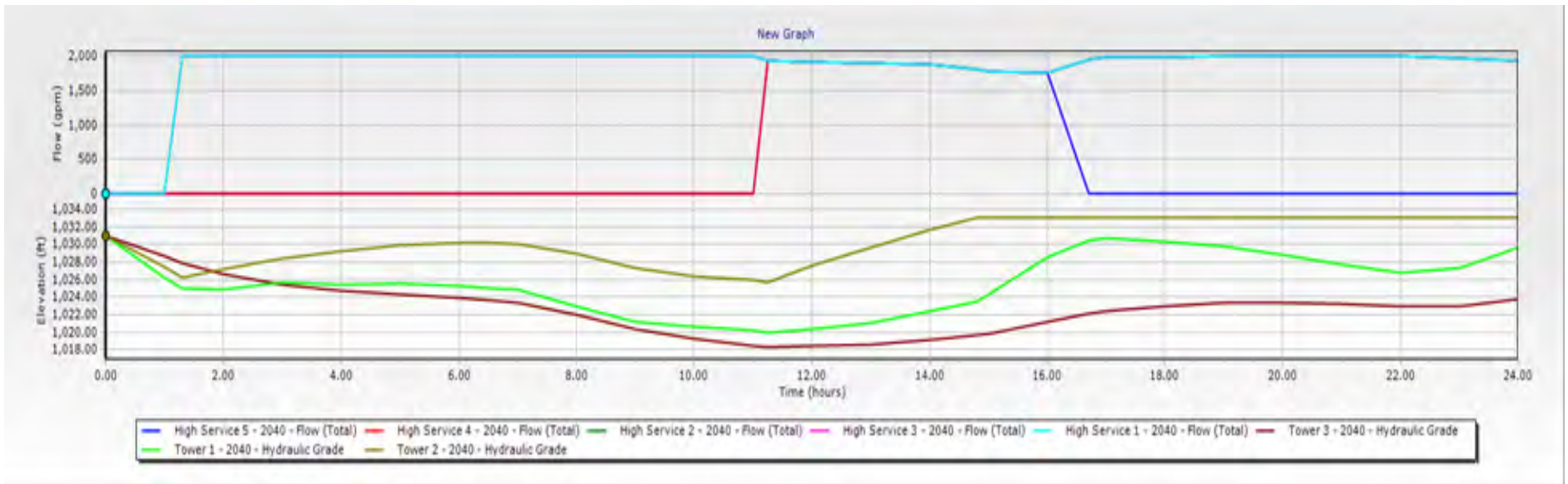
FIGURE 13

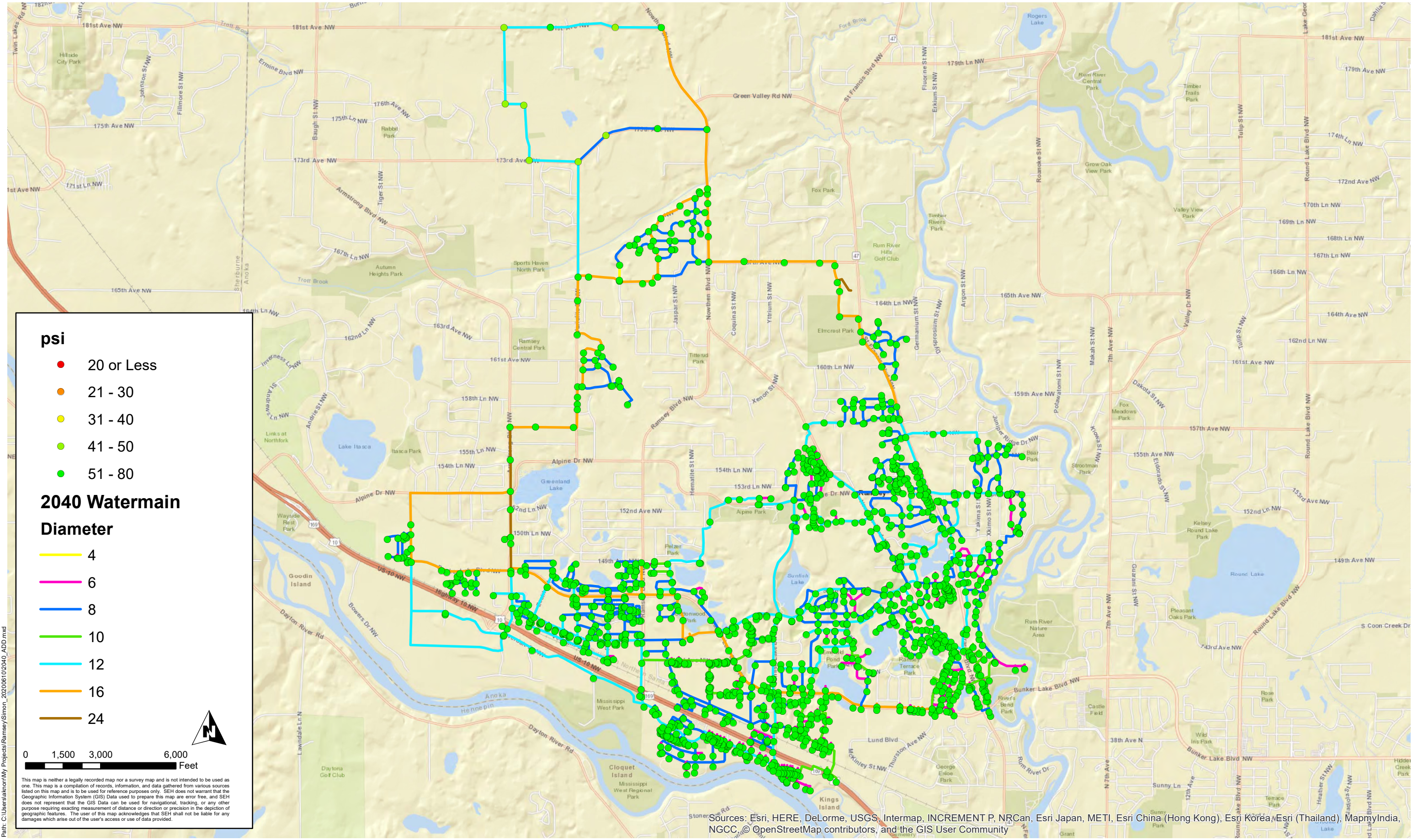
2040 System ADD 24-Hour Simulation High Service Pump and Tower Operation



FIGURE 14

2040 System MDD 24-Hour Simulation High Service Pump and Tower Operation





psi

- 20 or Less
- 21 - 30
- 31 - 40
- 41 - 50
- 51 - 80

2040 Watermain Diameter

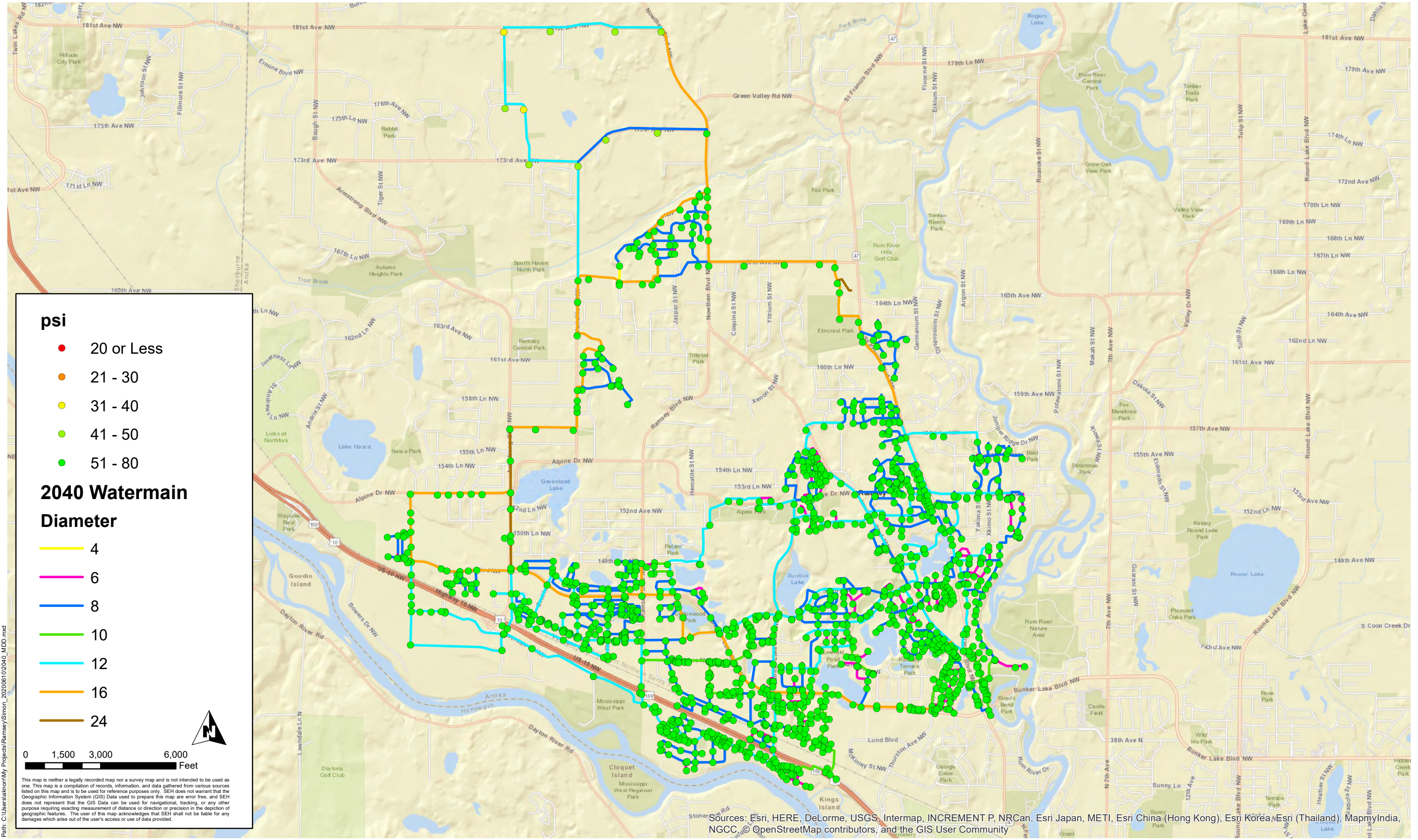
- 4
- 6
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- 24

0 1,500 3,000 6,000 Feet

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2040 MDD 24 HOUR EPS MINIMUM PRESSURES
 Ramsey, Minnesota

FIGURE 16
 Minimum Pressures

Appendix C

CCL

CCL 4

Contaminant	Contaminant Type
Adenovirus	Virus
Caliciviruses	Virus (includes Norovirus)
Campylobacter jejuni	Bacteria
Enterovirus	Viruses including polioviruses, coxsackieviruses and echoviruses
Escherichia coli (0157)	Bacteria
Helicobacter pylori	Bacteria
Hepatitis A virus	Virus
Legionella pneumophila	Bacteria
Mycobacterium avium	Bacteria
Naegleria fowleri	Protozoan
Salmonella enterica	Bacteria
Shigella sonnei	Bacteria
1,1-Dichloroethane	It is an industrial solvent and an intermediate in the synthesis of other compounds.
1,1,1,2-Tetrachloroethane	It is an industrial solvent and used in the synthesis of other chlorinated compounds.
1,2,3-Trichloropropane	It is an industrial solvent, cleaning and degreasing agent as well as an intermediate in the synthesis of the other
1,3-Butadiene	It is used in the production of rubber and plastics.
1,4-Dioxane	It is used as a solvent for cellulose formulations, resins, oils, waxes and other organic substances. It is also used in wood pulping, textile processing, degreasing, in lacquers, paints, varnishes, and stains; and in paint and varnish removers.
17alpha-estradiol	It is an estrogenic hormone found in some pharmaceuticals.
1-Butanol	It is a solvent and used in production of other chemicals compounds. It is present in a number of commercial products such as perfumes.
2-Methoxyethanol	It is used in a number of consumer products, such as synthetic cosmetics, perfumes, fragrances, hair preparations, and skin lotions.
2-Propen-1-ol	It is used in the production of other chemicals.
3-Hydroxycarbofuran	It is a pesticide degradate, the parent, carbofuran, is used as an insecticide.
4,4'-Methylenedianiline	It is used in the production of polyurethanes foams, glues, rubber and spandex fiber.
Acephate	It is an insecticide.
Acetaldehyde	It is a disinfection byproduct from ozonation; it is used in the production of other chemicals.
Acetamide	It is used as a solvent and plasticizer.
Acetochlor	It is an herbicide for weed control on agricultural crops.
Acetochlor ethanesulfonic acid (ESA)	Acetochlor ESA is an environmental degradate of acetochlor.
Acetochlor oxanilic acid (OA)	Acetochlor OA is an environmental degradate of acetochlor.

Acrolein	It is used as an aquatic herbicide, rodenticide and industrial chemical.
Alachlor ethanesulfonic acid (ESA)	Alachlor ESA is an environmental degradate of the pesticide alachlor (an herbicide for weed control on agricultural crops).
Alachlor oxanilic acid (OA)	Alachlor OA is an environmental degradate of alachlor.
alpha-Hexachlorocyclohexane	It is a component of benzene hexachloride (BHC) and was formerly used as an insecticide.
Aniline	It is used as an industrial chemical, as a solvent, in the synthesis of explosives, rubber products and in isocyanates.
Bensulide	It is an herbicide.
Benzyl chloride	It is used in the production of other substances, such as plastics, dyes, lubricants, gasoline and pharmaceuticals.
Butylated hydroxyanisole	It is used as a food additive (antioxidant).
Captan	It is a fungicide.
Chlorate	Chlorate compounds are used in agriculture as defoliants or desiccants and may occur in drinking water because of use of disinfectants such as chlorine dioxide and hypochlorites.
Chloromethane (Methyl chloride)	It is used as a foaming agent and in the production of other substances.
Clethodim	It is an herbicide.
Cobalt	It is a naturally-occurring element and was formerly used as cobaltous chloride in medicines and as a germicide. It is a part of the vitamin B12 molecule
Cumene hydroperoxide	It is used as a catalyst is used in the production of other substances.
Cyanotoxins	Toxins naturally produced and released by cyanobacteria ("blue-green algae"). The group of cyanotoxins includes, but is not limited to: anatoxin-a, cylindrospermopsin, microcystins, and saxitoxin.
Dicrotophos	It is an insecticide.
Dimethipin	It is an herbicide and plant growth regulator.
Diuron	It is an herbicide.
Equilenin	It is an estrogenic hormone used in hormone replacement therapy.
Equilin	It is an estrogenic hormone and is used in hormone replacement therapy.
Erythromycin	It is used as an antibiotic.
Estradiol (17-beta estradiol)	It is an isomer of estradiol found in some pharmaceuticals.
Estriol	It is a weak estrogenic hormone used in veterinary pharmaceuticals.
Estrone	It is a precursor of estradiol used in veterinary and human pharmaceuticals.
Ethinyl estradiol (17-alpha ethynyl estradiol)	It is an estrogenic hormone and is used in veterinary and human oral contraceptives.
Ethoprop	It is an insecticide.
Ethylene glycol	It is used as antifreeze, in textile manufacturing and is a cancelled pesticide.

Ethylene oxide	It is a fungicidal and insecticidal fumigant.
Ethylene thiourea	It is used in the production of other substances, such as for vulcanizing polychloroprene (neoprene) and polyacrylate rubbers and is a metabolite of some fungicides.
Formaldehyde	It is an ozonation disinfection byproduct, can occur naturally and has been used as a fungicide.
Germanium	It is a naturally-occurring element and is commonly found as germanium dioxide in phosphors, transistors and diodes, and in electroplating. In some cases it has been sold as a dietary supplement.
HCFC-22	It is used as a refrigerant, as a low-temperature solvent, and in fluorocarbon resins, especially in tetrafluoroethylene polymers.
Halon 1011 (bromochloromethane)	It is used as a fire-extinguishing fluid and to suppress explosions, as well as a solvent in the manufacturing of some pesticides. May also occur as a disinfection by-product in drinking water.
Hexane	It is a component of gasoline and used as a solvent.
Hydrazine	It is used as an ingredient in the production of other substances, such as rocket propellants. It is also used in the production of plastics.
Manganese	It is a naturally-occurring element used in a variety of applications including use in steel production to improve hardness, stiffness and strength. It is an essential nutrient found in vitamin/mineral supplement and in fortified foods.
Mestranol	It is a precursor to ethinylestradiol used in veterinary and human pharmaceuticals.
Methamidophos	It is an insecticide.
Methanol	It is used as an industrial solvent, a gasoline additive and as an anti-freeze ingredient.
Methyl bromide (bromomethane)	It has been used as a fumigant and fungicide.
Methyl tert-butyl ether (MTBE)	It is used as an octane booster in gasoline, in the manufacturing of isobutene and as an extraction solvent.
Metolachlor	It is an herbicide for weed control on agricultural crops.
Metolachlor ethanesulfonic acid (ESA)	Metolachlor ESA is an environmental degradate of metolachlor.
Metolachlor oxanilic acid (OA)	Metolachlor OA is an environmental degradate of
Molybdenum	It is a naturally-occurring element and is commonly found as molybdenum trioxide. It is used as a steel alloy. It is an essential dietary nutrient found in foods and nutritional supplements.
Nitrobenzene	It is used in the production of aniline, and also as a solvent in the manufacturing of paints, shoe polishes, floor polishes, metal polishes, explosives, dyes, pesticides and drugs (such as acetaminophen).,

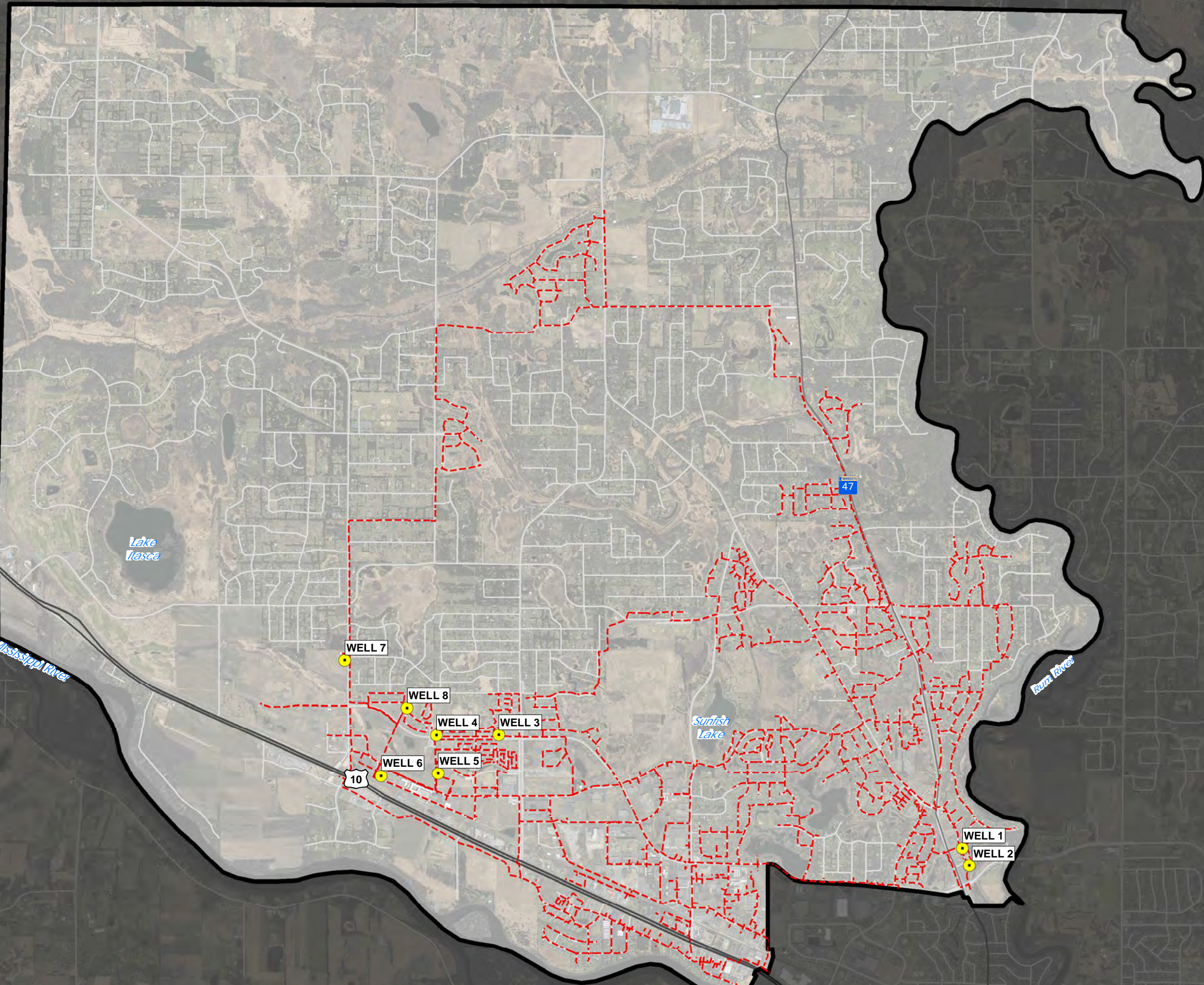
Nitroglycerin	It is used in the production of explosives, and in rocket propellants. It is also a pharmaceutical for the treatment of angina.
N-Methyl-2-pyrrolidone	It is a solvent in the chemical industry, and is used in the formulation of pharmaceuticals for oral and dermal delivery.
N-nitrosodiethylamine (NDEA)	It is a nitrosamine used as an additive in gasoline and in lubricants, as an antioxidant and as a stabilizer in plastics. It is formed in cured foods and during high temperature cooking of meats and fish, and may be a disinfection byproduct.
N-nitrosodimethylamine (NDMA)	It was formerly used in the production of rocket fuels, antioxidants and softeners for copolymers. It is formed in cured foods and during high temperature cooking. It may be a leachate from rubber gaskets and fittings and may form as a disinfection byproduct.
N-nitroso-di-n-propylamine (NDPA)	It is formed in cured foods and during high temperature cooking of meats and fish and may be a disinfection byproduct. It is a contaminant in dinitrofluralin herbicides.
N-Nitrosodiphenylamine	It is used in the vulcanization of rubber and as an inhibitor of polymerization in the production of polystyrene. It may be a disinfection byproduct.
N-nitrosopyrrolidine (NPYR)	It is used in rubber production. It is formed in cured foods and during high temperature cooking of meats and fish and may be a disinfection byproduct.
Nonylphenol2	The main use of nonylphenol is in the manufacture of nonylphenol ethoxylates, which have been used in a wide range of industrial applications and consumer products including laundry detergents, cleaners, degreasers, paints and coatings and other uses. Several other CASRNs are associated with nonylphenol due to varying chemical structures including: 104-40-5, 84852-15-3, 91672-41-2, and 139-84-4.
Norethindrone (19-Norethisterone)	Norethindrone is a synthetic hormone used in oral contraceptives and for hormone replacement therapy.
n-Propylbenzene	It is a constituent of asphalt and naphtha and used in the manufacture of methyl styrene. It is a solvent for printing and dyeing of textiles.
o-Toluidine	It is used in the production of dyes, rubber, pharmaceuticals and pesticides.
Oxirane, methyl	It is an industrial chemical used in the production of other substances. It is a registered pesticide.
Oxydemeton-methyl	It is an insecticide.
Oxyfluorfen	It is an herbicide.
Perfluorooctanesulfonic acid (PFOS)	PFOS has been used to make carpets, leathers, textiles, fabrics for furniture, paper packaging, and other materials that are resistant to water, grease, or stains. It is also used in firefighting foams at airfields. Many of these uses have been phased out by its primary U.S. manufacturer; however, there are still some ongoing uses.

Perfluorooctanoic acid (PFOA)	PFOA has been used to make carpets, leathers, textiles, fabrics for furniture, paper packaging, and other materials that are resistant to water, grease, or stains. It is also used in firefighting foams at airfields. Many of these uses are being phased out by U.S. manufacturers; however, there are still some ongoing uses.
Permethrin	It is an insecticide.
Profenofos	It is an insecticide and an acaricide.
Quinoline	It is a component of coal tars and used in the production of other substances, and as a pharmaceutical (anti-malarial).
RDX (Hexahydro-1,3,5-trinitro-1,3,5-triazine)	It is an explosive.
sec-Butylbenzene	It is used as a solvent for coatings in organic synthesis, as a plasticizer and in surfactants.
Tebuconazole	It is a fungicide.
Tebufenozide	It is insecticide.
Tellurium	It is a naturally-occurring element and is commonly used as sodium tellurite in bacteriology and medicine.
Thiodicarb	It is an insecticide.
Thiophanate-methyl	It is a fungicide.
Toluene diisocyanate	It is used in the manufacturing of plastics.
Tribufos	It is an insecticide and used as a cotton defoliant.
Triethylamine	It is used in the production of other substances, as a stabilizer in herbicides and pesticides, in consumer products, in photographic chemicals and in carpet cleaners.
Triphenyltin hydroxide (TPTH)	It is a pesticide.
Urethane	It is a paint and coating ingredient (polyurethanes).
Vanadium	It is a naturally-occurring element. Vanadium pentoxide is a catalyst for the production of other substances catalyst. It is sometimes an ingredient in mineral supplements but is not classified as an essential nutrient
Vinclozolin	It is a fungicide.
Ziram	It is a fungicide.

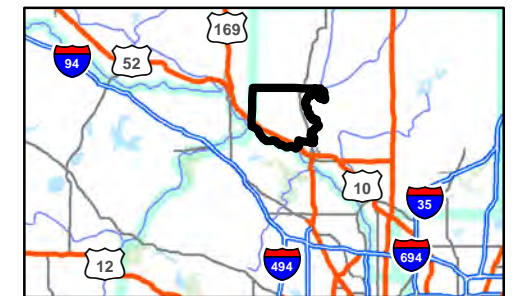
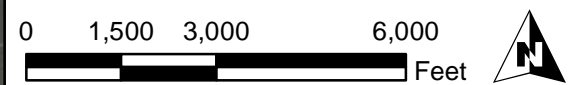
Appendix D

Groundwater Modeling Memo

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- Legend**
- Municipal Well
 - - - Municipal Watermain
 - Municipality Boundary



Distribution System

Source Water Analysis City of Ramsey Minnesota

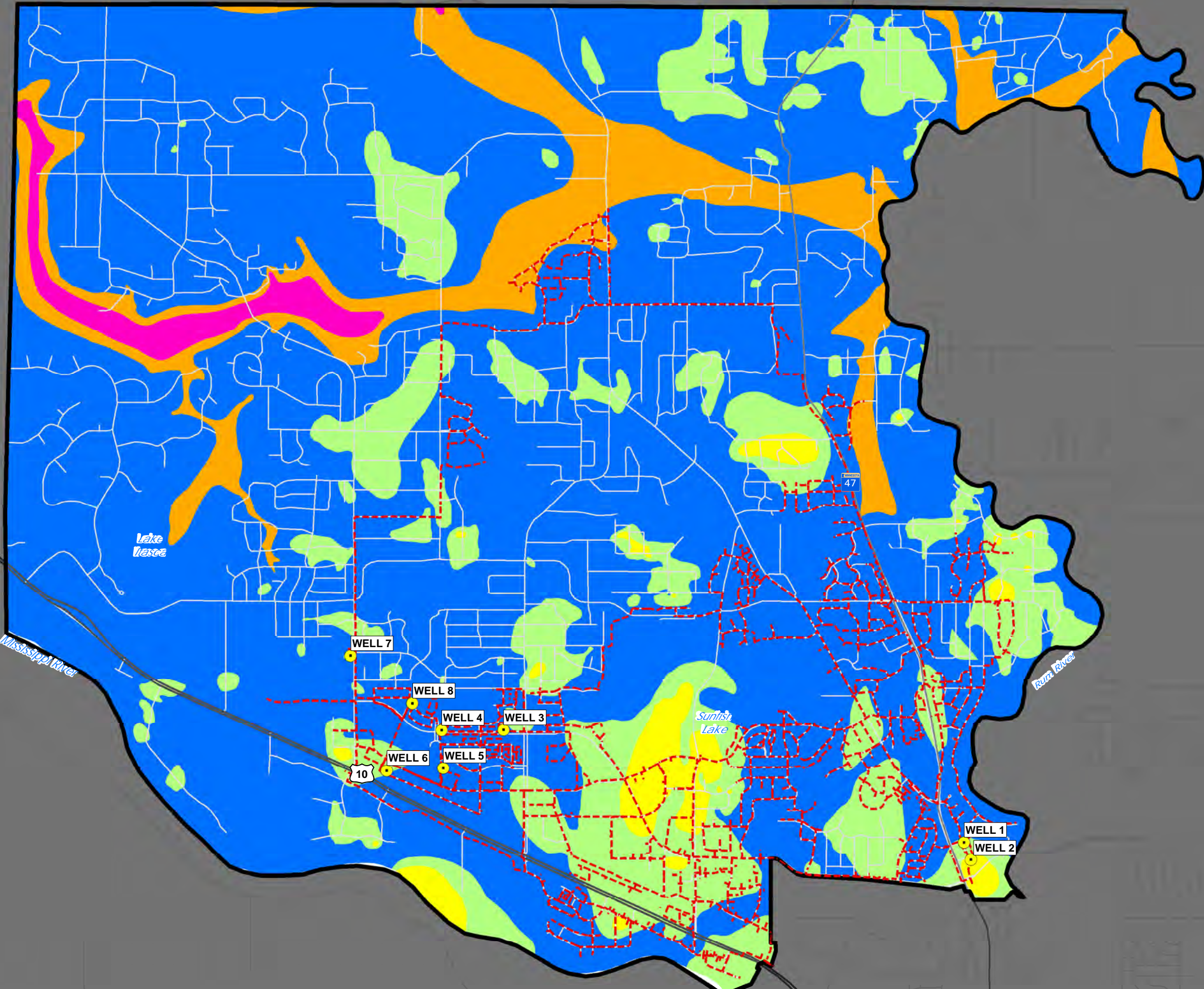
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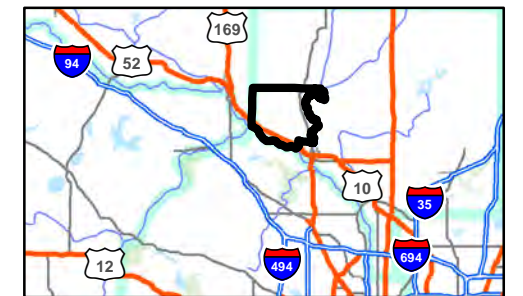
Project: MCES 150732
 Print Date: 11/7/2019
 Map by: Msherrill
 Projection: UTM Zone 15N
 Source: ESRI, SEH Digi MndOT,
 Minnesota Geologic Survey (MGS)

Figure
1

Path: S:\KO\M\CES\1507325-Final-Design\5-drawings\50-GIS\Maps\Geology\Review\Ramsey - Project\Figure2.mxd




- Legend**
- Municipal Well
 - - - Municipal Watermain
 - Municipality Boundary
- Anoka County Bedrock Geology**
- Jordan Sandstone, Up. Camb.
 - St. Lawrence Formation, Up. Camb.
 - Tunnel City group, Up. Camb.
 - Wonewoc Sandstone, Up. Camb.
 - Eau Claire Formation, Mid. to Up. Camb.



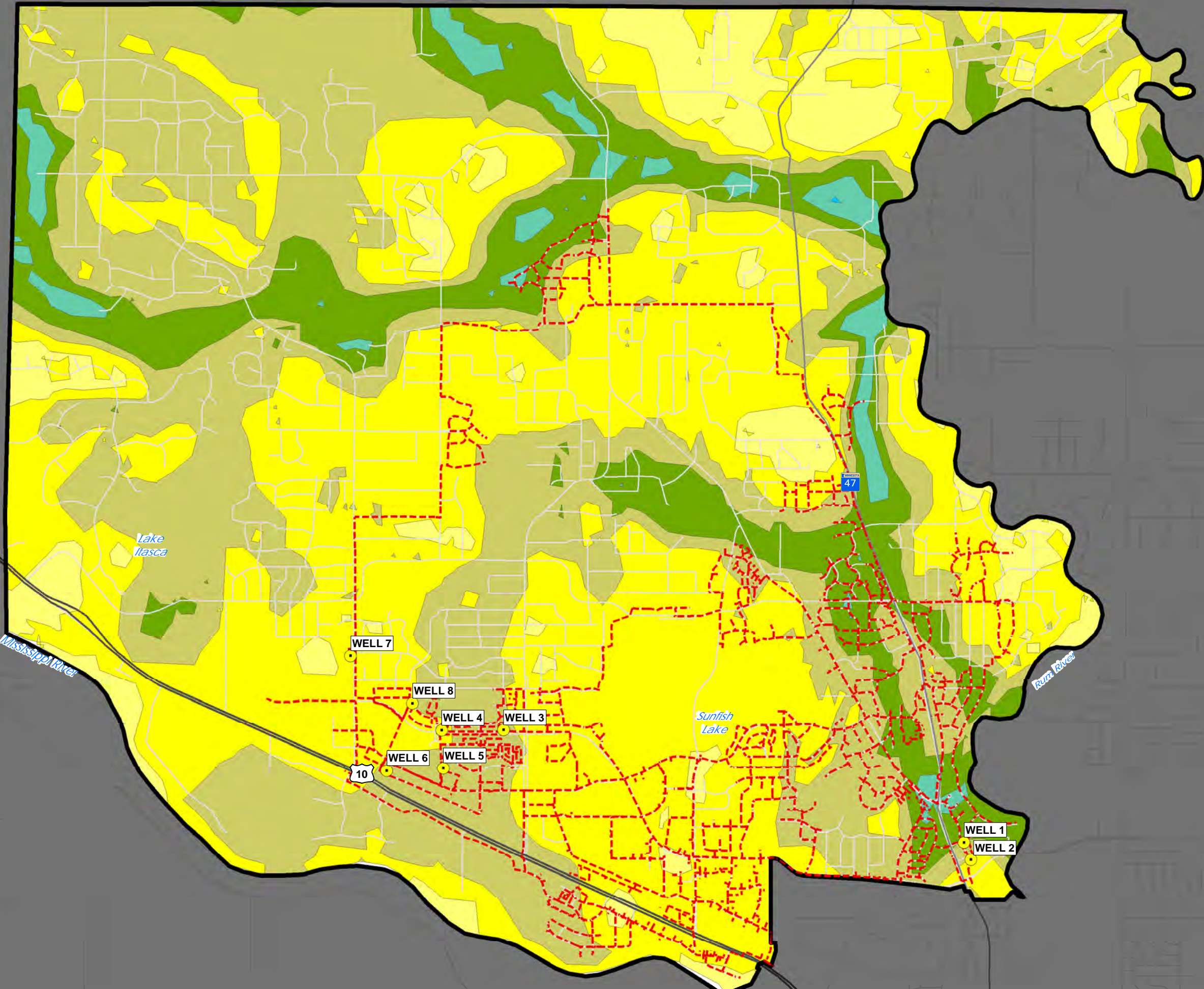
Bedrock Geology

Source Water Analysis City of Ramsey Minnesota

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	Project: MCES 150732	<h1>Figure 2</h1>
	Print Date: 11/7/2019	
<small>Map by: Msherrill Projection: UTM Zone 15N Source: ESRI, SEH Digi MndOT, Minnesota Geologic Survey (MGS)</small>		

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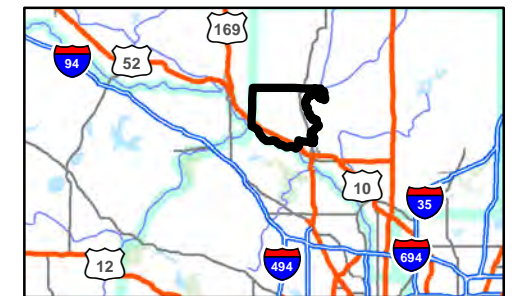


- Legend**
- Municipal Well
 - - - Municipal Watermain
 - Municipality Boundary

Anoka County Depth to Bedrock (ft.)

Depth to bedrock (ft.)

- 1-50
- 51-100
- 101-150
- 151-200
- 201-250
- 251-300
- 301-350
- 351-400
- 401-450
- 451-500



Depth to Bedrock

**Source Water Analysis
City of Ramsey
Minnesota**

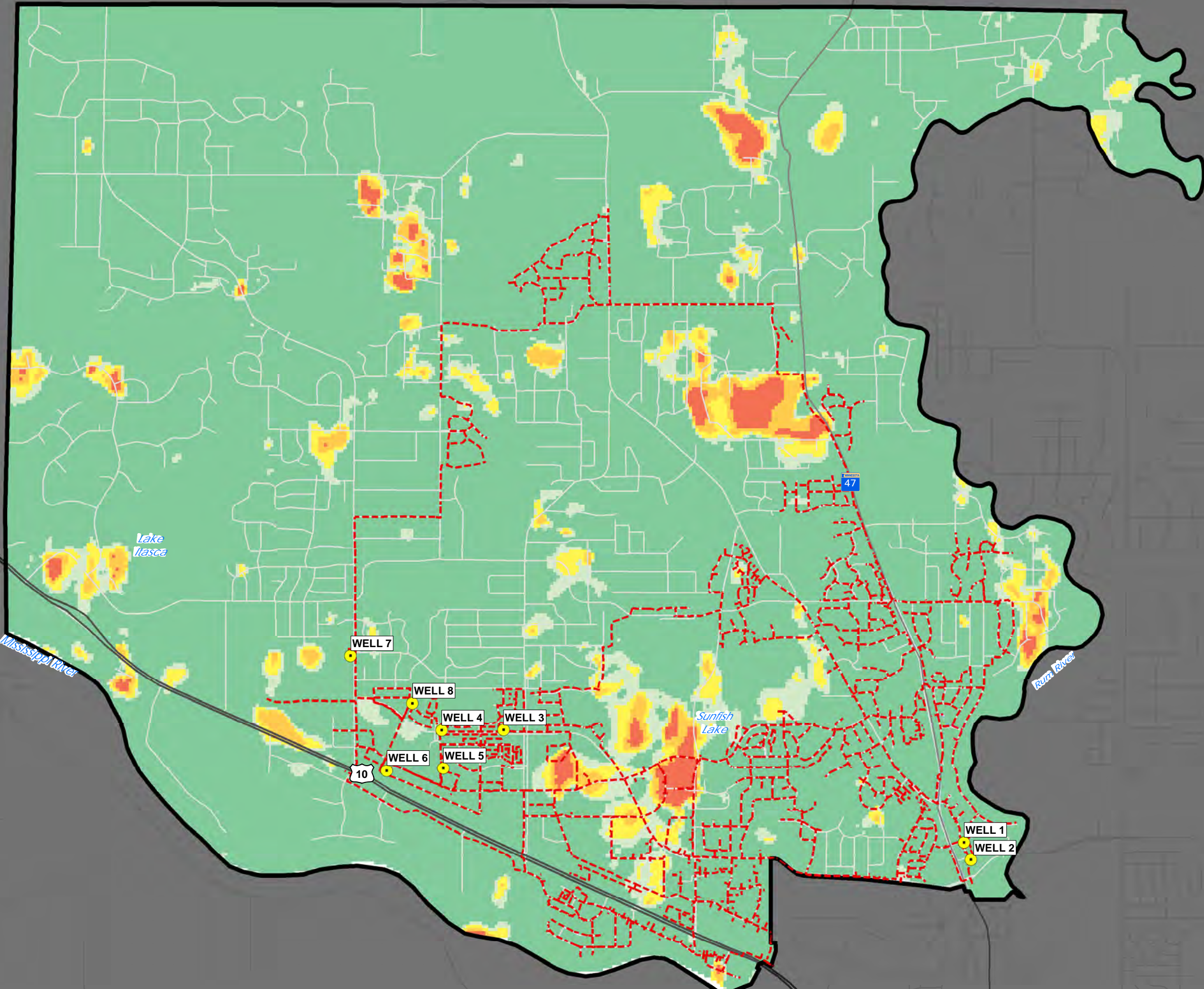
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 Source: ESRI, SEH Digi MNDOT,
 Minnesota Geologic Survey (MGS)

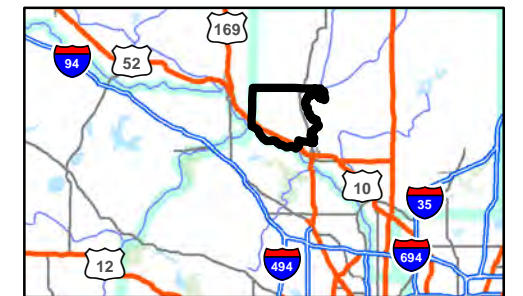
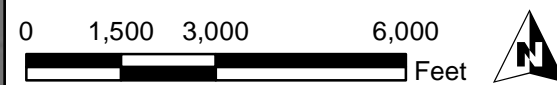
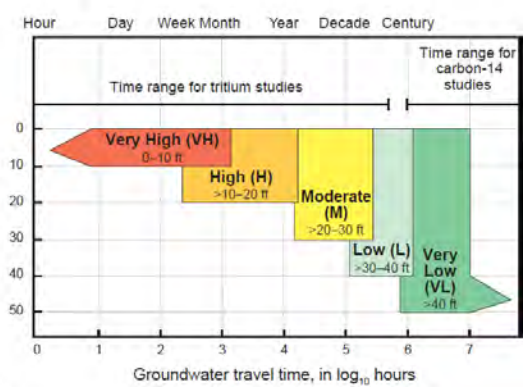
**Figure
3**

Path: S:\KO\M\CES\1507325-Final-Design-Drawings\90-GIS\Maps\Geology\Review\Ramsey - Project\Figure4.mxd



- Legend**
- Municipal Well
 - Municipal Watermain
 - Municipality Boundary

- Pollution Sensitivity (Top of Bedrock)**
- Very High
 - High
 - Moderate
 - Low
 - Very Low



Pollution Sensitivity

Source Water Analysis
City of Ramsey
Minnesota

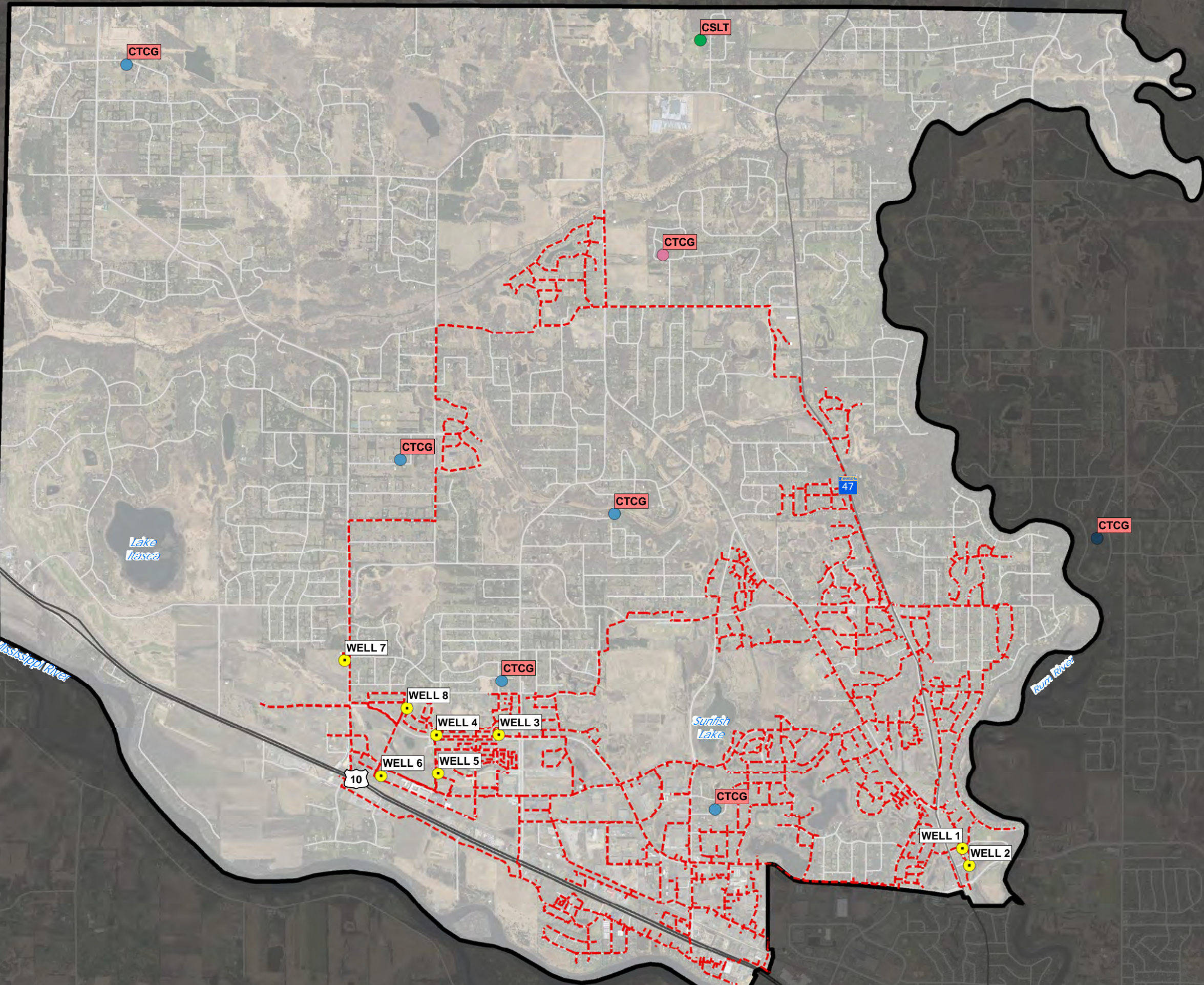
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Print Date: 11/7/2019
Map by: Msherrill
Projection: UTM Zone 15N
Source: ESRI, SEH Digi MndOT,
Minnesota Geologic Survey (MGS)

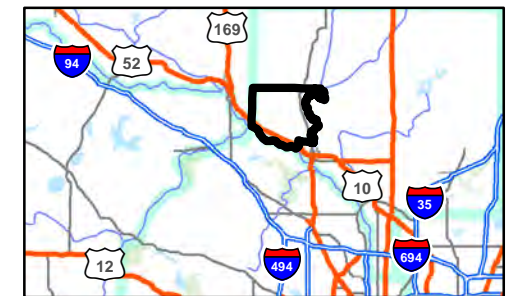
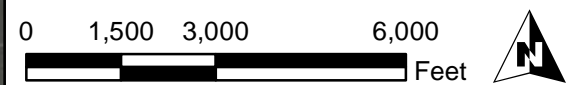
Figure
4

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- Legend**
- Municipal Well
 - Municipal Watermain
 - Municipality Boundary

- Tritium**
Bedrock Water Age Dating Method
- recent
 - mixed
 - vintage
 - not sampled



Tritium Data

Source Water Analysis City of Ramsey Minnesota

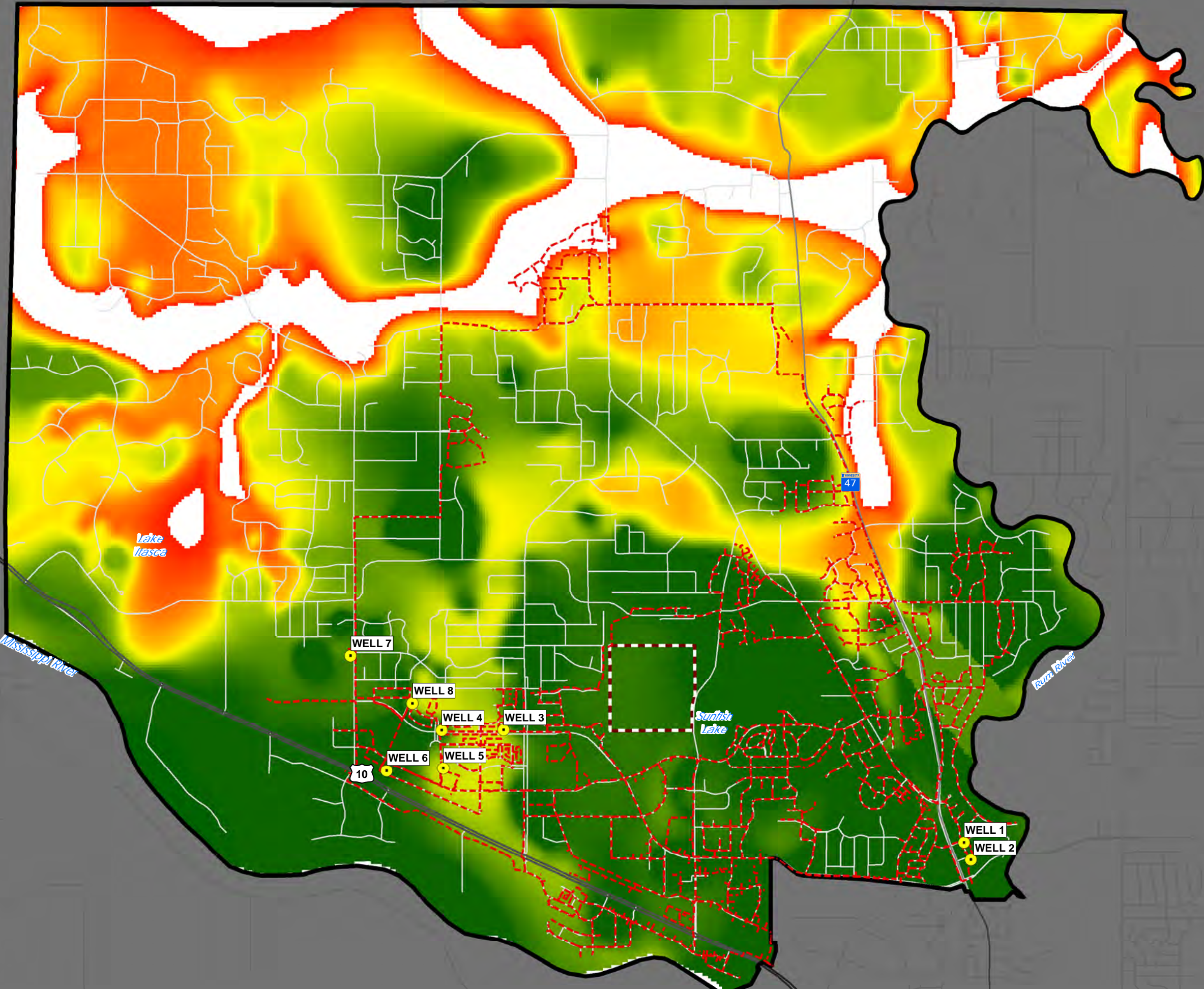
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Figure
5

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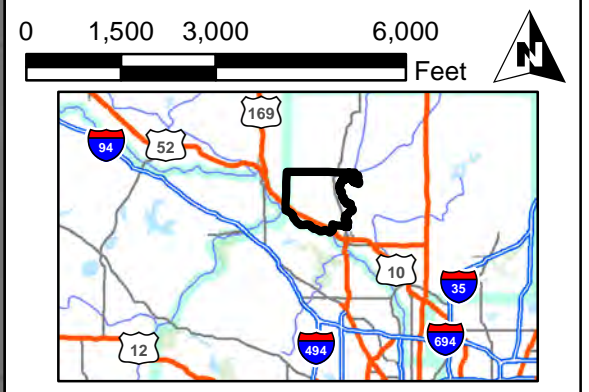
Legend

- Municipal Well
- Municipal Watermain
- Municipality Boundary
- Landfill Boundary

Tunnel City Thickness (Feet)

Value

- 158.106
- 142.296
- 126.486
- 110.676
- 94.866
- 79.0561
- 63.2461
- 47.4361
- 31.6261
- 15.8161
- 0.00610352



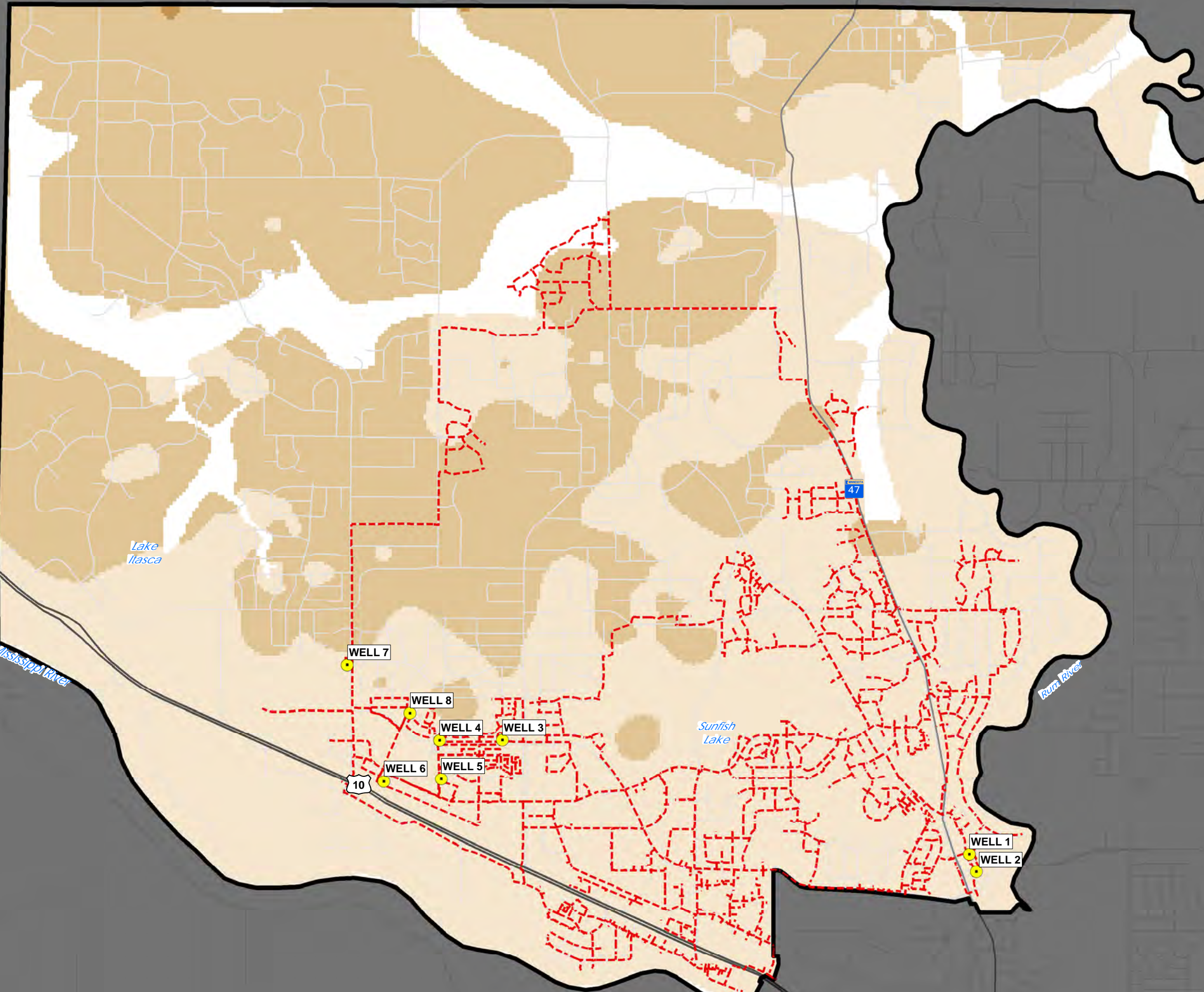
Tunnel City Thickness

Source Water Analysis
City of Ramsey
Minnesota

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	Project: MCES 150732	Figure 6
	Print Date: 11/7/2019	
Map by: Msherrill Projection: UTM Zone 15N Source: ESRI, SEH Digi MndOT, Minnesota Geologic Survey (MGS)		

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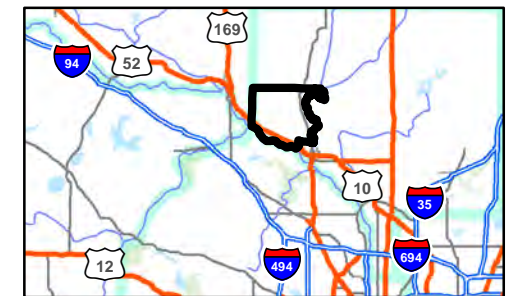
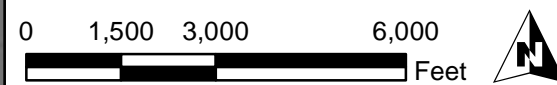
Legend

- Municipal Well
- - - Municipal Watermain
- Municipality Boundary

Potentiometric surface elevation

ELEVATION

- >820 to 860
- >860 to 900
- >900 to 940



Tunnel City Potentiometric Water Elevation

Source Water Analysis
City of Ramsey
Minnesota

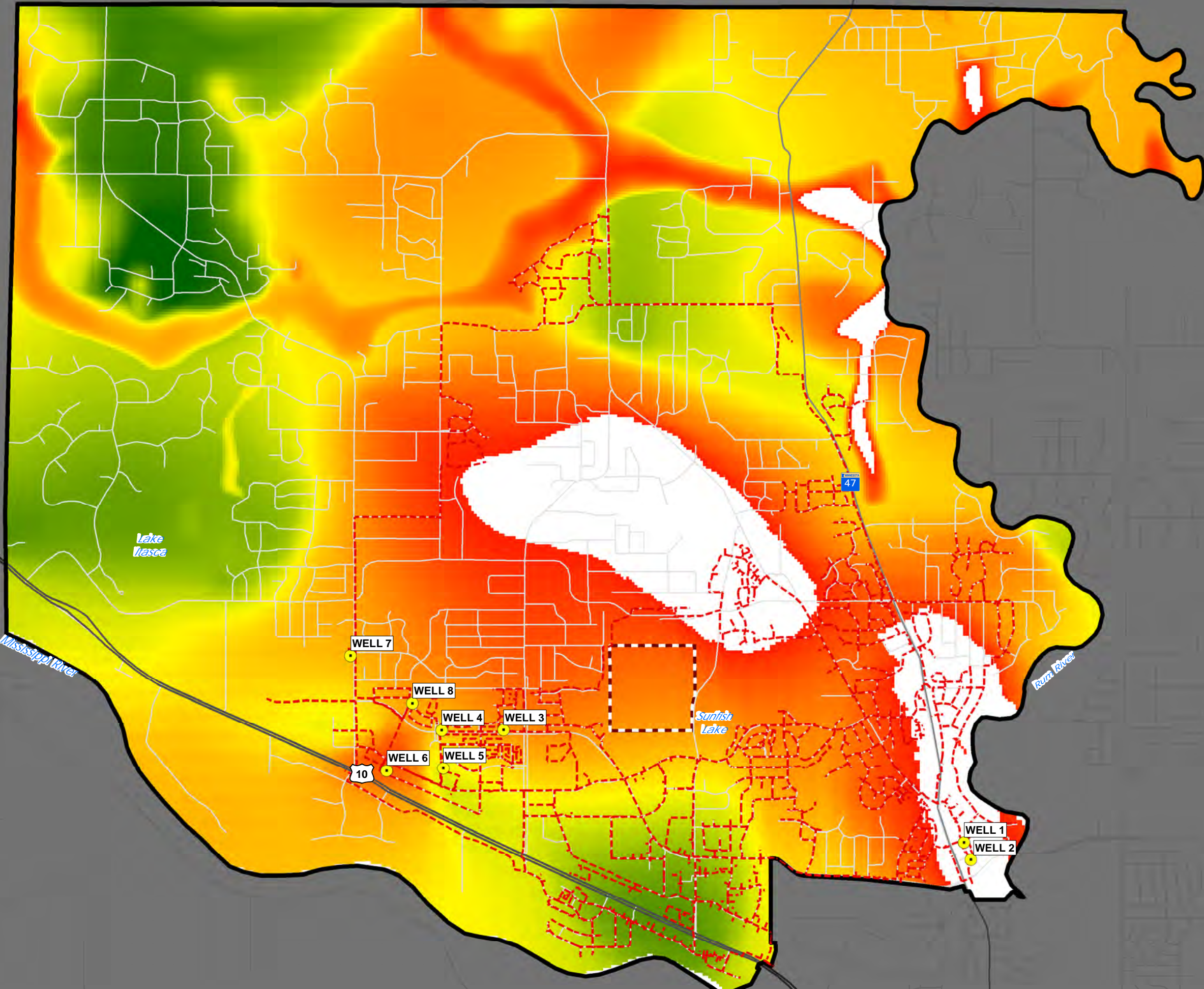
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Project: MCES 150732
Print Date: 11/7/2019
Map by: Msherrill
Projection: UTM Zone 15N
Source: ESRI, SEH Digi MNDOT, Minnesota Geologic Survey (MGS)

Figure
7

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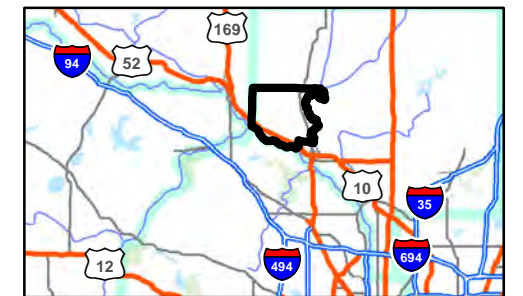
Legend

- Municipal Well
- Municipal Watermain
- Municipality Boundary
- Landfill Boundary

Wonewoc Thickness (feet)

Value

- 133.674
- 120.307
- 106.939
- 93.5718
- 80.2044
- 66.837
- 53.4696
- 40.1022
- 26.7348
- 13.3675
- 6.10352e-05



Wonewoc Thickness

**Source Water Analysis
City of Ramsey
Minnesota**

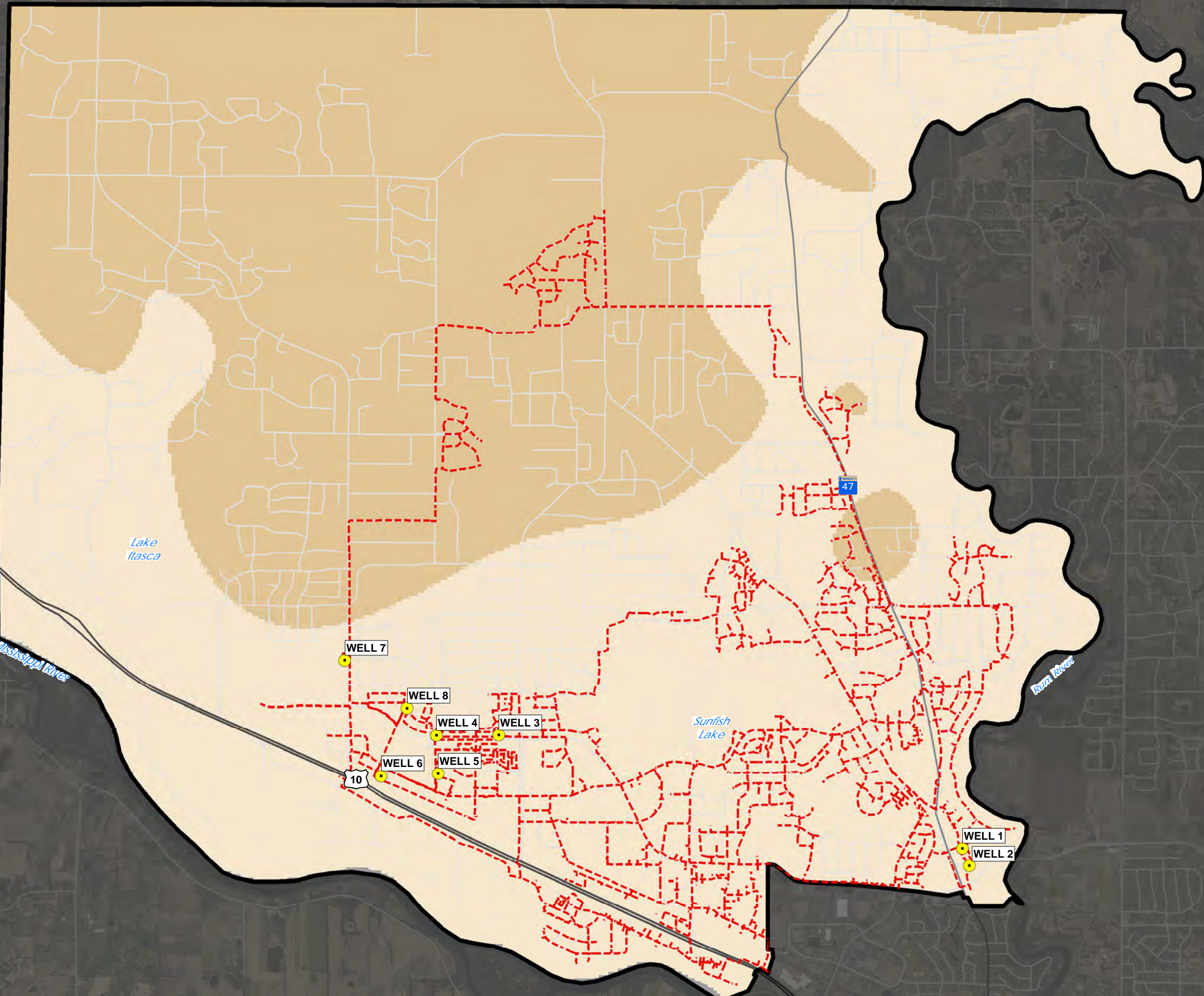
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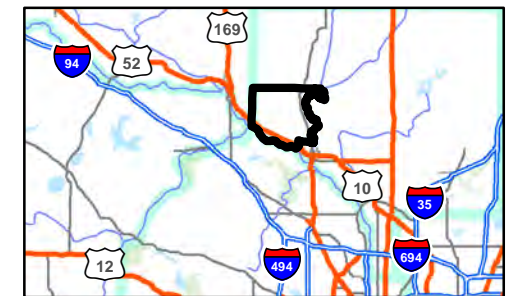
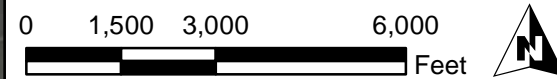
Project: MCES 150732
 Print Date: 11/7/2019
 Map by: Msherrill
 Projection: UTM Zone 15N
 Source: ESRI, SEH Digi MndOT,
 Minnesota Geologic Survey (MGS)

**Figure
8**

Path: S:\KO\M\CES\1507325-Final-dgms\5-drawings\90-GIS\Maps\Geology\Review\Ramse-Project\Figure6.mxd



- Legend**
- Municipal Well
 - - - Municipal Watermain
 - Municipality Boundary
- Potentiometric surface elevation**
- ELEVATION**
- >820 to 860
 - >860 to 900
 - City of Ramsey Owned Parcel
 - Anoka County Parcel Dataset



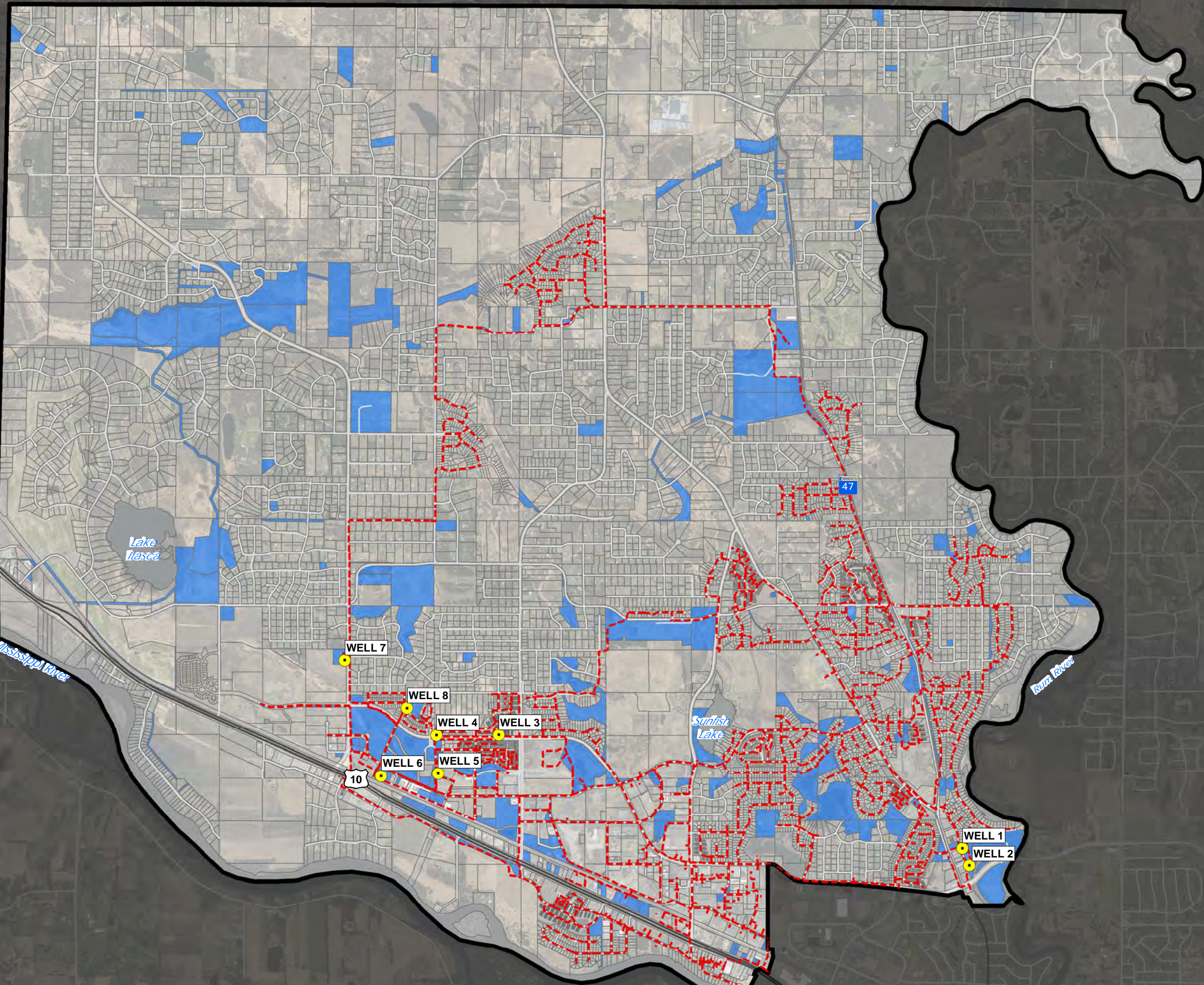
Wonewoc Potentiometric Surface Elevation

Source Water Analysis
City of Ramsey
Minnesota

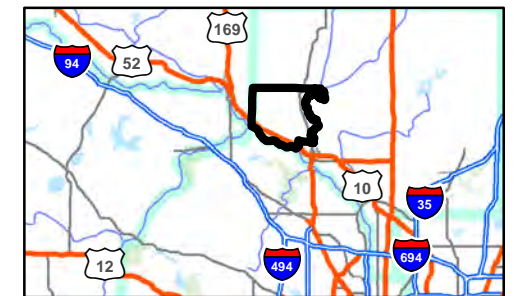
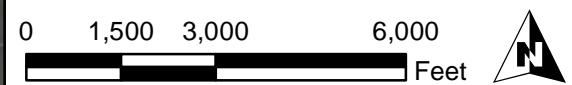
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	Project: MCES 150732	Figure 9
	Print Date: 11/7/2019	
<small>Map by: Msherrill Projection: UTM Zone 15N Source: ESRI, SEH Digi MndOT, Minnesota Geologic Survey (MGS)</small>		

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- Legend**
- Municipal Well
 - - - Municipal Watermain
 - Municipality Boundary
 - City of Ramsey Owned Parcel
 - Anoka County Parcel Dataset



Parcel Data

Source Water Analysis City of Ramsey Minnesota

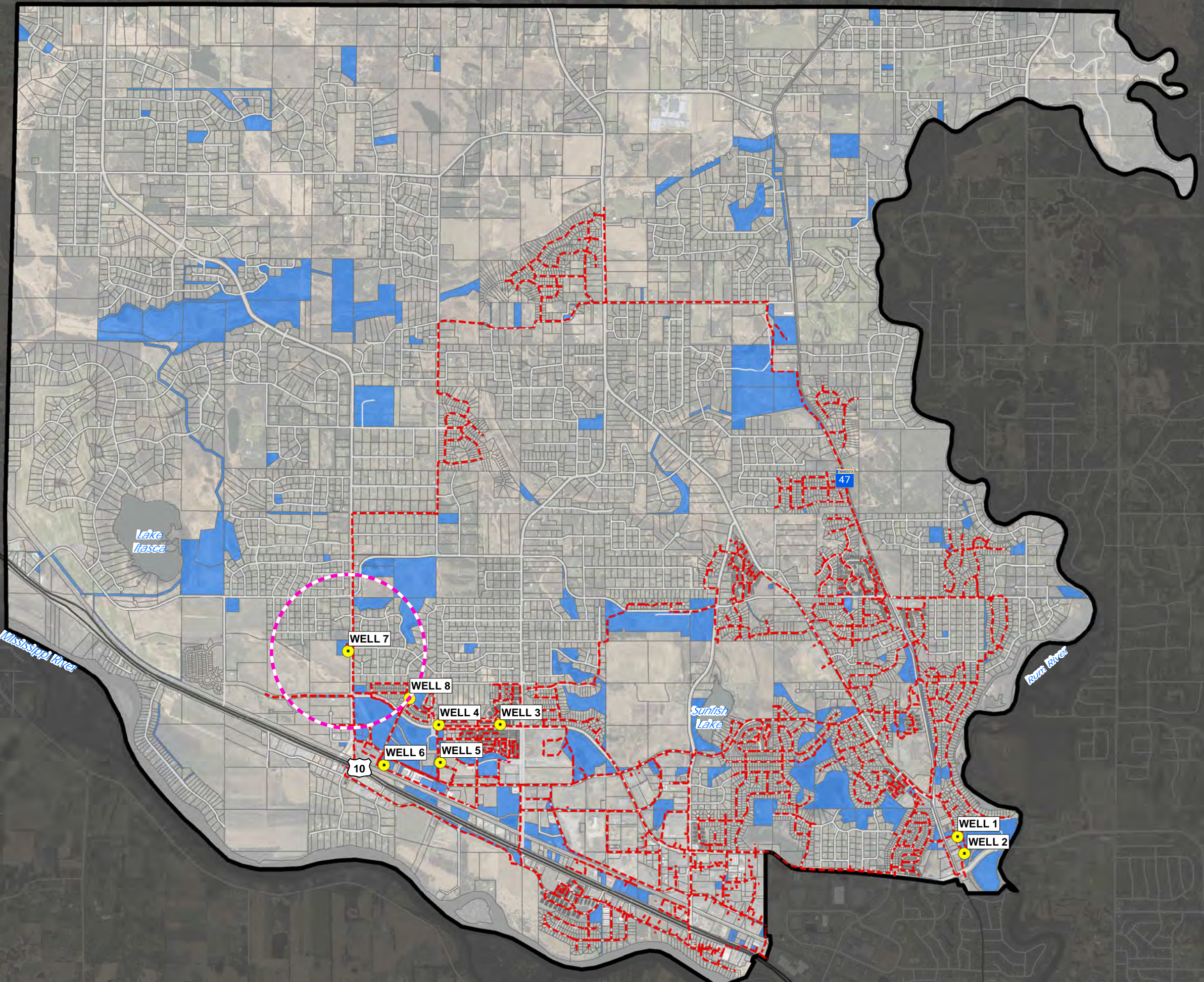
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Project: MCES 150732
Print Date: 11/7/2019
Map by: Msherrill
Projection: UTM Zone 15N
Source: ESRI, SEH Digi MNDOT,
Minnesota Geologic Survey (MGS)

Figure
10

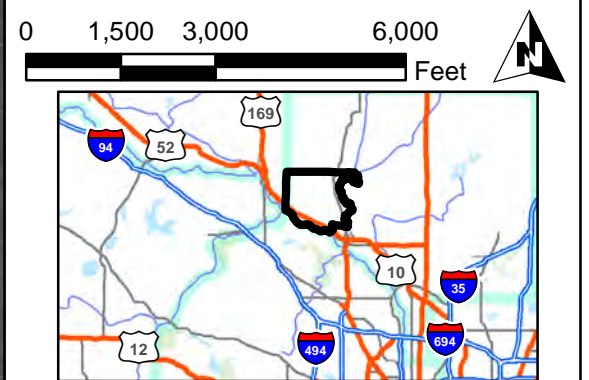
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Legend

- Municipal Well
- - - Municipal Watermain
- Municipality Boundary
- City of Ramsey Owned Parcel
- Anoka County Parcel Dataset
- 2400 ft Radius of Influence for 3 feet of Drawdown.

Note:
 Radius of Influence calculation was based upon "Methods for Determining the Proper Spacing of Wells" (USGS, 1961) for a single pumping well.

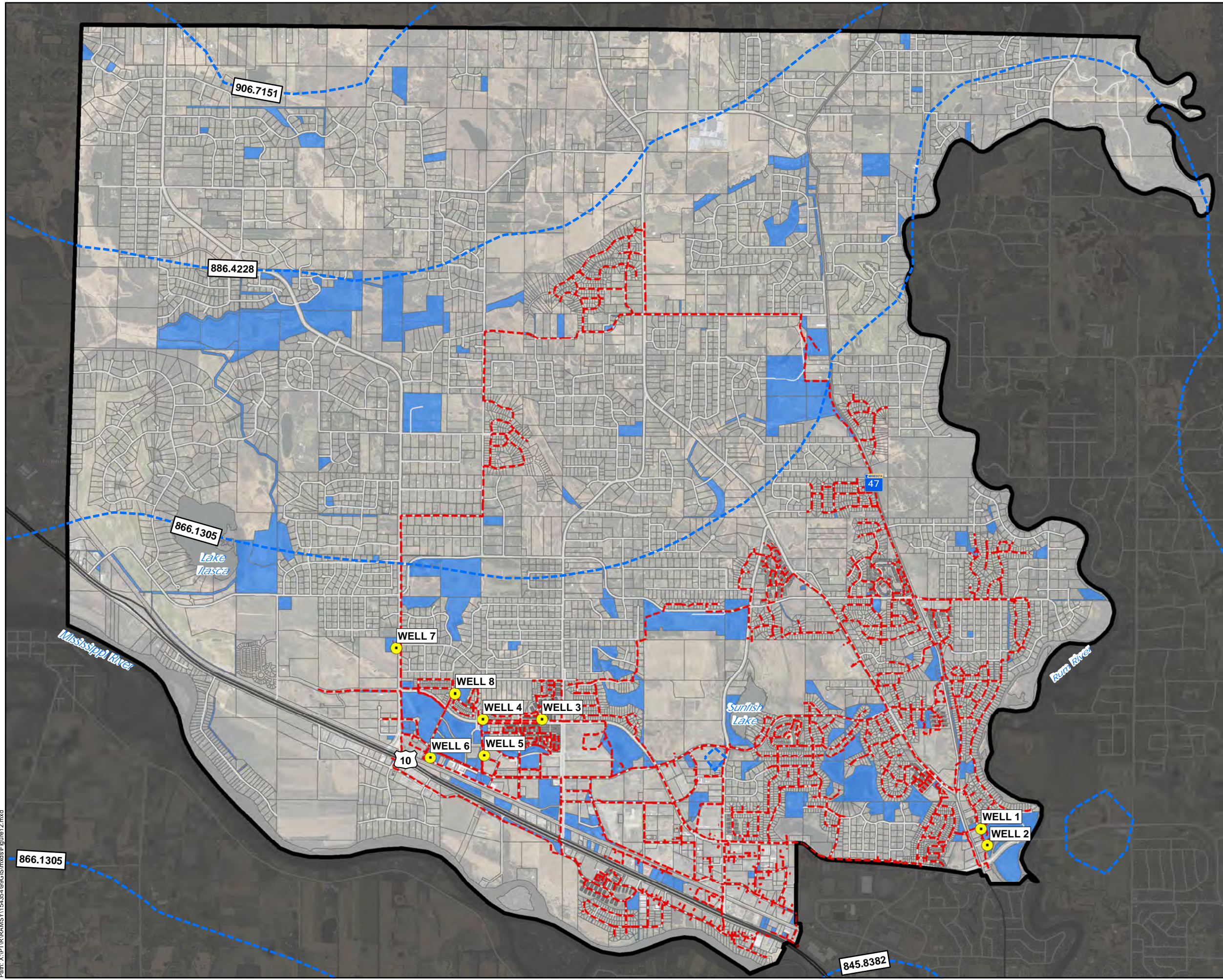


**Radius of Influence
and Parcel Data**

**Source Water Analysis
City of Ramsey
Minnesota**

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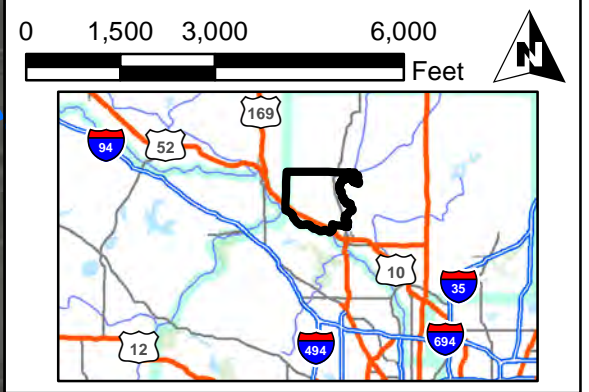
	Project: MCES 150732 Print Date: 5/19/2020	Figure 10
	Map by: Msherrill Projection: UTM Zone 15N Source: ESRI, SEH Digi MndOT, Minnesota Geologic Survey (MGS)	



Legend

- Municipal Well
- - - Municipal Watermain
- Municipality Boundary
- City of Ramsey Owned Parcel
- Anoka County Parcel Dataset
- - - Modeled Steady State Source Water
- - - Aquifer Water Level with no City Wells Pumping

Note:
 -Source Water Aquifer refers to the Tunnel City and Wonevoc Aquifers.
 -Contours were modeled utilizing the Twin Cities Area Groundwater Flow Model (Metro Model 3, Metropolitan Council and Barr Engineering.)



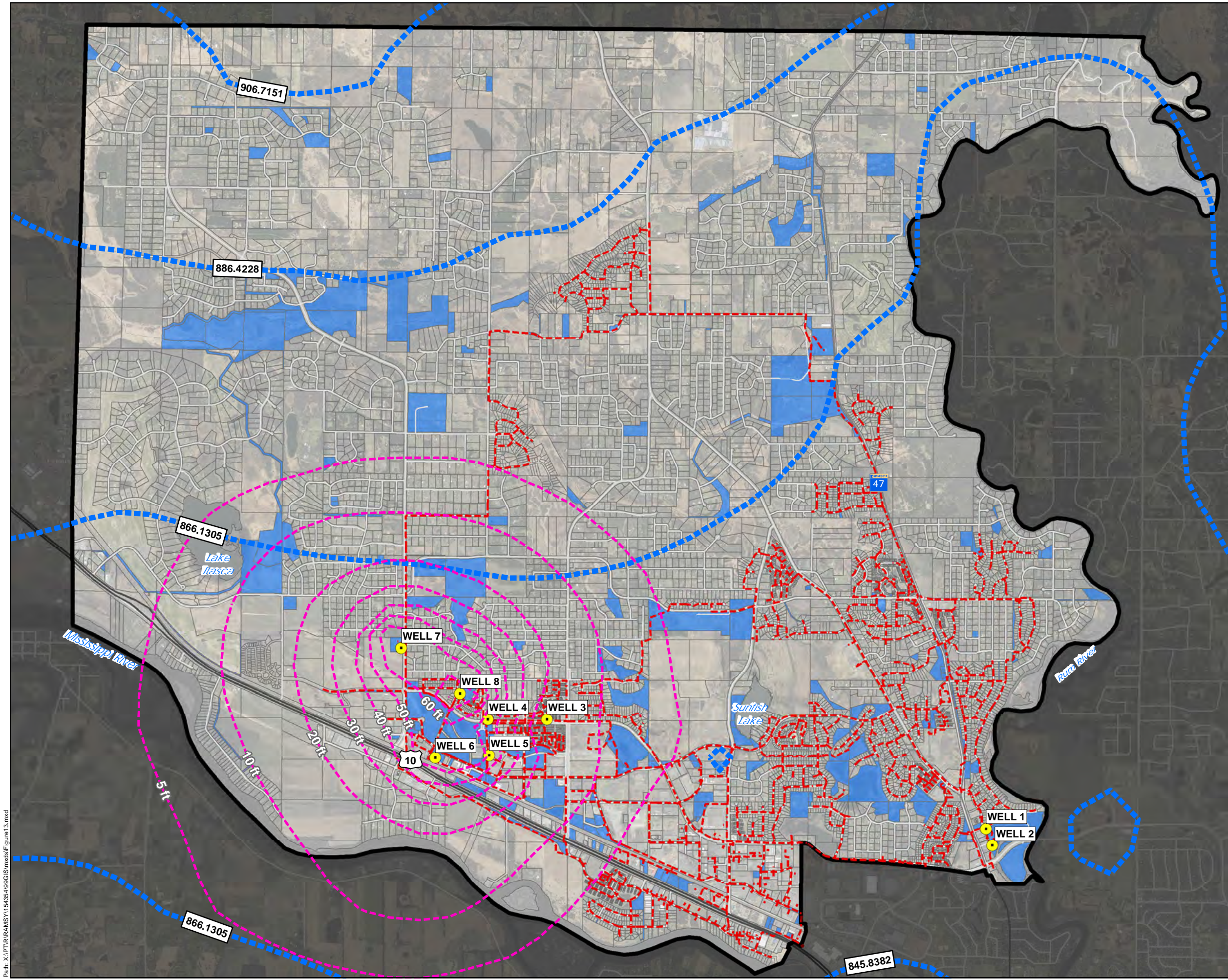
**Present Day - No Pumping Wells
 Aquifer Water Level Contours**

**Source Water Analysis
 City of Ramsey
 Minnesota**

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	Project: MCES 150732	Figure 13
	Print Date: 5/19/2020	
<small>Map by: Msherrill Projection: UTM Zone 15N Source: ESRI, SEH Digi MndOT, Minnesota Geologic Survey (MGS)</small>		

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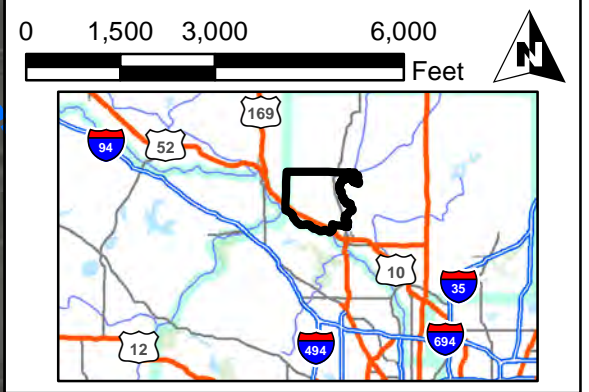


Legend

- Municipal Well
- - - Municipal Watermain
- Municipality Boundary
- City of Ramsey Owned Parcel
- Anoka County Parcel Dataset
- Modeled Steady State Source Water
- Aquifer Water Level with no City Wells Pumping
- - - Feet of Modeled Drawdown from June 13, 2019 Well Pumping

Note:

- Source Water Aquifer refers to the Tunnel City and Wonewoc Aquifers.
- Contours were modeled utilizing the Twin Cities Area Groundwater Flow Model (Metro Model 3, Metropolitan Council and Barr Engineering.)



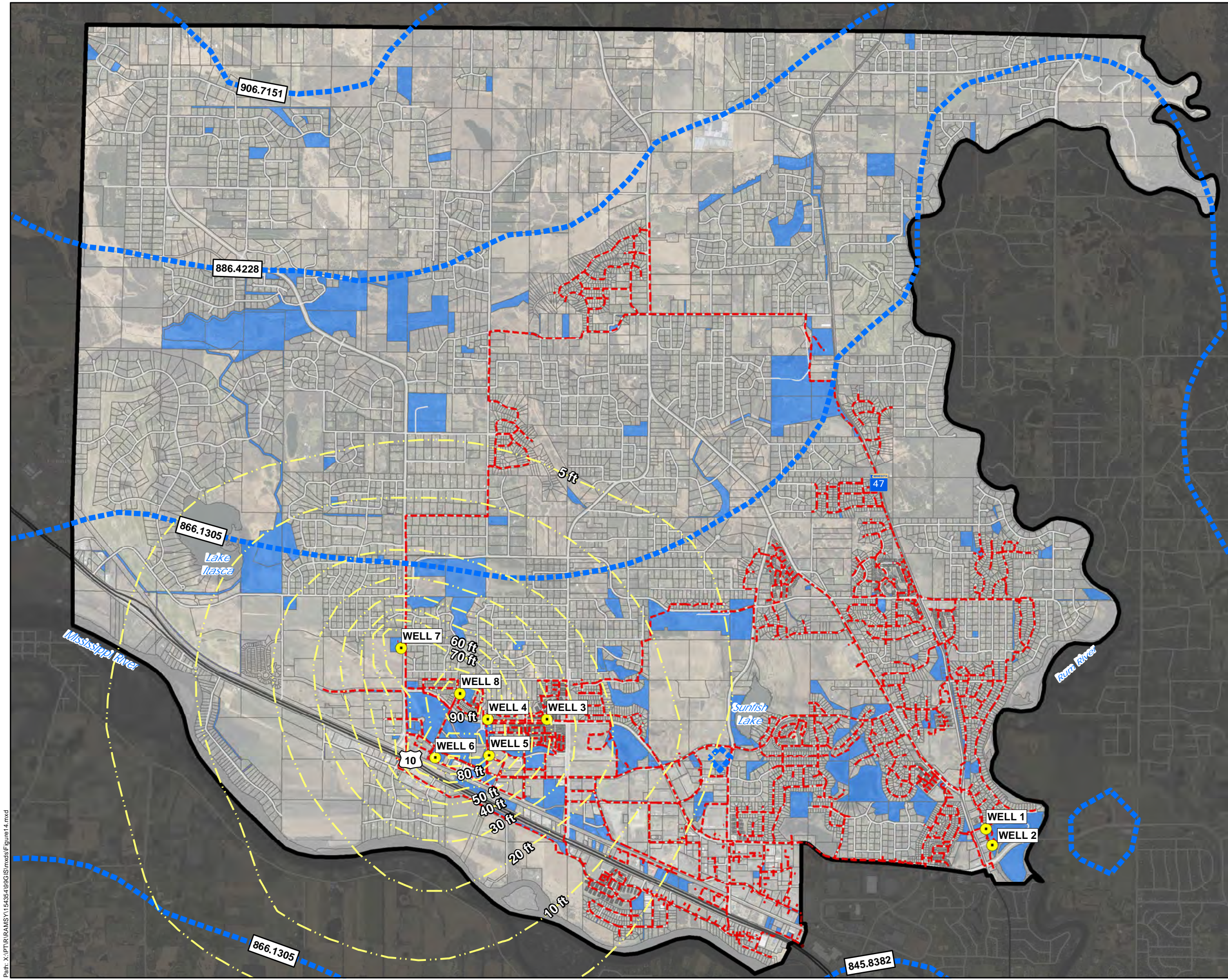
Modeled Drawdown of June 13th Pumping on Aquifer Water Levels

**Source Water Analysis
City of Ramsey
Minnesota**

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	Project: MCES 150732	Figure 13
	Print Date: 5/19/2020	
<small>Map by: Msherrill Projection: UTM Zone 15N Source: ESRI, SEH Digi MndOT, Minnesota Geologic Survey (MGS)</small>		

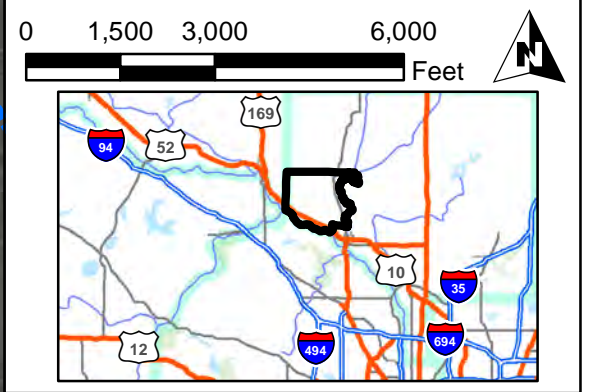
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Legend

- Municipal Well
- - - Municipal Watermain
- Municipality Boundary
- City of Ramsey Owned Parcel
- Anoka County Parcel Dataset
- - - Modeled Steady State Source Water
- Aquifer Water Level with no City Wells Pumping
- - - Feet of Modeled Drawdown from Project 2040 Daily Demand Well Pumping of 10.25 Million Gallons

Note:
 -Source Water Aquifer refers to the Tunnel City and Wonevoc Aquifers.
 -Contours were modeled utilizing the Twin Cities Area Groundwater Flow Model (Metro Model 3, Metropolitan Council and Barr Engineering.)



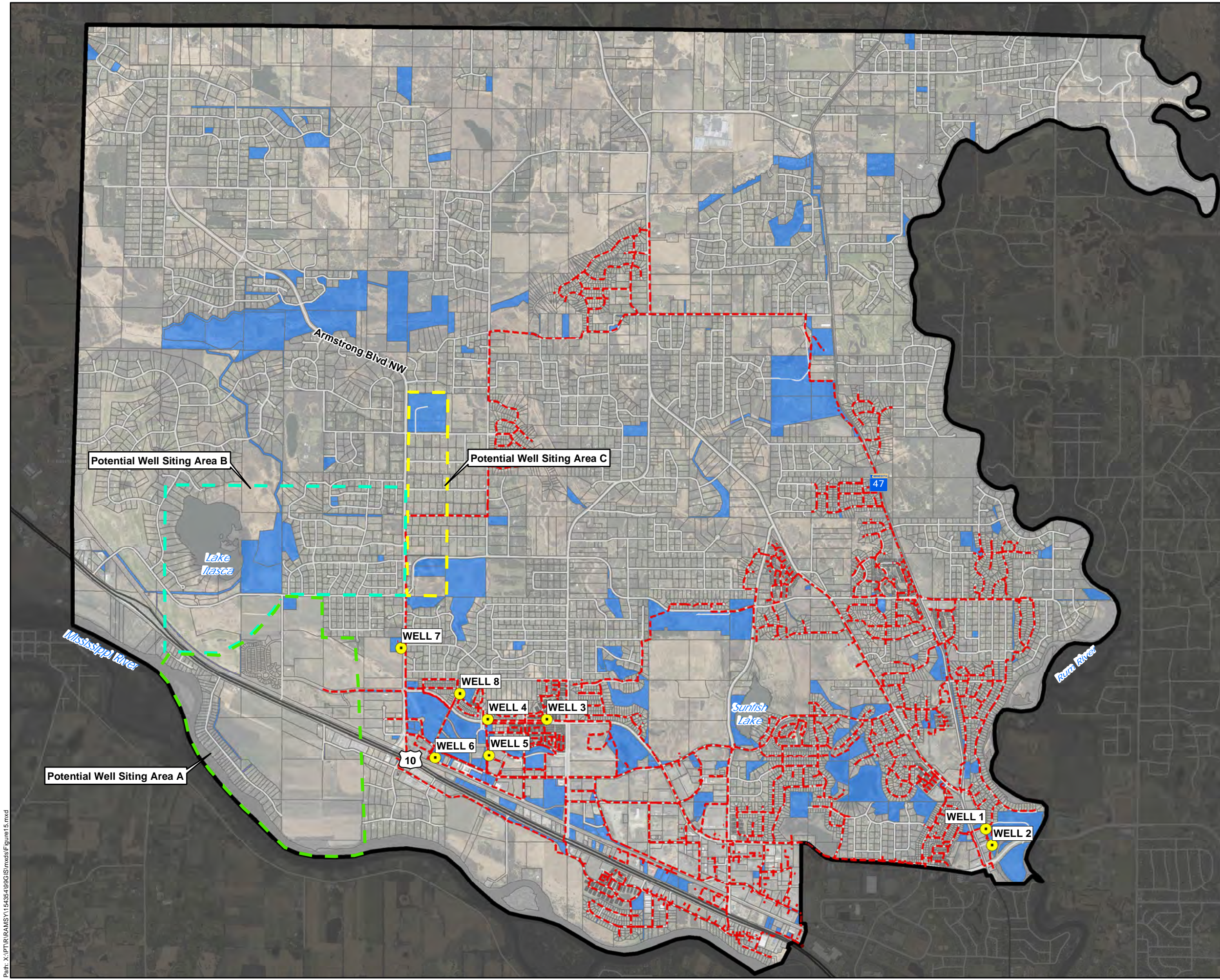
Modeled Drawdown of 2040 Daily Demand on Aquifer Water Levels

**Source Water Analysis
 City of Ramsey
 Minnesota**

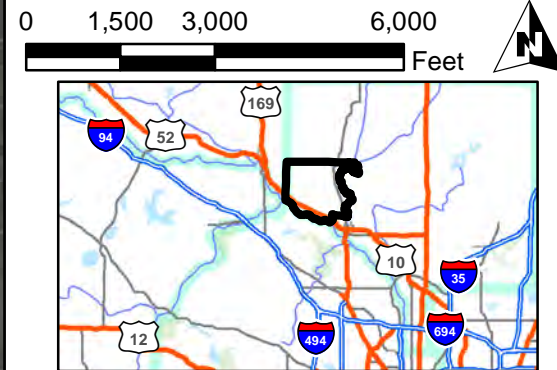
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	Project: MCES 150732 Print Date: 5/19/2020	Figure 14
	<small>Map by: Msherrill Projection: UTM Zone 15N Source: ESRI, SEH Digi MndOT, Minnesota Geologic Survey (MGS)</small>	

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- Legend**
- Municipal Well
 - - - Municipal Watermain
 - Municipality Boundary
 - City of Ramsey Owned Parcel
 - Anoka County Parcel Dataset
- Potential Well Sites**
- Potential Well Siting Area A
 - Potential Well Siting Area B
 - Potential Well Siting Area C



Potential Well Sites
Source Water Analysis
City of Ramsey
Minnesota

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	Project: MCES 150732 Print Date: 6/5/2020 Map by: Msherrill Projection: UTM Zone 15N Source: ESRI, SEH Digi MndOT, Minnesota Geologic Survey (MGS)	Figure 15
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Appendix E

Pilot Study



Pilot Study Report

Water Treatment Plant

City of Ramsey, Minnesota

RAMSY 154354 | June 18, 2020



Building a Better World
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Certification Page
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Pilot Study Report

Water Treatment Plant

Prepared for the City of Ramsey, Minnesota

1 Introduction

1.1 Background

SEH was contracted by the City of Ramsey to conduct a centralized water treatment plant feasibility study. As part of the study, SEH conducted a pilot study to consider options for the removal of iron and manganese from their water supply. The water quality in Ramsey is high in both iron and manganese with levels exceeding the United States Environmental Protection Agency (US EPA) secondary standards of 0.3 mg/L and 0.05 mg/L respectively. Along with the manganese secondary standard, Ramsey's average manganese levels exceed Minnesota Department of Health's (MDH's) Health Based Value (HBV) of 0.1 mg/L for bottle-fed infants less than one year of age.

1.2 Objectives

The objectives of the study were to evaluate the effectiveness of various treatment methods for removing iron and manganese, and then to select treatment methods for the design of a Water Treatment Plant for the City of Ramsey.

The study included the following objectives:

- Evaluate the effectiveness of chlorine and permanganate for the removal of iron and manganese;
- Establish filter run lengths;
- Evaluate filter loading rates;
- Select the filter media type that provides the best removal of iron and manganese, and;
- Evaluate the use of aeration and detention as part of the treatment process.

2 Existing Facilities

2.1 Wells

The City of Ramsey has eight wells all located in the southern part of town north of U.S. Highway 10. The City's original two wells, Wells No. 1 and 2, are located in the southeast part of town, while the other wells are all located in the southwest part of town. The wells are capable of producing approximately 11 million gallons per day, although the treatment plant would be located within the southwest well field and thus would not be fed by Wells No. 1 or 2, making the potential treatment capacity 9.5 million gallons per day.

Current treatment at the wells consists of chemical treatment including polyphosphate for iron and manganese sequestration, gas chlorine for disinfection, and fluoride for dental health.

3 Pilot Study

The pilot study was conducted in the SEH pilot water plant trailer. Equipment used for the pilot study included chemical feed systems, an aerator, detention tank, and filter columns (filters). Train 1 of the study utilized direct filtration where the well water was treated with chemical injections of chlorine (sodium hypochlorite) and potassium permanganate, and then filtered through filters with two different media types. Train 2 of the study utilized the chemical injections and two different filter media types, but included aeration prior to the chemical injections, and detention prior to filtration. Sampling as part of the pilot study were conducted and analyzed by SEH's pilot plant operator.

3.1 Pilot Testing Processes

The pilot study was conducted for Ramsey's Wells No. 3 and 4 to establish the efficiency and reliability of the two treatment processes and filter media types to remove iron and manganese. Processes for the pilot study were selected based on the concentrations of iron and manganese, and on prior experience. The figures below show the processes for Train 1 and Train 2.

Figure 1 – Pilot Study Train 1

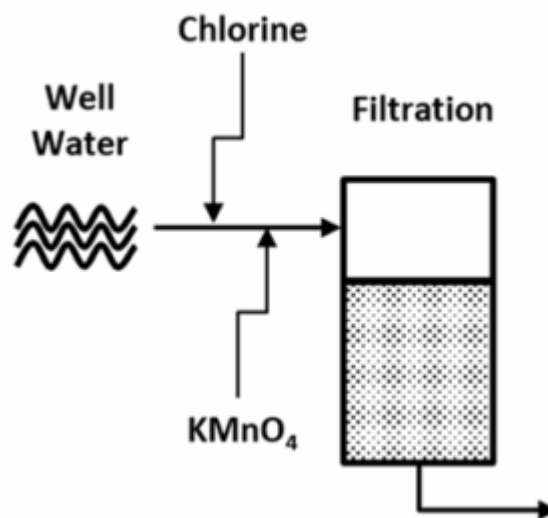
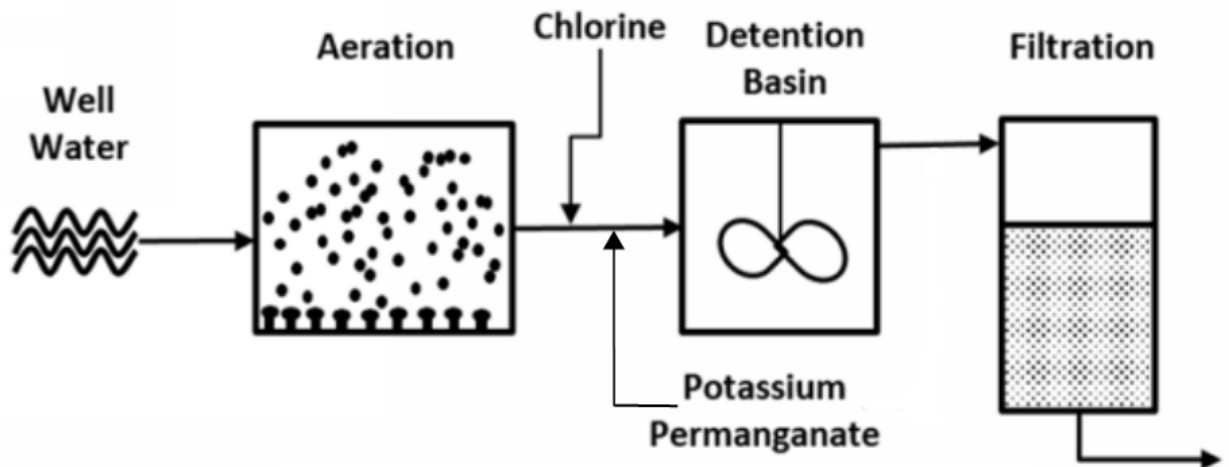


Figure 2 – Pilot Study Train 2



3.1.1 Forced Draft Aerator

The SEH pilot water plant utilized a forced draft aerator, which consists of an aerator column, packing material, and a blower. During treatment of the water for Train 2, water was pumped from the well into the pilot water plant aerator, and then percolated down through the packing material in the aerator column as air was blown up through the packing material. Aeration of water is done to oxidize the iron into solids so that they can be filtered out. Aeration of water can also remove dissolved gases in water such as hydrogen sulfide.

3.1.2 Detention Tank

After aeration during Train 2, a detention tank in the pilot water plant was used to provide additional reaction time for chlorine to oxidize iron and potassium permanganate to oxidize manganese in the water. For this study, the system was set up to provide 30 minutes of detention before filtration.

3.1.3 Chemical Feed System

The chemicals used for the pilot study included chlorine, in the form of sodium hypochlorite, and potassium permanganate (KMnO_4). While chlorine is used for oxidizing iron, potassium permanganate is used for the oxidation of manganese. Both chemicals are commonly used in treatment systems for the removal of iron and manganese. The sodium hypochlorite solution was fed at a strength of 15 grams per liter (gpl). Potassium permanganate was fed at a strength of 4 gpl.

The chemical feed systems used in the pilot study included Qdos peristaltic metering pumps capable of feeding a maximum of 31 gallons per hour (gph).

Chemical addition was measured using calibration columns for each chemical feed pump. The volume (in milliliters) of each chemical pumped was measured per unit of time and the dosage was calculated based on the flow to the individual treatment trains.

3.1.4 Filters

The SEH Pilot Water Plant contains four filter columns (filters) that each measure 8 inches in diameter and 72 inches tall. The resulting surface area for filtration of each filter is 0.35 ft². The filters each have a 0.75 inch inlet, 1.5 inch backwash waste outlets, underdrains, air release system, rate of flow meters, sample taps, and filter media. Pressure taps are located on the inlet and outlet of each filter to obtain filter head loss by comparing the two pressures. For the Ramsey pilot study, Filters 1 and 2 (Train 1) were operated without aeration and detention. Filters 3 and 4 (Train 2) were operated with aeration and detention. Each filter was supplied 1.05 gpm to achieve a target filtration rate of 3.0 gpm/ft² for this study. Each type of filter media used in the study was new and had not been used in other studies. The filters were backwashed with a combination of air and water between filter runs.

Table 1 – Pilot Study Filter Characteristics

Filter	Media	Filtration Rate (gpm/ft ²)	Effective Size (mm)	Media Depth (in)
1	Greensand	3	0.30-0.35	18
	Anthracite		0.9-1.0	12
2	Silica Sand	3	0.45-0.55	18
	Anthracite		0.9-1.0	12
3	Greensand	3	0.30-0.35	18
	Anthracite		0.9-1.0	12
4	Silica Sand	3	0.45-0.55	18
	Anthracite		0.9-1.0	12

3.2 Sampling and Analysis

Sampling and analysis was completed by the onsite SEH pilot plant operator. Field testing for iron and manganese was conducted using a Hach DR/890 Portable Colorimeter, and was done for the raw water and from the effluent of each filter. Testing for iron was conducted using the Hach Method 8147 (DR800 FerroZine Solution Pillow), which has a range of 0-1.3 mg/L iron (Fe), and an estimated detection limit of 0.011 mg/L Fe. Testing for manganese was conducted using the Hach Method 8149 (DR800 PAN), which has a range of 0-0.70 mg/L manganese (Mn), and an estimated detection limit of 0.020 mg/L Mn. Temperature and pH analyses were conducted using a Hach HQ 40 pH meter, and was done for the raw water. Samples for the analysis of chlorine were collected from the effluent of each filter and analyzed using the Hach DR/890 Portable Colorimeter. The chlorine demand was calculated by subtracting the residual chlorine after filtration from the dose of chlorine added to the raw water to oxidize iron. The results of the sampling and subsequent analysis are presented in the remainder of this report.

4 Pilot Study Results

As discussed, the pilot study was conducted for Ramsey's Wells No. 3 and 4 to establish the efficiency and reliability of the two treatment processes, as well as the two filter media types, to remove iron and manganese. Identical pilot studies were conducted at both wells. The purpose of this was to determine how well the treatment processes would do with more than one source

water. The finished water quality met the EPA secondary standards for iron and manganese, as well as MDH's HBV for manganese, for both treatment processes and filter media types.

4.1 Well No. 3 Results

4.1.1 Raw Water Quality

The pilot study for Well No. 3 was completed between January 21, 2020 and January 22, 2020. Well No. 3 currently pumps approximately 1,450 gpm directly into the distribution system with polyphosphate, chlorine, and fluoride added in a shared pump house with Well No. 4. Table 2 below summarizes the raw water results collected from Well No. 3 during the pilot study.

Table 2 – Well No. 3 Raw Water Quality

Iron (mg/L)			Manganese (mg/L)			pH		
Min.	Avg.	Max	Min.	Avg.	Max.	Min.	Avg.	Max.
0.500	0.640	0.850	0.160	0.200	0.240	7.46	7.72	7.85

Results from the raw water sampling show that Well No. 3 exceeds EPA's secondary standards for iron and manganese, which can cause aesthetic water quality issues related to color, taste, sediment, and staining. Well No. 3 also exceeds MDH's HBV 0.1 mg/L for manganese for bottled infants less than one year of age. Infants who drink water with manganese above 0.1 mg/L may develop learning and behavior problems.

4.1.2 Water Treatment

Water from Well No. 3 went through both treatment trains provided by the SEH pilot water treatment plant. Train 1 utilized direct filtration through Filters 1 and 2 after chlorine and potassium permanganate injection, while Train 2 utilized aeration and detention prior to filtration through Filters 3 and 4. With Train 2, aeration was provided prior to chemical injection to help oxidize iron, followed by chlorine and potassium permanganate injection, and then 30 minutes of detention time to allow for adequate chemical reaction time before filtration. The chemical doses to treat water from Well No. 3 are provided in Table 3. All four filters in the pilot water plant were operated at a rate of 3.0 gpm/ft².

Table 3 – Well No. 3 Chemical Dosages

Train 1 – Filters 1 and 2 (Direct Filtration)					
Chlorine (mg/L as Cl ₂)			KMnO ₄ (mg/L)		
Min.	Avg.	Max.	Min.	Avg.	Max.
2.15	2.92	3.58	0.49	0.49	0.49
Train 2 – Filters 3 and 4 (Aeration and Detention)					
Chlorine (mg/L as Cl ₂)			KMnO ₄ (mg/L)		
Min.	Avg.	Max.	Min.	Avg.	Max.
1.95	3.24	4.53	0.10	0.10	0.10

The chlorine dosages for the two treatment trains were similar, although the chlorine dosage with Train 2 may be able to be reduced as aeration provides significant iron oxidation, and 30 minutes

of detention allows for additional chemical reaction time to increase iron oxidation. The potassium permanganate dosage in Train 2 was able to be lowered to about a fifth of that in Train 1, as the added chemical reaction time with 30 minutes of detention increases manganese oxidation.

4.1.3 Finished Water Quality

The SEH pilot water plant was able to treat water from Well No. 3 to levels that meet the EPA secondary standards, as well as MDH's HBV for manganese. In fact, no sample result exceeded the EPA secondary standards, and both treatment trains were able to remove both iron and manganese on average below the method detection limits of 0.011 mg/L and 0.020 mg/L respectively.

The finished water quality for Well No. 3 during the pilot study is summarized in Table 4 below.

Table 4 – Well No. 3 Finished Water Quality

Filter	Iron (mg/L)			Manganese (mg/L)		
	Min.	Avg.	Max.	Min.	Avg.	Max.
1	nd	nd	0.040	nd	nd	0.043
2	nd	nd	0.020	nd	nd	nd
3	nd	nd	0.020	nd	nd	0.048
4	nd	nd	nd	nd	nd	nd

Notes: nd = below method detection limit

The use of detention in Train 2 did not provide a significant treatment advantage over Train 1 in removing iron and manganese, although the use of aeration in Train 2 provided slightly better results in the removal of iron. There also wasn't a significant difference in treatment effectiveness between the two filter media types, although Filters 1 and 3 each had at least one spiked result for manganese that approached the secondary standard.

4.2 Well No. 4 Results

4.2.1 Raw Water Quality

The pilot study for Well No. 4 was completed between January 20, 2020 and January 21, 2020. Well No. 4 currently pumps approximately 850 gpm directly into the distribution system with polyphosphate, chlorine, and fluoride added in a shared pump house with Well No. 3. Table 5 below summarizes the raw water results collected from Well No. 4 during the pilot study.

Table 5 – Well No. 4 Raw Water Quality

Iron (mg/L)			Manganese (mg/L)			pH		
Min.	Avg.	Max.	Min.	Avg.	Max.	Min.	Avg.	Max.
0.180	0.240	0.360	0.035	0.392	0.360	7.51	7.61	7.71

Results from the raw water sampling show that Well No. 4 exceeds EPA's secondary standards for iron and manganese, which can cause aesthetic water quality issues related to color, taste,

sediment, and staining. Well No. 4 also exceeds MDH's HBV 0.1 mg/L for manganese for bottled infants less than one year of age. Infants who drink water with manganese above 0.1 mg/L may develop learning and behavior problems.

4.2.2 Water Treatment

Like Well No. 3, water from Well No. 4 went through both treatment trains provided by the SEH pilot water treatment plant. The chemical doses to treat water from Well No. 4 are provided in Table 3. All four filters in the pilot water plant were operated at a rate of 3.0 gpm/ft².

Table 6 – Well No. 4 Chemical Dosages

Train 1 – Filters 1 and 2 (Direct Filtration)					
Chlorine (mg/L as Cl ₂)			KMnO ₄ (mg/L)		
Min.	Avg.	Max.	Min.	Avg.	Max.
1.43	2.57	3.43	0.49	0.49	0.52
Train 2 – Filters 3 and 4 (Aeration and Detention)					
Chlorine (mg/L as Cl ₂)			KMnO ₄ (mg/L)		
Min.	Avg.	Max.	Min.	Avg.	Max.
1.95	2.66	2.72	0.21	0.21	0.21

The chlorine dosages for the two treatment trains were similar, although the chlorine dosage with Train 2 may be able to be reduced as aeration provides significant iron oxidation, and 30 minutes of detention allows for additional chemical reaction time to increase iron oxidation. The potassium permanganate dosage in Train 2 was able to be lowered to less than half of that in Train 1, as the added chemical reaction time with 30 minutes of detention increases manganese oxidation.

4.2.3 Finished Water Quality

The SEH pilot water plant was able to treat water from Well No. 4, on average, to levels that meet the EPA secondary standards, as well as MDH's HBV for manganese. Although the average iron and manganese levels were below those standards, the pilot water plant was not able to remove iron below the method detection limit on average like it did with Well No. 3. Filter 4 also saw a spike in manganese at the beginning of the filter run, which was above the MDH HBV, but quickly reduced manganese below the secondary standard and MDH HBV thereafter.

The finished water quality for Well No. 4 during the pilot study is summarized in Table 7 below.

Table 7 – Well No. 4 Finished Water Quality

Filter	Iron (mg/L)			Manganese (mg/L)		
	Min.	Avg.	Max.	Min.	Avg.	Max.
1	nd	0.018	0.080	nd	nd	0.044
2	nd	0.014	0.080	nd	nd	0.028
3	nd	0.014	0.080	nd	nd	0.031
4	nd	0.015	0.090	nd	nd	0.128

Notes: nd = below method detection limit

The use of detention and aeration in Train 2 did not provide a significant treatment advantage over Train 1 in removing iron and manganese. There also wasn't a significant difference in treatment effectiveness between the two filter media types, although Filter 4 saw the spike in manganese that was above the secondary standard and MDH HBV.

5 Conclusions and Recommendations

The SEH pilot water plant was able to treat water from Well No. 3 and Well No. 4 to concentrations below the EPA secondary standards for iron and manganese, as well as the MDH HBV for manganese. Implementing either treatment trains at full-scale would allow the City of Ramsey to provide aesthetically pleasing as it relates to iron and manganese, as well as provide safe drinking water to the residents as it relates to manganese.

5.1 Aeration

Aeration of the water provided better results in terms of iron removal for Well No. 3, which had much higher raw water iron levels than Well No. 4, but provided similar results in terms of iron removal for Well No. 4. It is expected that the benefits of aeration will be more pronounced in water quality similar to that of Well No. 3. Based on the results and on previous experience, the use of an aerator may be preferred as it provides an additional layer in the removal of iron, and may also provide additional treatment benefits such as the removal of dissolved gases like hydrogen sulfide.

5.2 Detention

The addition of a detention tank did not provide a significant difference in treatment effectiveness for iron and manganese removal, but it did allow for the potassium permanganate dosage to be lowered. Although 30 minutes of detention was suitable for the removal of iron and manganese, and allowed for the reduction in the potassium permanganate dosage, it is not needed to provide quality water for the City of Ramsey. If a water treatment plant is pursued, the City should compare the cost savings of reducing the potassium permanganate dosage with the construction cost of a detention tank.

5.3 Chemical Feed

The pilot study evaluated the use of chlorine and potassium permanganate as oxidants. Feed rates are within normal ranges for the type of water treated. It is recommended to use these chemicals for a full-scale design, although chlorine may be fed as sodium hypochlorite solution or gas chlorine, and potassium permanganate may be fed as sodium permanganate instead.

5.4 Filtration

Both filter media types were effective in removing iron and manganese and successfully operated at a loading rate of 3.0 gpm/ft², but there wasn't a significant difference in effectiveness. Although there wasn't a significant difference between the two filter media types, SEH recommends the use of 12 inches of anthracite over 18 inches of Greensand Plus™, rather than 12 inches of anthracite over 18 inches of silica sand for full-scale filters. This is because Greensand Plus™ is a filter media that is coated with manganese dioxides that further aid in the removal of manganese.

Figure 3 – Well #3 Manganese Results

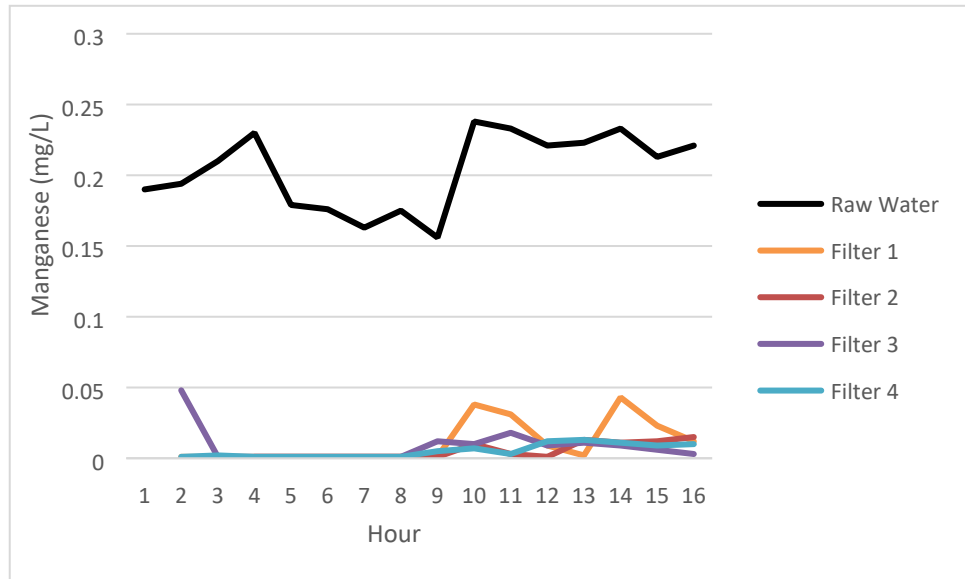


Figure 4 – Well #3 Iron Results

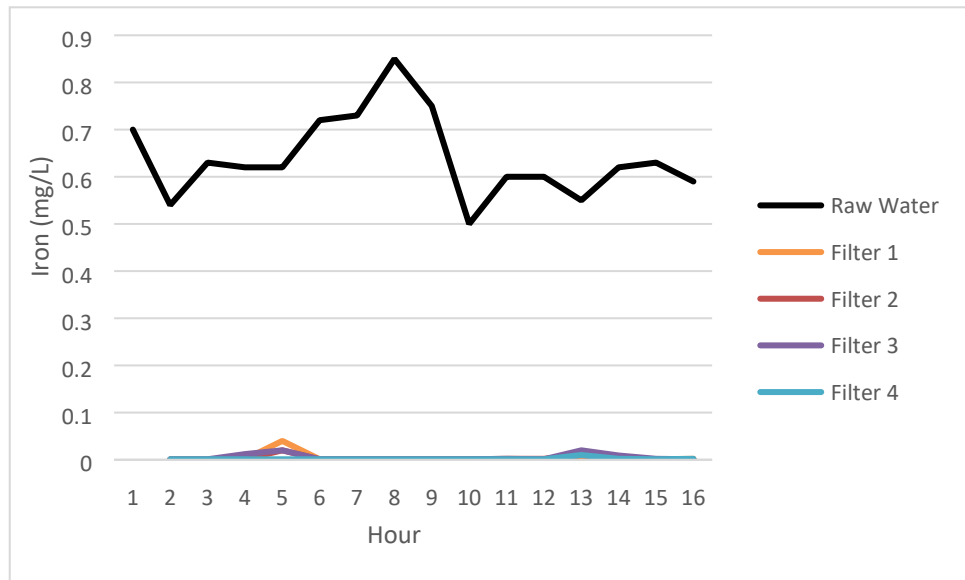


Figure 5 – Well #4 Manganese Results

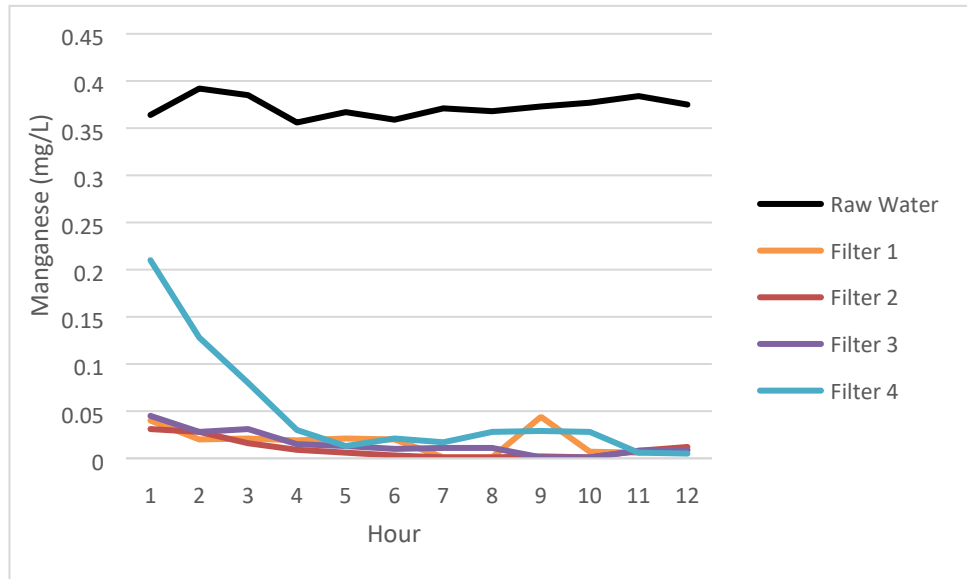
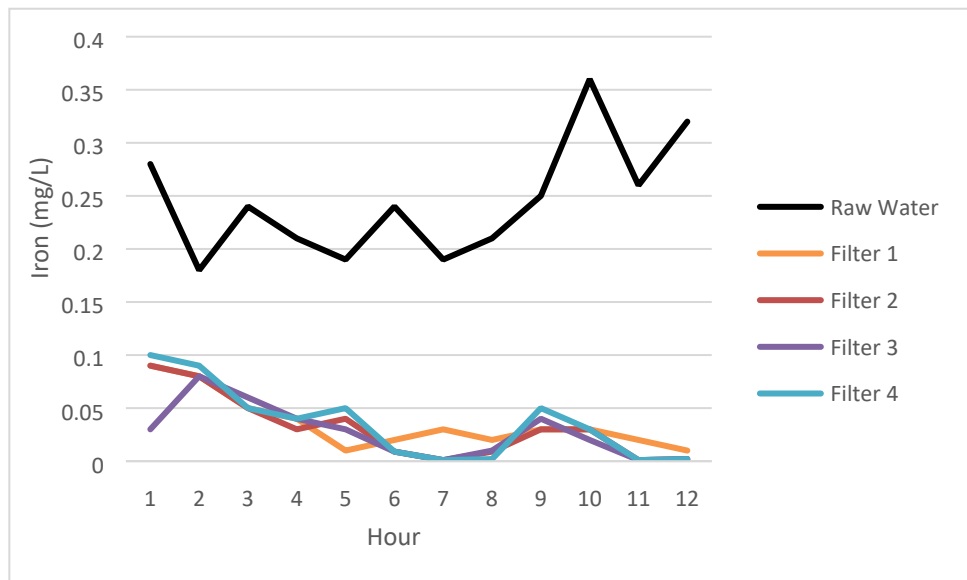


Figure 6 – Well #4 Iron Results



dmk



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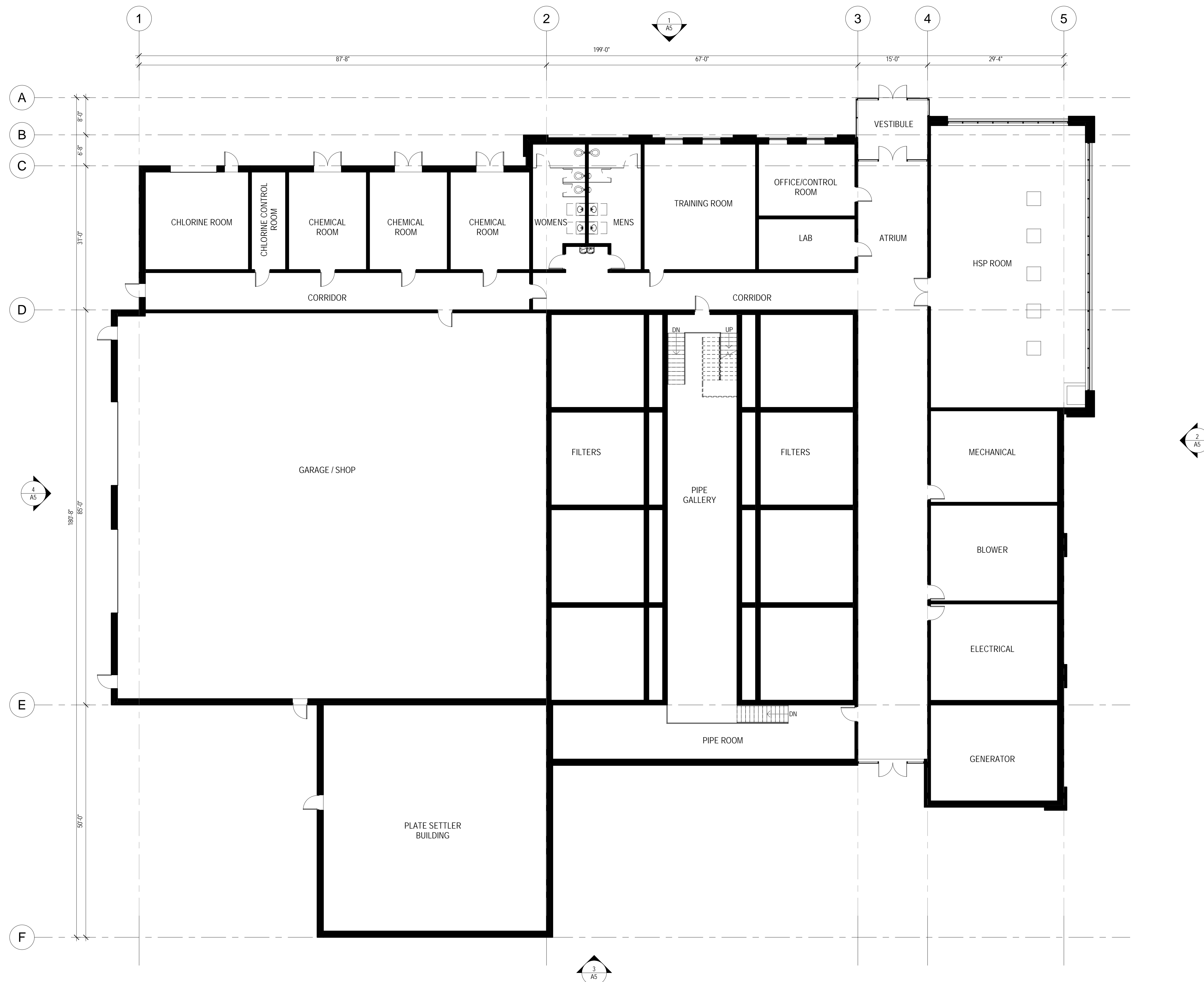
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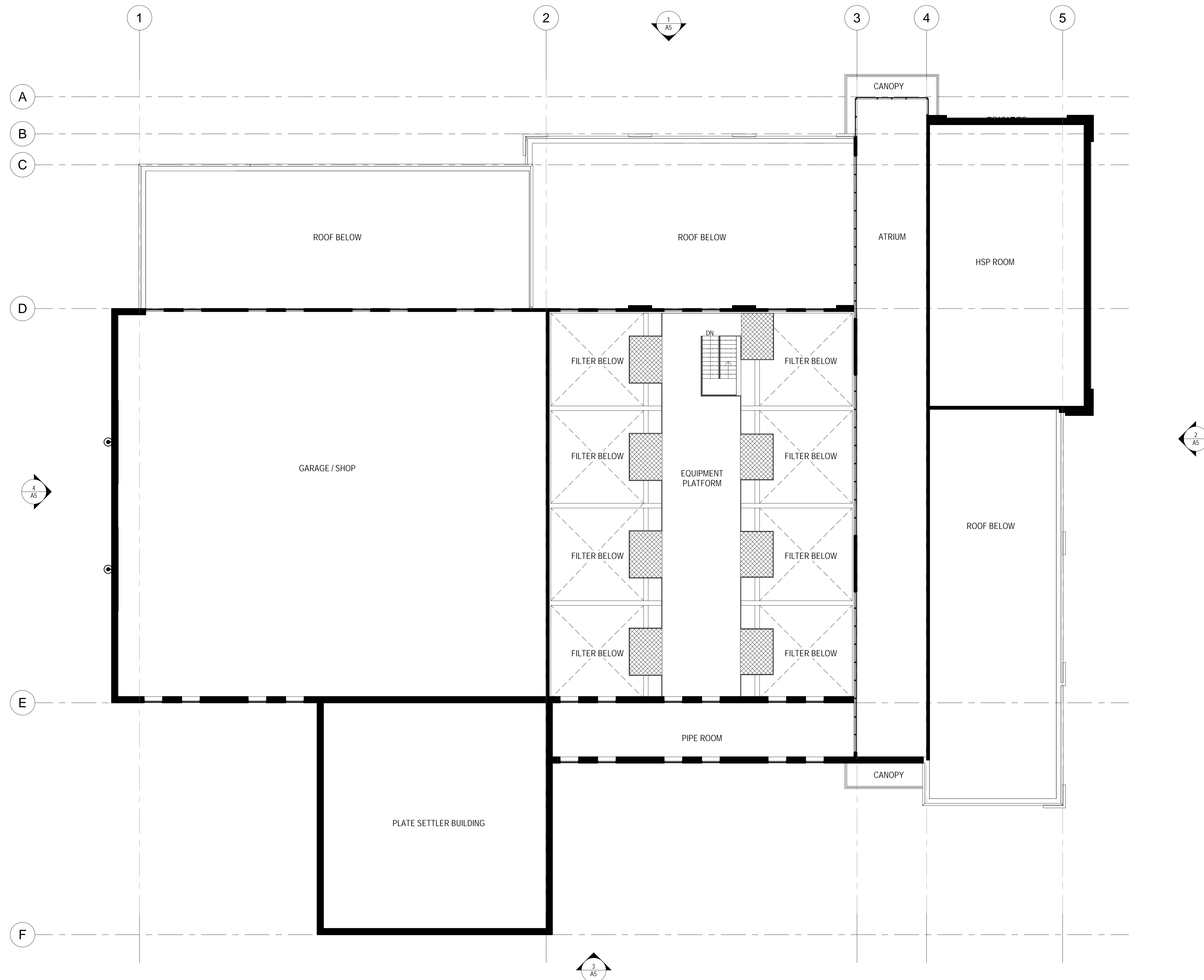


Appendix F

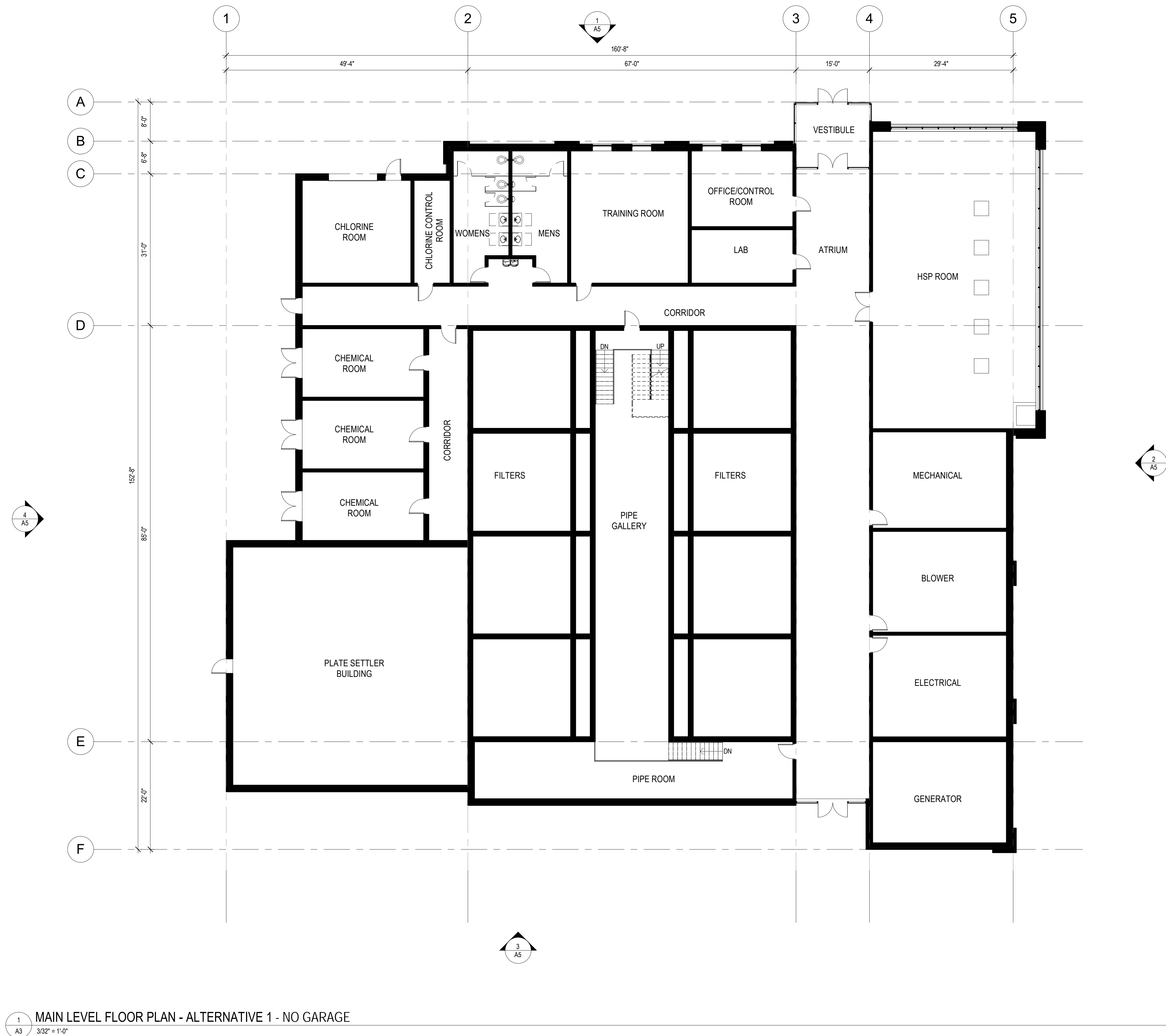
Gravity Filter Layouts



1
A3 MAIN LEVEL FLOOR PLAN - ALTERNATIVE 1 - WITH GARAGE
3/32" = 1'-0"

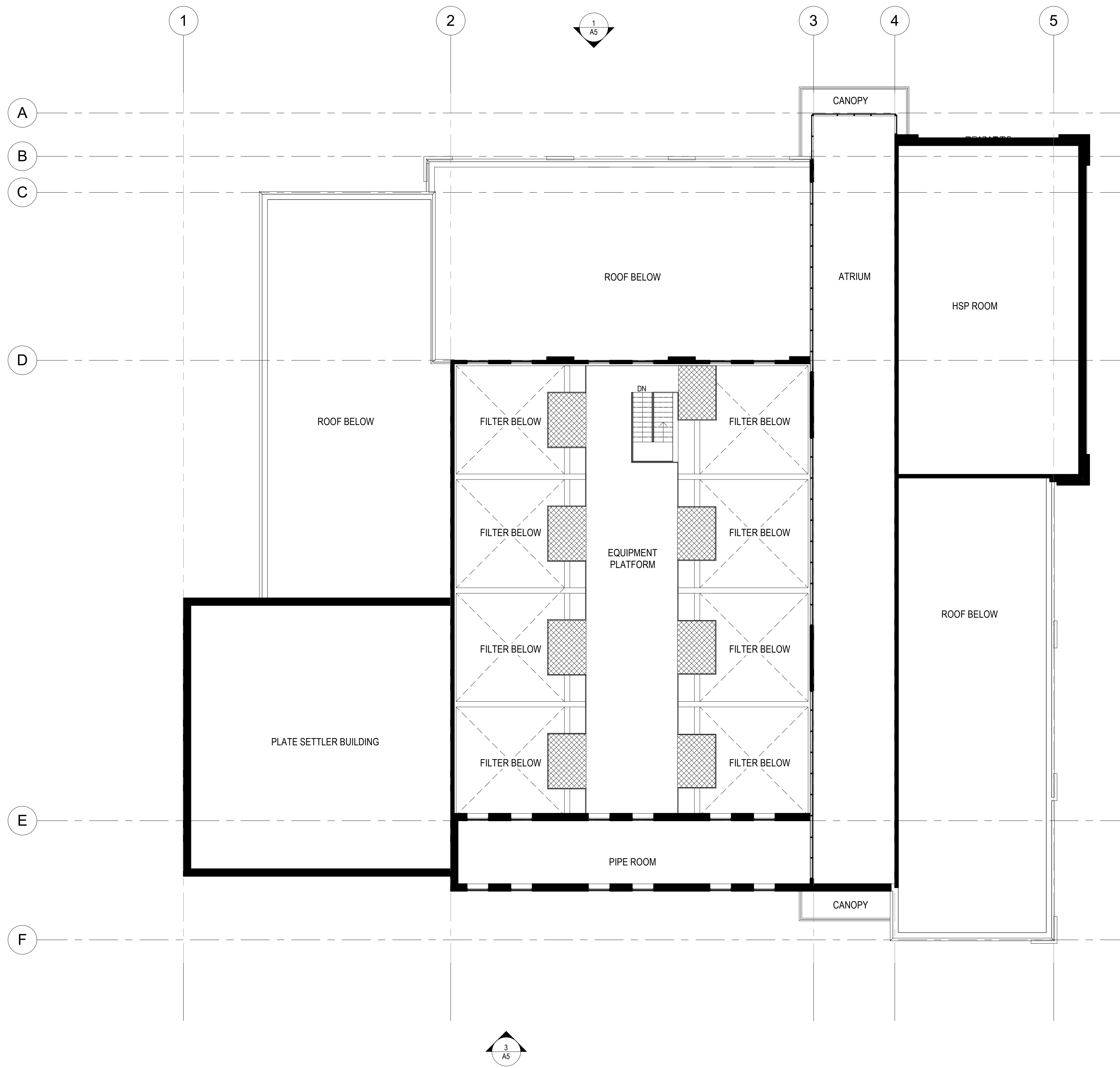


1 UPPER LEVEL FLOOR PLAN - ALTERNATIVE 1 - WITH GARAGE
 A4 3/32" = 1'-0"



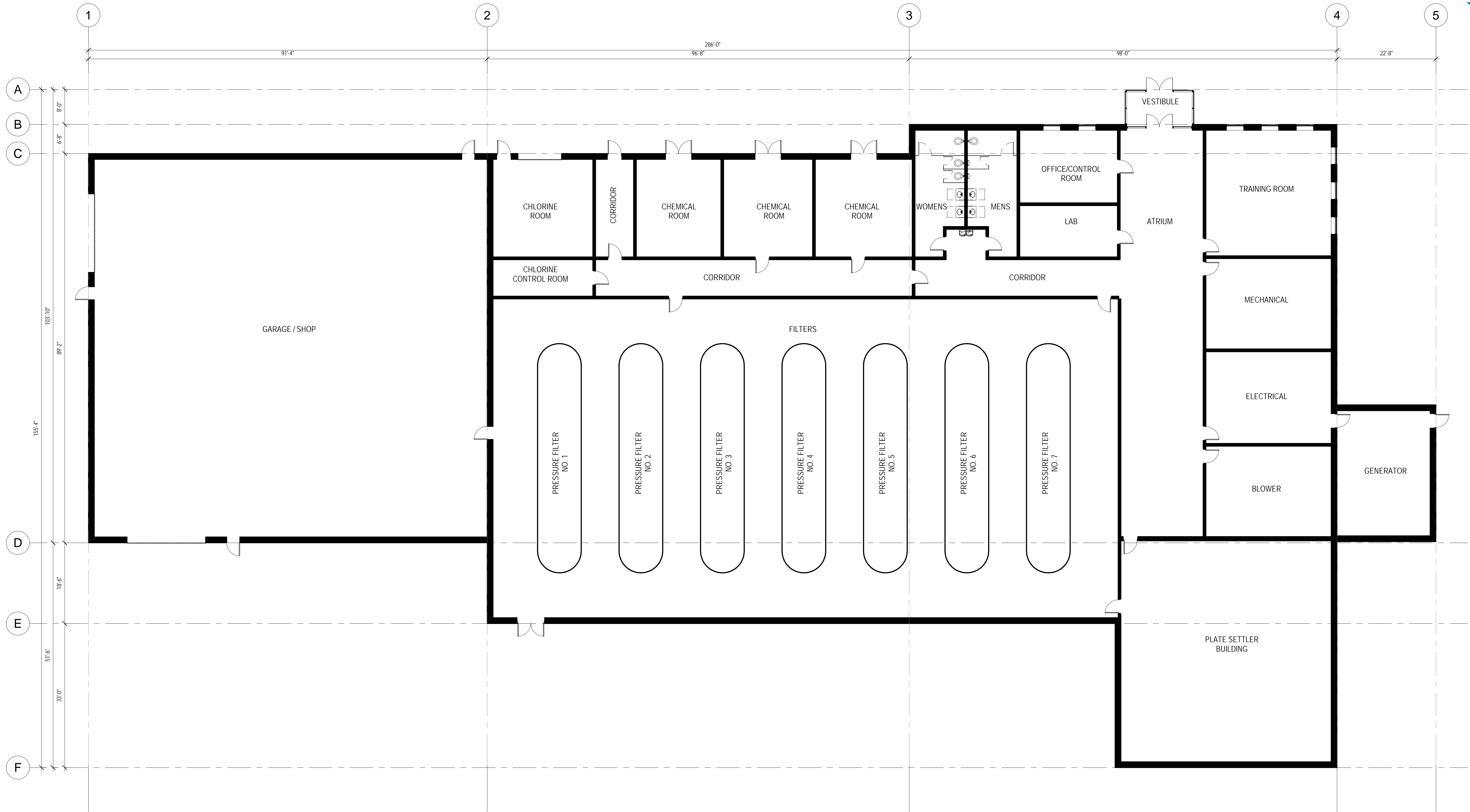
1
A3
3/32" = 1'-0"

MAIN LEVEL FLOOR PLAN - ALTERNATIVE 1 - NO GARAGE



Appendix G

Pressure Filter Layouts



1 MAIN LEVEL FLOOR PLAN - ALTERNATIVE 2
A2 3/32" = 1'-0"

Appendix H

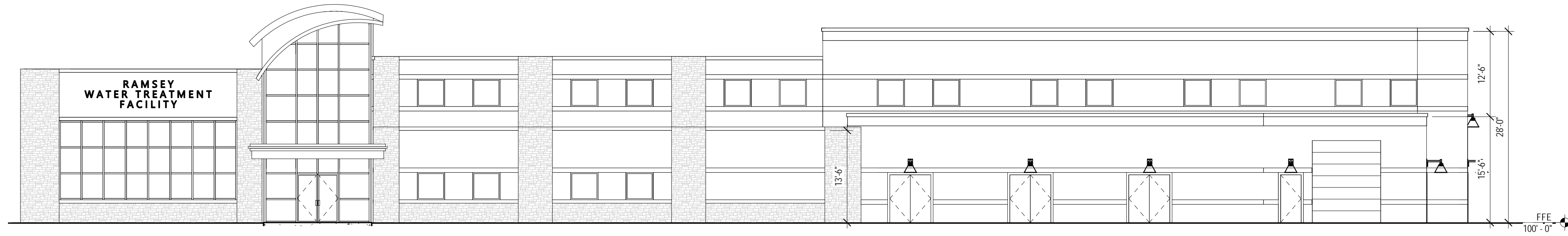
Architectural Renderings



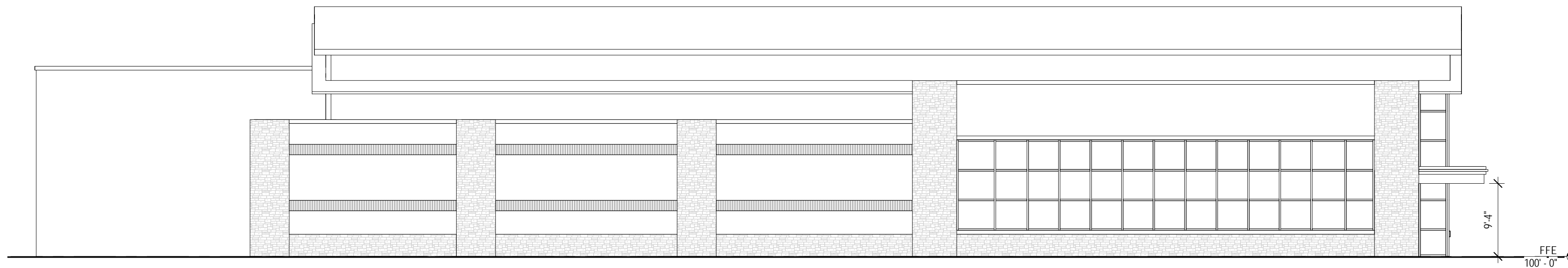
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A1 EXTERIOR RENDERING - ALTERNATIVE 1



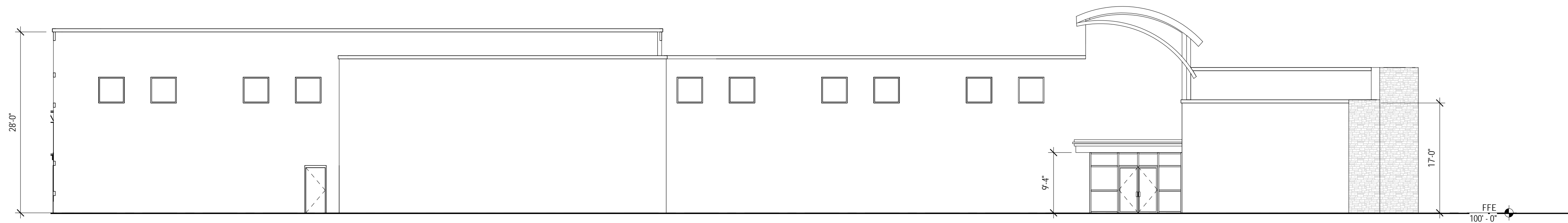
1 EXTERIOR RENDERING - ALTERNATIVE 1
A2



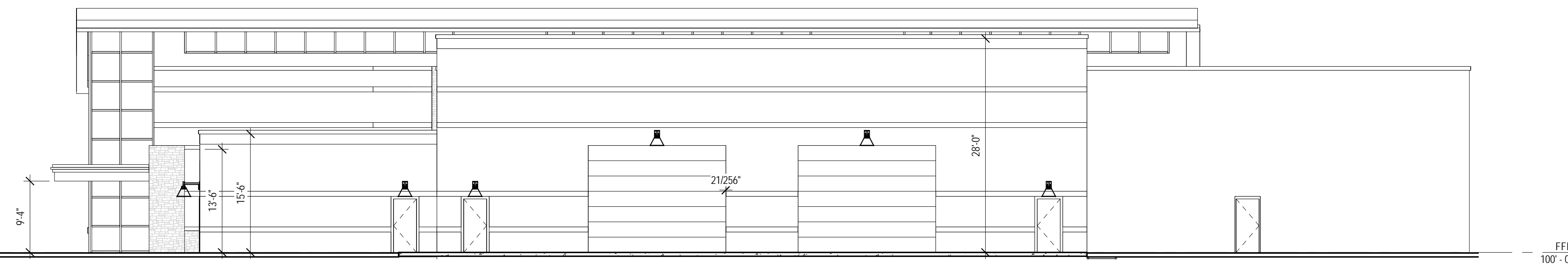
1
A5
EXTERIOR ELEVATION - FRONT - ALTERNATIVE 1
3/32" = 1'-0"



2
A5
EXTERIOR ELEVATION - LEFT - ALTERNATIVE 1
3/32" = 1'-0"



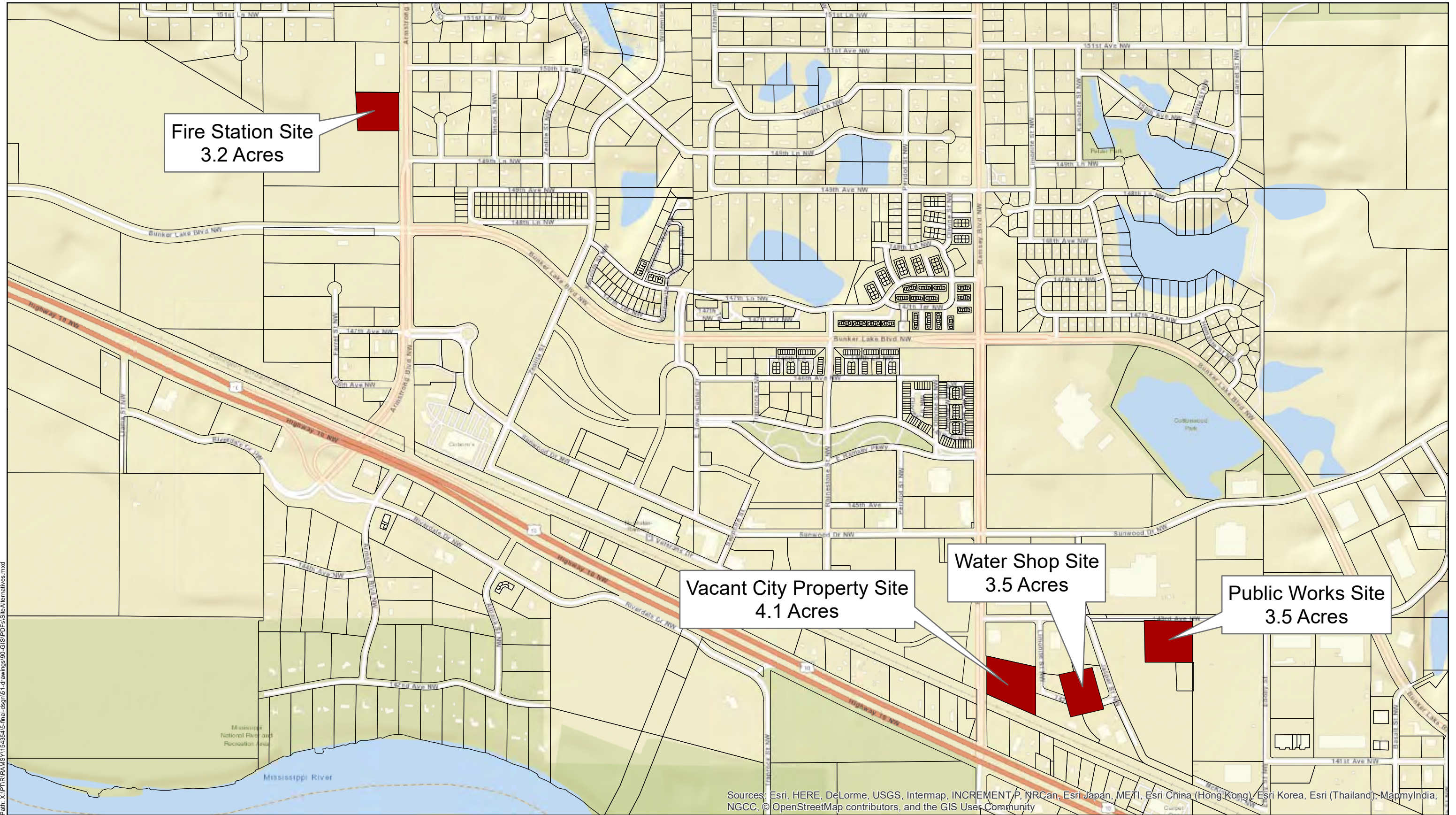
3
A5
EXTERIOR ELEVATION - BACK - ALTERNATIVE 1
3/32" = 1'-0"



4
A5
EXTERIOR ELEVATION - RIGHT - ALTERNATIVE 1
3/32" = 1'-0"

Appendix I

Treatment Plant Sites and Raw Watermain



Path: X:\P\TR\RAMS\11543545-Plan-dsgn\1-Drawings\90-GIS\PDFs\SiteAlternatives.mxd



3535 VADNAIS CENTER DR.
ST. PAUL, MN 55110
PHONE: (651) 490-2000
FAX: (888) 908-8166
TF: (800) 325-2055
www.sehinc.com

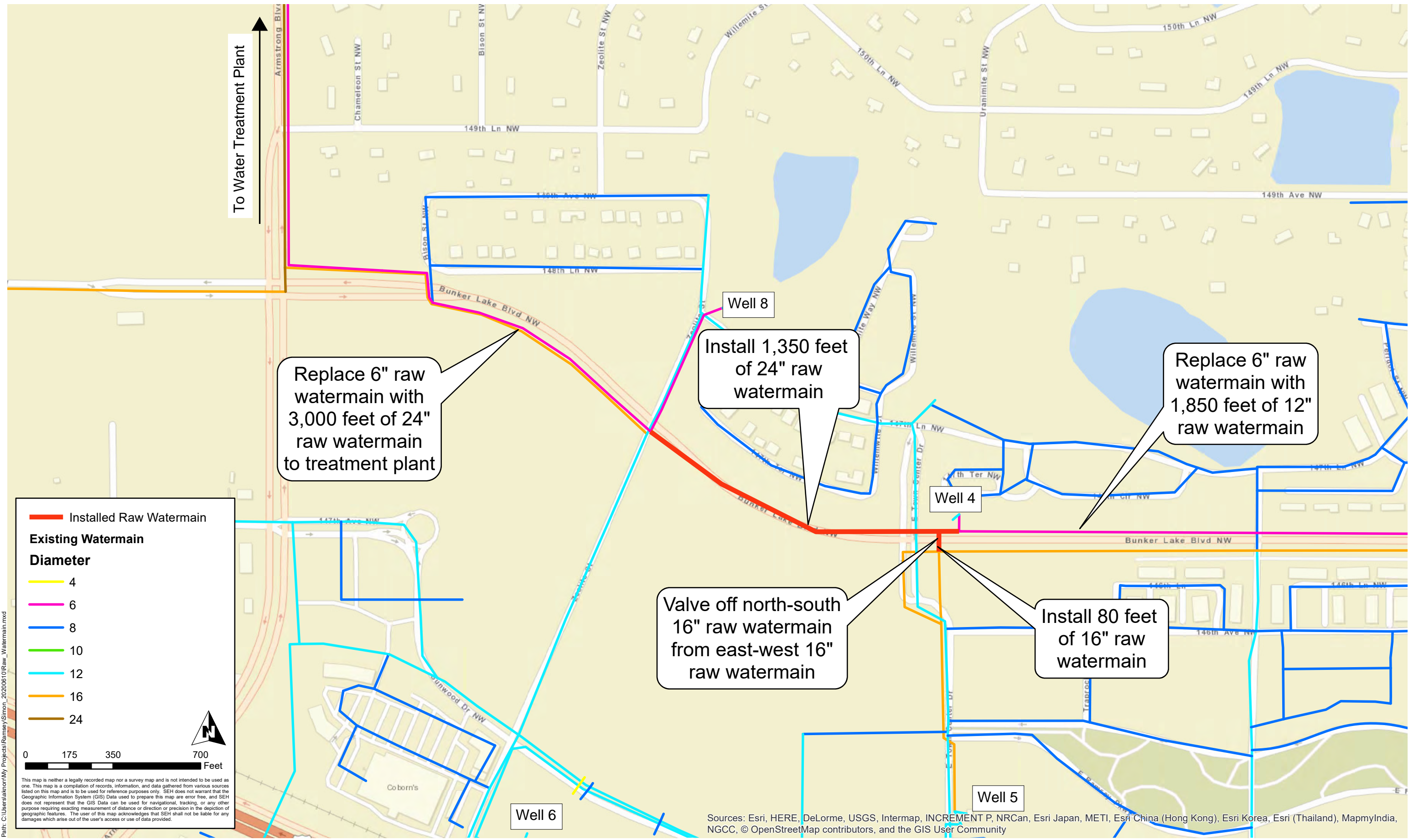
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WTP SITE ALTERNATIVES

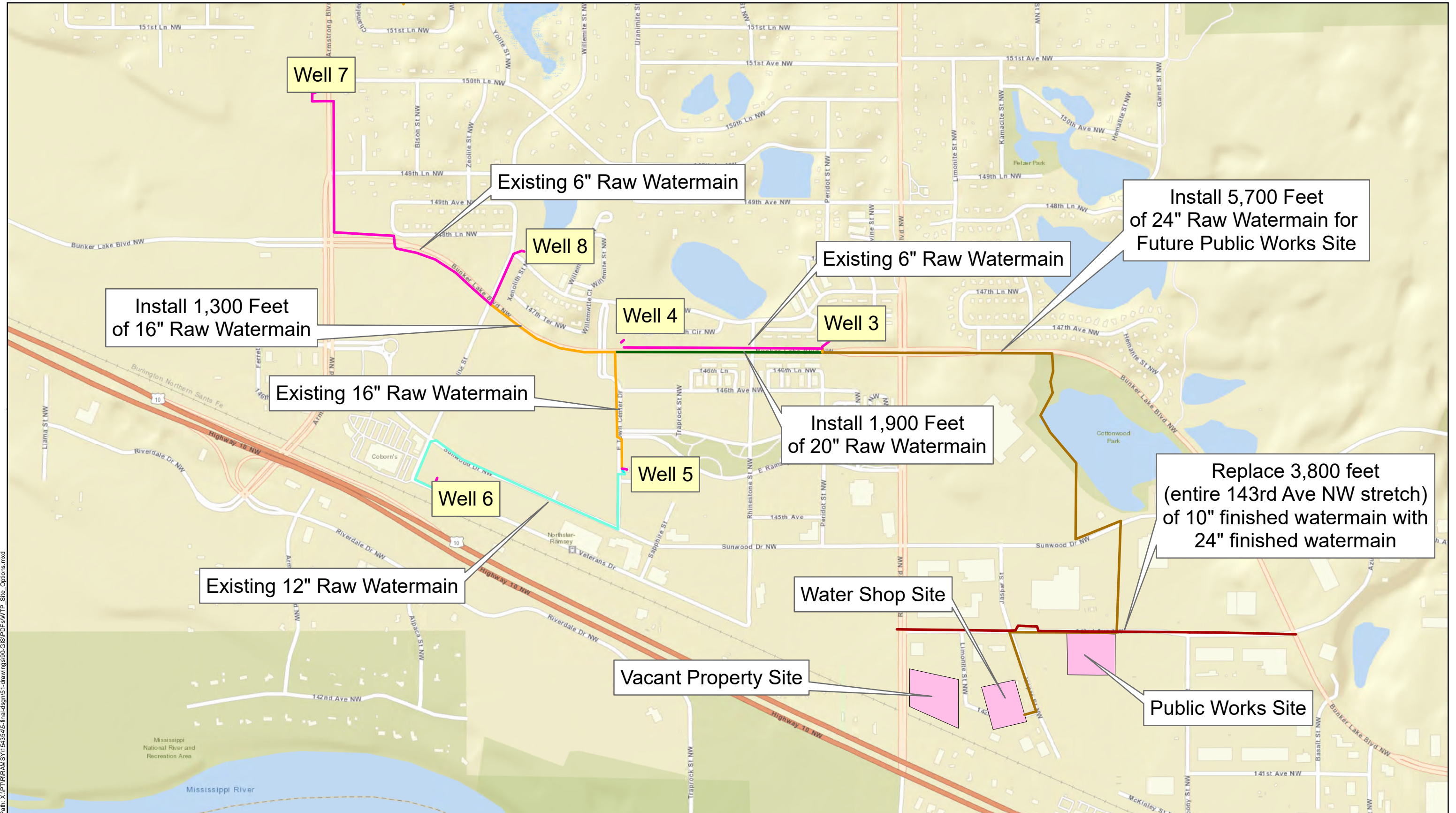
Ramey, Minnesota

Figure
1


This map is neither a legally recorded map nor a survey map and is not intended to be used as one. This map is a compilation of records, information, and data gathered from various sources listed on this map and is to be used for reference purposes only. SEH does not warrant that the Geographic Information System (GIS) Data used to prepare this map are error free, and SEH does not represent that the GIS Data can be used for navigational, tracking, or any other purpose requiring exacting measurement of distance or direction or precision in the depiction of geographic features. The user of this map acknowledges that SEH shall not be liable for any damages which arise out of the user's access or use of data provided.



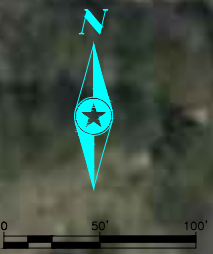
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Path: X:\PIR\RAMSY\154354\5-final-dgn\SI-drawings\90-GIS\PDFs\WTP_Site_Options.mxd

	3535 VADNAIS CENTER DR. ST. PAUL, MN 55110 PHONE: (651) 490-2000 FAX: (888) 908-8166 TF: (800) 325-2055 www.sehinc.com	Project: RAMSY 154354 Print Date: 2/3/2021	<h2 style="margin: 0;">WATERMAIN - PUBLIC WORKS, WATER SHOP, OR VACANT PROPERTY SITES</h2> <p style="margin: 0;">Ramsey, Minnesota</p>	<p style="font-size: 24px; margin: 0;">Figure</p> <p style="font-size: 36px; margin: 0;">3</p>
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150th Ln NW

Armstrong Blvd

FUTURE CLEARWELL

CLEARWELL

TREATMENT PLANT

FUTURE FILTERS

BW TANK

NEW 24" FINISHED WATERMAIN. CONNECT TO 24" WATERMAIN IN ARMSTRONG BLVD

NEW 24" RAW WATERMAIN

X:\Projects\150thLnNW\150thLnNW.dwg - 11/30/2020 10:00:00 AM - 11/30/2020 10:00:00 AM



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Project: XXXXX 000000
 Print Date: 11/30/2020

WTP Alternatives - Fire Station Site Ramsey, Minnesota

Figure
 4



WTP Alternatives - Public Works Site
 Ramsey, Minnesota

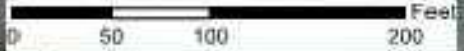
Figure
 5



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 Print Date: 11/30/2020

X:\Projects\143rd Ave NW - WTP Alternatives - Public Works Site - 11/30/2020
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Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



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Project: XXXXX 000000
Print Date: 11/30/2020

WTP Alternatives - Water Shop Site Ramsey, Minnesota

Figure
6

Appendix J

Capital Cost Opinions



Project Name: Ramsey WTP Feasibility Study
 SEH Project No: 154354
 Date: October 19, 2020
 Estimator: CTL
 Description: Alternative 1 - Concrete Gravity WTP

DIVISION 1 - GENERAL REQUIREMENTS	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
GENERAL CONDITIONS	LUMP SUM	1	\$ 2,332,230.00	\$ 2,332,230.00
<i>SUBTOTAL DIVISION 0 AND 01</i>				<i>\$ 2,332,230.00</i>
DIVISION 3 - CONCRETE	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
CAST IN PLACE CONCRETE - BACKWASH TANKS	CU YD	950	\$ 1,100.00	\$ 1,045,000.00
CAST IN PLACE CONCRETE - CLEARWELL	CU YD	1500	\$ 1,100.00	\$ 1,650,000.00
CAST IN PLACE CONCRETE - FILTERS	CU YD	1050	\$ 1,100.00	\$ 1,155,000.00
CAST IN PLACE CONCRETE - SLAB ON GRADE/FOOTINGS	CU YD	600	\$ 900.00	\$ 540,000.00
PRECAST STRUCTURAL CONCRETE - 8" PLANK	SQ FT	9800	\$ 25.00	\$ 245,000.00
PRECAST STRUCTURAL CONCRETE - 12" PLANK	SQ FT	12700	\$ 35.00	\$ 444,500.00
<i>SUBTOTAL DIVISION 3</i>				<i>\$ 5,079,500.00</i>
DIVISION 4 - MASONRY	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
BRICK/STONE VENEER	SF	14600	\$ 40.00	\$ 584,000.00
CONCRETE UNIT MASONRY	SQ FT	34000	\$ 35.00	\$ 1,190,000.00
<i>SUBTOTAL DIVISION 4</i>				<i>\$ 1,774,000.00</i>
DIVISION 5 - METALS	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
RAILING, ALUMINUM - WTP	LIN FT	1000	\$ 115.00	\$ 115,000.00
MISCELLANEOUS METALS - WTP	LUMP SUM	1	\$ 200,000.00	\$ 200,000.00
<i>SUBTOTAL DIVISION 5</i>				<i>\$ 315,000.00</i>
DIVISION 6 - WOOD, PLASTICS & COMPOSITES	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
PLASTIC FABRICATIONS - FRP LADDERS	EACH	14	\$ 3,000.00	\$ 42,000.00
ROUGH CARPENTRY	LUMP SUM	1	\$ 40,000.00	\$ 40,000.00
GYPSUM DRYWALL	SF	8000	\$ 4.00	\$ 32,000.00
<i>SUBTOTAL DIVISION 6</i>				<i>\$ 114,000.00</i>
DIVISION 7 - THERMAL & MOISTURE PROTECTION	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
JOINT SEALANTS	LUMP SUM	1	\$ 40,000.00	\$ 40,000.00
WATERPROOFING/AIR BARRIER	LUMP SUM	1	\$ 200,000.00	\$ 200,000.00
MEMBRANE ROOFING AND INSULATION	SF	21600	\$ 25.00	\$ 540,000.00
<i>SUBTOTAL DIVISION 7</i>				<i>\$ 780,000.00</i>
DIVISION 8 - OPENINGS	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
FRP DOORS (SINGLE LEAF)	EACH	30	\$ 3,300.00	\$ 99,000.00
FRP DOORS (DOUBLE LEAF)	EACH	3	\$ 6,600.00	\$ 19,800.00
OVERHEAD DOOR - CHLORINE ROOM	EACH	1	\$ 17,500.00	\$ 17,500.00
ALUMINUM STOREFRONT	LUMP SUM	1	\$ 260,000.00	\$ 260,000.00
WINDOWS	EACH	28	\$ 3,000.00	\$ 84,000.00
FIRE RATED ALUM. FRAME AND GLASS	LUMP SUM	1	\$ 5,000.00	\$ 5,000.00
TANK HATCHES	UNIT	10	\$ 3,000.00	\$ 30,000.00
LOUVERS	LUMP SUM	1	\$ 20,000.00	\$ 20,000.00
<i>SUBTOTAL DIVISION 8</i>				<i>\$ 535,300.00</i>
DIVISION 9 - FINISHES	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
ACOUSTICAL CEILING	SF	2000	\$ 6.00	\$ 12,000.00
FLOORING - TILE AND CARPET	LUMP SUM	1	\$ 170,000.00	\$ 170,000.00
WALL & CEILING PAINTING	SF	69000	\$ 3.00	\$ 207,000.00
EQUIPMENT/PROCESS PIPING PAINTING	LUMP SUM	1	\$ 150,000.00	\$ 150,000.00
<i>SUBTOTAL DIVISION 9</i>				<i>\$ 539,000.00</i>
DIVISION 10 - SPECIALTIES	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
TOILET ACCESSORIES	LUMP SUM	2	\$ 2,500.00	\$ 5,000.00
FIRE EXTINGUISHERS	EACH	10	\$ 250.00	\$ 2,500.00
INTERIOR PANEL SIGNAGE	LUMP SUM	1	\$ 3,000.00	\$ 3,000.00
<i>SUBTOTAL DIVISION 10</i>				<i>\$ 10,500.00</i>
DIVISION 12 - FURNISHINGS	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
METAL CASEWORK - BASE AND UPPERS	LUMP SUM	1	\$ 35,000.00	\$ 35,000.00
FURNITURE	LUMP SUM	1	\$ 30,000.00	\$ 30,000.00
<i>SUBTOTAL DIVISION 12</i>				<i>\$ 65,000.00</i>
DIVISION 21 - FIRE SUPPRESSION	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
FIRE PROTECTION SYSTEM (WET)	LUMP SUM	1	\$ 75,000.00	\$ 75,000.00

<i>SUBTOTAL DIVISION 21</i>				\$ 75,000.00
DIVISION 22 - PLUMBING	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
PLUMBING	LUMP SUM	1	\$ 430,000.00	\$ 430,000.00
<i>SUBTOTAL DIVISION 22</i>				\$ 430,000.00
DIVISION 23 - HVAC	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
HVAC	LUMP SUM	1	\$ 910,000.00	\$ 910,000.00
<i>SUBTOTAL DIVISION 23</i>				\$ 910,000.00
DIVISION 26 - ELECTRICAL	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
ELECTRICAL	LUMP SUM	1	\$ 2,900,000.00	\$ 2,900,000.00
<i>SUBTOTAL DIVISION 26</i>				\$ 2,900,000.00
DIVISION 31 - EARTHWORK	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
CLEAR AND GRUB	ACRE	2.00	\$ 10,000.00	\$ 20,000.00
BUILDING EXCAVATION	CU YD	8500	\$ 15.00	\$ 127,500.00
CLEARWELL EXCAVATION	CU YD	8000	\$ 15.00	\$ 120,000.00
BACKWASH TANK	CU YD	7500	\$ 15.00	\$ 112,500.00
HAULING EARTH	CU YD	12000	\$ 8.00	\$ 96,000.00
BACKFILLING & COMPACTING	CU YD	15000	\$ 25.00	\$ 375,000.00
EROSION CONTROL	EACH	1	\$ 30,000.00	\$ 30,000.00
<i>SUBTOTAL DIVISION 31</i>				\$ 881,000.00
DIVISION 32 - EXTERIOR IMPROVEMENTS	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
AGGREGATE BASE (CL 5)	CU YD	1500	\$ 40.00	\$ 60,000.00
BITUMINOUS PAVEMENT	TON	1300	\$ 100.00	\$ 130,000.00
4" CONCRETE SIDEWALK	SQ FT	4000	\$ 10.00	\$ 40,000.00
TOPSOIL BORROW (3" DEPTH)	CU YD	500	\$ 25.00	\$ 12,500.00
LANDSCAPING	LUMP SUM	1.0	\$ 40,000.00	\$ 40,000.00
CHAIN LIKE FENCE	LIN FT	1200	\$ 90.00	\$ 108,000.00
<i>SUBTOTAL DIVISION 32</i>				\$ 390,500.00
DIVISION 33 - UTILITIES	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
24" RAW WATERMAIN	LIN FT	5900	\$ 250	\$ 1,475,000.00
24" ROAD CROSSING (JACKING)	LIN FT	200	\$ 1,000	\$ 200,000.00
24" FINISHED WATERMAIN	LIN FT	3800	\$ 250	\$ 950,000.00
20" RAW WATERMAIN	LIN FT	1900	\$ 175	\$ 332,500.00
WELL 8 METER VAULT	LUMP SUM	1	\$ 100,000	\$ 100,000.00
HYDRANTS	EACH	4	\$ 10,000	\$ 40,000.00
SITE PROCESS PIPING	LUMP SUM	1	\$ 450,000	\$ 450,000.00
SANITARY SEWER	LUMP SUM	1	\$ 50,000.00	\$ 50,000.00
STORM SEWER	LUMP SUM	1	\$ 40,000.00	\$ 40,000.00
<i>SUBTOTAL DIVISION 33</i>				\$ 3,637,500.00
DIVISION 40 - PROCESS INTERCONNECTIONS	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
PROCESS PIPING AND VALVES	LUMP SUM	1	\$ 2,700,000.00	\$ 2,700,000.00
<i>SUBTOTAL DIVISION 40</i>				\$ 2,700,000.00
DIVISION 43 - PROCESS GAS & LIQUID HANDLING, PURIFICATION & STORAGE EQUIPM	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
HIGH SERVICE VERTICAL TURBINE PUMPS	EACH	5	\$ 50,000.00	\$ 250,000.00
BACKWASH VERTICAL TURBINE PUMP	EACH	1	\$ 50,000.00	\$ 50,000.00
MAGNETIC FLOW METERS	LUMP SUM	1	\$ 80,000.00	\$ 80,000.00
<i>SUBTOTAL DIVISION 43</i>				\$ 380,000.00
DIVISION 44 - POLLUTION & CONTROL EQUIPMENT	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
COMPRESSED AIR SYSTEM	LUMP SUM	1	\$ 16,000.00	\$ 16,000.00
AIR SCOUR BLOWER	EACH	1	\$ 25,000.00	\$ 25,000.00
GRAVITY FILTER EQUIPMENT	LUMP SUM	1	\$ 900,000.00	\$ 900,000.00
LAMELLA PLATE SETTLERS	EACH	2	\$ 350,000.00	\$ 700,000.00
GAS CHLORINATION SYSTEM	LUMP SUM	1	\$ 50,000.00	\$ 50,000.00
POLYPHOSPHATE FEED EQUIPMENT	LUMP SUM	1	\$ 25,000.00	\$ 25,000.00
SODIUM PERMANGANATE FEED EQUIPMENT	LUMP SUM	1	\$ 40,000.00	\$ 40,000.00
CHEMICAL FEED PIPING	LUMP SUM	1	\$ 50,000.00	\$ 50,000.00
				\$ 1,806,000.00
SUBTOTAL CONSTRUCTION				\$ 25,650,000.00
CONTINGENCY			10%	\$ 2,565,000.00
TOTAL CONSTRUCTION				\$ 28,220,000.00



Project Name: Ramsey WTP Feasibility Study
 SEH Project No: 154354
 Date: October 19, 2020
 Estimator: CTL
 Description: Alternative 2 - Pressure Filter WTP

DIVISION 1 - GENERAL REQUIREMENTS	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
GENERAL CONDITIONS	LUMP SUM	1	\$ 2,214,710.00	\$ 2,214,710.00
<i>SUBTOTAL DIVISION 0 AND 01</i>				<i>\$ 2,214,710.00</i>
DIVISION 3 - CONCRETE	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
CAST IN PLACE CONCRETE - BACKWASH TANKS	CU YD	950	\$ 1,100.00	\$ 1,045,000.00
CAST IN PLACE CONCRETE - SLAB ON GRADE/FOOTINGS	CU YD	1600	\$ 1,100.00	\$ 1,760,000.00
PRECAST STRUCTURAL CONCRETE - 8" PLANK	SQ FT	8500	\$ 25.00	\$ 212,500.00
PRECAST STRUCTURAL CONCRETE - 12" PLANK	SQ FT	10300	\$ 35.00	\$ 360,500.00
<i>SUBTOTAL DIVISION 3</i>				<i>\$ 3,378,000.00</i>
DIVISION 4 - MASONRY	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
BRICK/STONE VENEER	SF	12600	\$ 40.00	\$ 504,000.00
CONCRETE UNIT MASONRY	SQ FT	27000	\$ 35.00	\$ 945,000.00
<i>SUBTOTAL DIVISION 4</i>				<i>\$ 1,449,000.00</i>
DIVISION 5 - METALS	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
MISCELLANEOUS METALS - WTP	LUMP SUM	1	\$ 150,000.00	\$ 150,000.00
<i>SUBTOTAL DIVISION 5</i>				<i>\$ 150,000.00</i>
DIVISION 6 - WOOD, PLASTICS & COMPOSITES	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
PLASTIC FABRICATIONS - FRP LADDERS	EACH	6	\$ 3,000.00	\$ 18,000.00
ROUGH CARPENTRY	LUMP SUM	1	\$ 30,000.00	\$ 30,000.00
GYPSUM DRYWALL	SF	8000	\$ 4.00	\$ 32,000.00
<i>SUBTOTAL DIVISION 6</i>				<i>\$ 80,000.00</i>
DIVISION 7 - THERMAL & MOISTURE PROTECTION	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
JOINT SEALANTS	LUMP SUM	1	\$ 40,000.00	\$ 40,000.00
WATERPROOFING/AIR BARRIER	LUMP SUM	1	\$ 200,000.00	\$ 200,000.00
MEMBRANE ROOFING AND INSULATION	SF	22200	\$ 25.00	\$ 555,000.00
<i>SUBTOTAL DIVISION 7</i>				<i>\$ 795,000.00</i>
DIVISION 8 - OPENINGS	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
FRP DOORS (SINGLE LEAF)	EACH	26	\$ 3,300.00	\$ 85,800.00
FRP DOORS (DOUBLE LEAF)	EACH	3	\$ 6,600.00	\$ 19,800.00
OVERHEAD DOOR - CHLORINE ROOM	EACH	1	\$ 17,500.00	\$ 17,500.00
ALUMINUM STOREFRONT	LUMP SUM	1	\$ 200,000.00	\$ 200,000.00
WINDOWS	EACH	28	\$ 3,000.00	\$ 84,000.00
FIRE RATED ALUM. FRAME AND GLASS	LUMP SUM	1	\$ 5,000.00	\$ 5,000.00
TANK HATCHES	UNIT	6	\$ 3,000.00	\$ 18,000.00
LOUVERS	LUMP SUM	1	\$ 20,000.00	\$ 20,000.00
<i>SUBTOTAL DIVISION 8</i>				<i>\$ 450,100.00</i>
DIVISION 9 - FINISHES	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
ACOUSTICAL CEILING	SF	2000	\$ 6.00	\$ 12,000.00
FLOORING - TILE AND CARPET	LUMP SUM	1	\$ 150,000.00	\$ 150,000.00
WALL & CEILING PAINTING	SF	48000	\$ 3.00	\$ 144,000.00
EQUIPMENT/PROCESS PIPING PAINTING	LUMP SUM	1	\$ 275,000.00	\$ 275,000.00
<i>SUBTOTAL DIVISION 9</i>				<i>\$ 581,000.00</i>
DIVISION 10 - SPECIALTIES	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
TOILET ACCESSORIES	LUMP SUM	2	\$ 2,500.00	\$ 5,000.00
FIRE EXTINGUISHERS	EACH	10	\$ 250.00	\$ 2,500.00
INTERIOR PANEL SIGNAGE	LUMP SUM	1	\$ 3,000.00	\$ 3,000.00
<i>SUBTOTAL DIVISION 10</i>				<i>\$ 10,500.00</i>
DIVISION 12 - FURNISHINGS	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
METAL CASEWORK - BASE AND UPPERS	LUMP SUM	1	\$ 35,000.00	\$ 35,000.00
FURNITURE	LUMP SUM	1	\$ 30,000.00	\$ 30,000.00
<i>SUBTOTAL DIVISION 12</i>				<i>\$ 65,000.00</i>
DIVISION 21 - FIRE SUPPRESSION	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
FIRE PROTECTION SYSTEM (WET)	LUMP SUM	1	\$ 75,000.00	\$ 75,000.00
<i>SUBTOTAL DIVISION 21</i>				<i>\$ 75,000.00</i>
DIVISION 22 - PLUMBING	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
PLUMBING	LUMP SUM	1	\$ 430,000.00	\$ 430,000.00

SUBTOTAL DIVISION 22				\$ 430,000.00
DIVISION 23 - HVAC				
	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
HVAC	LUMP SUM	1	\$ 835,000.00	\$ 835,000.00
SUBTOTAL DIVISION 23				\$ 835,000.00
DIVISION 26 - ELECTRICAL				
	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
ELECTRICAL	LUMP SUM	1	\$ 2,200,000.00	\$ 2,200,000.00
SUBTOTAL DIVISION 26				\$ 2,200,000.00
DIVISION 31 - EARTHWORK				
	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
CLEAR AND GRUB	ACRE	2.00	\$ 10,000.00	\$ 20,000.00
BUILDING EXCAVATION	CU YD	4000	\$ 15.00	\$ 60,000.00
BACKWASH TANK	CU YD	7500	\$ 15.00	\$ 112,500.00
HAULING EARTH	CU YD	4000	\$ 8.00	\$ 32,000.00
BACKFILLING & COMPACTING	CU YD	4000	\$ 25.00	\$ 100,000.00
EROSION CONTROL	EACH	1	\$ 30,000.00	\$ 30,000.00
SUBTOTAL DIVISION 31				\$ 354,500.00
DIVISION 32 - EXTERIOR IMPROVEMENTS				
	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
AGGREGATE BASE (CL 5)	CU YD	1500	\$ 40.00	\$ 60,000.00
BITUMINOUS PAVEMENT	TON	1300	\$ 100.00	\$ 130,000.00
4" CONCRETE SIDEWALK	SQ FT	4000	\$ 10.00	\$ 40,000.00
TOPSOIL BORROW (3" DEPTH)	CU YD	500	\$ 25.00	\$ 12,500.00
LANDSCAPING	LUMP SUM	1.0	\$ 40,000.00	\$ 40,000.00
CHAIN LIKE FENCE	LIN FT	1200	\$ 90.00	\$ 108,000.00
SUBTOTAL DIVISION 32				\$ 390,500.00
DIVISION 33 - UTILITIES				
	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
24" RAW WATERMAIN	LIN FT	5900	\$ 250	\$ 1,475,000.00
24" ROAD CROSSING (JACKING)	LIN FT	200	\$ 1,000	\$ 200,000.00
24" FINISHED WATERMAIN	LIN FT	3800	\$ 250	\$ 950,000.00
20" RAW WATERMAIN	LIN FT	1900	\$ 175	\$ 332,500.00
WELL 8 METER VAULT	LUMP SUM	1	\$ 100,000	\$ 100,000.00
HYDRANTS	EACH	4	\$ 10,000.00	\$ 40,000.00
SITE PROCESS PIPING	LUMP SUM	1	\$ 250,000.00	\$ 250,000.00
SANITARY SEWER	LUMP SUM	1	\$ 50,000.00	\$ 50,000.00
STORM SEWER	LUMP SUM	1	\$ 40,000.00	\$ 40,000.00
SUBTOTAL DIVISION 33				\$ 3,437,500.00
DIVISION 40 - PROCESS INTERCONNECTIONS				
	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
PROCESS PIPING AND VALVES	LUMP SUM	1	\$ 2,950,000.00	\$ 2,950,000.00
SUBTOTAL DIVISION 40				\$ 2,950,000.00
DIVISION 43 - PROCESS GAS & LIQUID HANDLING, PURIFICATION & STORAGE EQUIPM				
	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
MAGNETIC FLOW METERS	LUMP SUM	1	\$ 110,000.00	\$ 110,000.00
SUBTOTAL DIVISION 43				\$ 110,000.00
DIVISION 44 - POLLUTION & CONTROL EQUIPMENT				
	UNIT	EST. QUANTITY	UNIT PRICE	AMOUNT
COMPRESSED AIR SYSTEM	LUMP SUM	1	\$ 16,000.00	\$ 16,000.00
AIR SCOUR BLOWER	EACH	1	\$ 25,000.00	\$ 25,000.00
GRAVITY FILTER EQUIPMENT	LUMP SUM	1	\$ 3,500,000.00	\$ 3,500,000.00
LAMELLA PLATE SETTLERS	EACH	2	\$ 350,000.00	\$ 700,000.00
GAS CHLORINATION SYSTEM	LUMP SUM	1	\$ 50,000.00	\$ 50,000.00
POLYPHOSPHATE FEED EQUIPMENT	LUMP SUM	1	\$ 25,000.00	\$ 25,000.00
SODIUM PERMANGANATE FEED EQUIPMENT	LUMP SUM	1	\$ 40,000.00	\$ 40,000.00
CHEMICAL FEED PIPING	LUMP SUM	1	\$ 50,000.00	\$ 50,000.00
				\$ 4,406,000.00
TOTAL CONSTRUCTION				\$ 24,362,000.00
CONTINGENCY			10%	\$ 2,436,000.00
TOTAL PROJECT				\$ 26,800,000.00

Appendix K

Life Cycle Cost Opinions

**50 Year Life Cycle Cost Estimate
Alternative 1
Concrete Gravity Filter Water Treatment Plant, Ramsey, Minnesota**

Division	Item	Capital Cost		Annual Repair Costs	Capital Cost plus Admin, Eng, etc.	Useful Life	First Replacement PW	Second Replacement PW	Third Replacement PW	Salvage Value	Salvage Value PW	Total Materials & Equipment Replacement PW
1	General	\$2,332,230	9.09%	\$0	\$2,899,307	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	Concrete	\$5,079,500	19.80%	\$0	\$6,314,570	75	\$0.00	\$0.00	\$0.00	\$2,104,856.76	(\$2,104,856.76)	(\$2,104,856.76)
4	Masonry	\$1,774,000	6.92%	\$0	\$2,205,345	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	Metals	\$315,000	1.23%	\$0	\$391,592	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6	Wood & Plastics	\$114,000	0.44%	\$0	\$141,719	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7	Thermal & Moisture	\$780,000	3.04%	\$5,000	\$969,655	30	\$969,655.44	\$0.00	\$0.00	\$323,218.48	(\$323,218.48)	\$646,436.96
8	Doors & Windows	\$535,300	2.09%	\$10,000	\$665,457	25	\$665,457.12	\$0.00	\$0.00	\$0.00	\$0.00	\$665,457.12
9	Finishes	\$539,000	2.10%	\$5,000	\$670,057	25	\$670,056.77	\$0.00	\$0.00	\$0.00	\$0.00	\$670,056.77
10	Specialties	\$10,500	0.04%	\$0	\$13,053	30	\$13,053.05	\$0.00	\$0.00	\$4,351.02	(\$4,351.02)	\$8,702.04
12	Furnishings	\$65,000	0.25%	\$0	\$80,805	25	\$80,804.62	\$0.00	\$0.00	\$0.00	\$0.00	\$80,804.62
21	Fire Suppression	\$75,000	0.29%	\$0	\$93,236	25	\$93,236.10	\$0.00	\$0.00	\$0.00	\$0.00	\$93,236.10
22	Plumbing	\$430,000	1.68%	\$0	\$534,554	40	\$534,553.64	\$0.00	\$0.00	\$400,915.23	(\$400,915.23)	\$133,638.41
23	HVAC	\$910,000	3.55%	\$20,000	\$1,131,265	25	\$1,131,264.68	\$0.00	\$0.00	\$0.00	\$0.00	\$1,131,264.68
26	Electrical	\$2,900,000	11.31%	\$30,000	\$3,605,129	25	\$3,605,129.20	\$0.00	\$0.00	\$0.00	\$0.00	\$3,605,129.20
31	Earthwork	\$881,000	3.43%	\$0	\$1,095,213	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
32	Exterior Improvements	\$390,500	1.52%	\$0	\$485,449	40	\$485,449.29	\$0.00	\$0.00	\$364,086.97	(\$364,086.97)	\$121,362.32
33	Utilities	\$3,637,500	14.18%	\$0	\$4,521,951	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
40	Process Piping	\$2,700,000	10.53%	\$10,000	\$3,356,500	25	\$3,356,499.60	\$0.00	\$0.00	\$0.00	\$0.00	\$3,356,499.60
43	Process Pumps/Meters	\$380,000	1.48%	\$20,000	\$472,396	30	\$472,396.24	\$0.00	\$0.00	\$157,465.41	(\$157,465.41)	\$314,930.83
44	Process Equipment	\$1,806,000	7.04%	\$20,000	\$2,245,125	35	\$2,245,125.29	\$0.00	\$0.00	\$1,282,928.74	(\$1,282,928.74)	\$962,196.55
TOTALS		\$25,650,000	100.02%	\$120,000	\$31,890,000							\$9,684,858

50 Year Life Cycle (Present Worth)		20 year Annual Costs		Inflation = 2.75%
Capital Project Costs	\$31,890,000	Loan Payment	\$1,950,288	Interest = 2.00%
Equipment Replacement	\$9,684,858	Annual Equipment		Financing Years= 20
Labor	\$6,488,398	Replacement	\$308,203	
Gas	\$1,179,709	Labor	\$110,000	
Chemicals	\$6,488,398	Gas	\$20,000	
Insurance	\$1,769,563	Chemicals	\$110,000	3 mgd, 2 mg/L Cl @ \$1/lb, 1 mg/L NaMnO4 @ \$10/gal, 2 mg/L phosphate @ \$5/gal
Electricity	\$6,783,325	Insurance	\$30,000	
Equip. Repair	\$7,078,253	Electricity	\$115,000	Assumes 120kW 24/7 at \$0.10 per kWh
		Equip. Repair	\$120,000	
TOTAL PW	\$71,360,000	TOTAL ANNUAL COST:	\$2,763,000	

**50 Year Life Cycle Cost Estimate
Alternative 2
Pressure Filter Water Treatment Plant, Ramsey, Minnesota**

Division	Item	Capital Cost		Annual Repair Costs	Capital Cost plus Contingency, Admin, Eng, etc.	Useful Life	First Replacement PW	Second Replacement PW	Third Replacement PW	Salvage Value	Salvage Value PW	Total Materials & Equipment Replacement PW
1	General	\$2,214,710	9.09%	\$0	\$2,752,885	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	Concrete	\$3,378,000	13.87%	\$0	\$4,198,854	75	\$0.00	\$0.00	\$0.00	\$1,399,618.00	(\$1,399,618.00)	(\$1,399,618.00)
4	Masonry	\$1,449,000	5.95%	\$0	\$1,801,107	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	Metals	\$150,000	0.62%	\$0	\$186,450	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6	Wood & Plastics	\$80,000	0.33%	\$0	\$99,440	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7	Thermal & Moisture	\$795,000	3.26%	\$5,000	\$988,185	30	\$988,185.00	\$0.00	\$0.00	\$329,395.00	(\$329,395.00)	\$658,790.00
8	Doors & Windows	\$450,100	1.85%	\$10,000	\$559,474	25	\$559,474.30	\$0.00	\$0.00	\$0.00	\$0.00	\$559,474.30
9	Finishes	\$581,000	2.38%	\$10,000	\$722,183	25	\$722,183.00	\$0.00	\$0.00	\$0.00	\$0.00	\$722,183.00
10	Specialties	\$10,500	0.04%	\$0	\$13,052	30	\$13,051.50	\$0.00	\$0.00	\$4,350.50	(\$4,350.50)	\$8,701.00
12	Furnishings	\$65,000	0.27%	\$0	\$80,795	25	\$80,795.00	\$0.00	\$0.00	\$0.00	\$0.00	\$80,795.00
21	Fire Suppression	\$75,000	0.31%	\$0	\$93,225	25	\$93,225.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,225.00
22	Plumbing	\$430,000	1.77%	\$0	\$534,490	40	\$534,490.00	\$0.00	\$0.00	\$400,867.50	(\$400,867.50)	\$133,622.50
23	HVAC	\$835,000	3.43%	\$20,000	\$1,037,905	25	\$1,037,905.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,037,905.00
26	Electrical	\$2,200,000	9.03%	\$30,000	\$2,734,600	25	\$2,734,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,734,600.00
31	Earthwork	\$354,500	1.46%	\$0	\$440,644	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
32	Exterior Improvements	\$390,500	1.60%	\$0	\$485,392	40	\$485,391.50	\$0.00	\$0.00	\$364,043.63	(\$364,043.63)	\$121,347.88
33	Utilities	\$3,437,500	14.11%	\$0	\$4,272,813	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
40	Process Piping	\$2,950,000	12.11%	\$10,000	\$3,666,850	25	\$3,666,850.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,666,850.00
43	Process Pumps/Meters	\$110,000	0.45%	\$5,000	\$136,730	30	\$136,730.00	\$0.00	\$0.00	\$45,576.67	(\$45,576.67)	\$91,153.33
44	Process Equipment	\$4,406,000	18.09%	\$75,000	\$5,476,658	25	\$5,476,658.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,476,658.00
TOTALS		\$24,362,000	100.00%	\$165,000	\$30,280,000							\$13,985,687

50 Year Life Cycle (Present Worth)

20 year Annual Costs

Inflation = 2.75%
Interest = 2.00%
Financing Years = 20

Capital Project Costs	\$30,280,000	Loan Payment	\$1,851,825
Equipment Replacement	\$13,985,687	Annual Equipment	
Labor	\$6,488,398	Replacement	\$445,069
Gas	\$1,179,709	Labor	\$110,000
Chemicals	\$6,488,398	Gas	\$20,000
Insurance	\$589,854	Chemicals	\$110,000 3 mgd, 2 mg/L Cl @ \$1/lb, 1 mg/L NaMnO4 @ \$10/gal, 2 mg/L phosphate @ \$5/gal
Electricity	\$6,193,471	Insurance	\$10,000
Equip. Repair	\$9,732,597	Electricity	\$105,000 Assumes 120kW 24/7 at \$0.10 per kWh
		Equip. Repair	\$165,000
TOTAL PW	\$74,940,000	TOTAL ANNUAL COST:	\$2,817,000



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Meeting Date: 02/08/2021

Information

Title:

Discussion Regarding the City's Draft Strategic Communications Plan

Purpose/Background:

The purpose of this discussion is to review the City's Draft Communications Plan to ensure it aligns with Council expectations as outlined in the Communications Survey. During the discussion, staff will provide an overview of the Strategic Communications Plan and briefly discuss key themes of the document.

- Purpose
- Audience
- Priorities
- Messages
- Resources
- Reach
- Roles and Responsibilities
- Procedure
- Content Calendar
- Action Items

This is intentionally a rough draft with several gaps that need to be filled. The intent of this step is to do a check in with the City Council to ensure that the draft is headed in the right policy direction. Staff is seeking feedback regarding this document overall and will look to the Council to add or omit action items. Action items should reflect goals that communication staff should work to achieve over the course of the year. Management staff will review our current capacity to reach such goals and if/what additional resources may be required.

A reminder about planned process for finalizing this document.

Step	Process	Status
1	Scoping Meeting	Complete
2	<i>Review Preliminary Draft/Process Check In</i>	<i>Current Step</i>
3	Finalize Document	Next Step

Timeframe:

30 Minutes

Funding Source:

Not applicable at this time.

Responsible Party(ies):

Communications and Events Coordinator Megan Thorstad
 IT Manager Jason Fredrickson
 City Clerk Colleen Lasher
 Deputy City Administrator Tim Gladhill
 City Administrator Kurt Ulrich

Outcome:

Staff is seeking feedback regarding the Draft Strategic Communications Plan to guide communications processes throughout 2021.

Attachments

Draft Communication Plan

Form Review

Inbox

Tim Gladhill

Colleen Lasher

Kurt Ulrich

Form Started By: Megan Thorstad

Final Approval Date: 02/04/2021

Reviewed By

Tim Gladhill

Colleen Lasher

Kurt Ulrich

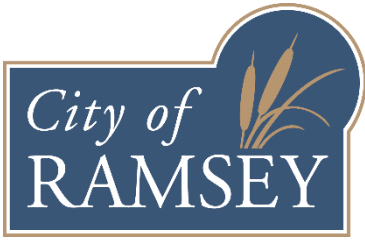
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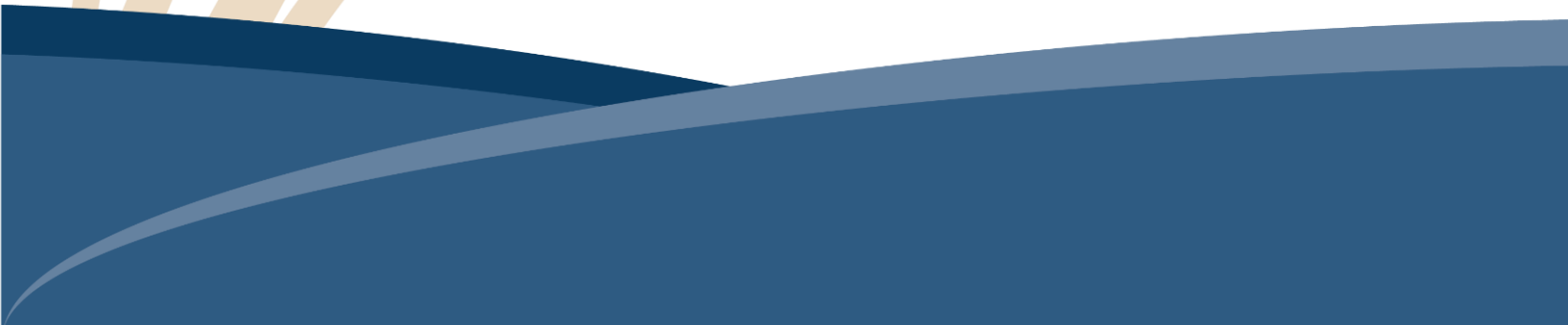
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Strategic Communications Plan



Purpose

The City of Ramsey is committed to maintaining effective communication. The City recognizes that quality communication plays an integral role in its ability to responsibly grow the community, and provide quality, cost-effective and efficient government services. The Strategic Communications Plan is intended to be a tool to ensure the City meets the communications goals of the City Council.

This plan will define the target audiences and identify key messages the City intends to deliver. The purpose of this Plan is to ensure the City has an intentional and consistent voice and message.

The City's messaging will be:

1. Accurate – The City will strive to produce material that is free of error and correct in all details.
2. Timely – Material will be produced promptly and at opportune times.
3. Honest – Material will present truthful and sincere information to the best of the author's knowledge at the time of publication.
4. Relatable – Material will include language of empathy and understanding as to avoid seeming unreachable, unattainable or impersonal.
5. Clear – Material will be easily understood; free of unnecessary language and jargon and providing definitions when needed. Examples include CUP, PUD, JPA, TIF and others.
6. Consistent – Material produced should reflect the same message (always guided by the Strategic Plan) over time.

Audience

The City of Ramsey's target audiences are:

- 1) Residents – Ramsey has over 27,000 citizens. This includes homeowners, renters, and various family-members.
- 2) Businesses – Ramsey is home to over 500 businesses. This audience includes owners, executives, and managers of Ramsey businesses, and prospect businesses.
- 3) Visitors – Thousands of people travel to, or through, Ramsey annually. This audience includes visitors, commuters, shoppers, and employees of local businesses.
- 4) Developers – Ramsey is the second fastest growing community in Anoka County, with over 1,200 acres of greenfield still untapped. This audience includes developers, brokers, builders, and contractors.

Priorities

The City's Communications Plan is based on the foundation of the City Council's Strategic Plan. The following section outlines the City's core values and strategic vision for the future.

Mission Statement

It is our mission to work together to responsibly grow our community and to provide quality, cost-effective and efficient government services.

Vision Statement

Ramsey will be a secure, citizen-driven, collaborative community that respects the balance and connectivity between its unique urban, rural and natural environments.

Objectives

The City of Ramsey's communication efforts are centered on the following strategic priorities:

1. Financial Stability
2. A Balance of Rural Character and Urban Growth
3. An Active and Connected Community
4. Smart, Citizen Focused Government
5. An Effective Organization

Below are general, high-level, messages the City would like to deliver to its identified audiences on a consistent basis as outlined in the City's Communications Content Calendar. In situations that require a more targeted message, staff will default to the strategic messages outlined in this document, and the City's Strategic Plan.

Messages

These messages are the driving force of the organization. They serve as our "why" when deciding how resources, like time and funding, should be spent. These messages serve as the broad picture for detailed and specific projects. Each audience may require a modified version of these messages, so the audience and messages should be considered 'plug and play.'

- 1) The City recognizes that residents made a decision to reside within Ramsey, and appreciates the investment residents make in the community (e.g. property taxes, neighborhoods, schools, community organizations, civic matters, economy, natural environment, family, etc.)
- 2) The City of Ramsey values and respects the input of all residents, and encourages citizens to be engaged in civic matters and volunteerism.
- 3) The City values the significant investment local businesses make within the community (e.g. property taxes, jobs/careers, products/services, significant capital expenditures, and support of community based organizations).
- 4) The City of Ramsey values and respects the input of its local business, and encourages local business officials to be engaged in civic matters.
- 5) Economic development is a priority for the City of Ramsey.
- 6) The City of Ramsey is easy to work with, professional, and organized.
- 7) Ramsey values and respects investments made by developers, and the services/end users they produce. The City of Ramsey welcomes visitors, commuters, shoppers, and employees of local businesses.
- 8) Ramsey is a destination city with a positive image and reputation.

- 9) The City of Ramsey is committed to improving U.S. Highway 10 and other key transportation corridors.

Resources

The key messages above will be weighed against the City's Brand Guidelines; E.g., Does the look of the City's communication tools reflect what the City wishes to communicate? The City's primary vehicles for communicating include, but are not limited to, the following tools.

- A. Print materials such as the Ramsey Resident (bi-monthly newsletter), brochures, articles, postcards and other mailers.
- B. Electronic materials such as email, website postings, the Weekly Update electronic newsletter, the New Resident Packet, community signs and social media posts
- C. Media relations such as requests for interviews, QCTV programming, news releases and media inquiries.
- D. In person communications and events – open houses, city meetings, business networking events, the State of the Cities Address, Happy Days and the like.

Reach

To assist the City in spreading its message, the Communications Coordinator will reach out to the following partners:

Media Partners such as QCTV, ABC Newspapers, KSTP, WCCO, KARE 11, and others.
Community Partners: Faith-based organizations, business owners, schools and others.

The City Administrator and Department Heads communicate messages to the community through their regular interactions with the public such as city meetings, open houses, at city events, through QCTV interviews, and mailings. When possible, materials should be reviewed by the Communications & Events Coordinator to ensure they meet brand and formatting standards.

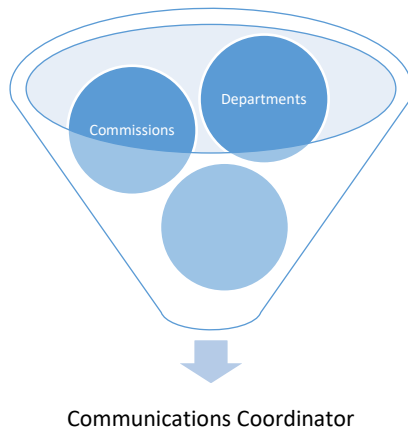
The Communications & Events Coordinator has the authority to correspond with the City's media partners to provide positive story ideas that work to achieve the goals set forth in the Strategic Plan. Furthermore, the Communications & Events Coordinator will connect with the above community partners per the request of the City Administrator or his/her appointed designee to promote projects that work to achieve the goals outlined in the Strategic Plan.

Roles & Responsibilities

The *Communications and Events Coordinator* will provide administrative oversight of external communication functions. He/she will work with the City Administrator, the appropriate department head and/or his or her designee when reviewing or producing material for external communication. All department heads and his/her designee are to

familiarize themselves with this plan and all external material produced are to reflect the messages outlined in this document.

The governance structure will define the content creator, and the *Communications and Events Coordinator* will serve as the editor to refine the message in order to project one voice. Additionally, it is the Communications & Event Coordinator's role to coordinate and assist in the creation of key messages for public officials as needed.



Procedure

An effective communications plan must account for a variety of topics and responses. In order to organize an effective communications response, this Plan divides key communications into major categories.

1. Emergency Management/Public Safety Events
2. Critical Incidents
3. Major Policy Issues
4. Legal Notices and Public Hearings, Etc.
5. General Communications Topics

Emergency Management/Public Safety Events

The City's Emergency Management Plan outlines who the Public Information Officer (PIO) is in any given emergency. Under the direction of the PIO, the Communications and Events Coordinator and IT staff will use the City's resources to inform the public of timely and accurate information if instructed. Councilmembers should contact the City Administrator with questions on emergency management and not directly to Public Safety Personnel.

- Climactic (tornado, blizzard, etc)
- Transportation Emergency (train derailment, serious pile-up on Highway)
- Conflict including terrorism, bomb threat, active shooter, riots
- Fire and Explosions

- HAZMAT emergencies like chemical spill, biological, nuclear threats

Not all information can be made immediately public. In the event that it is determined that it is in the public interest to disseminate information that is available publicly, the City's Emergency Manager and City Administrator, or their designee(s) shall authorize dissemination of information. Additionally, not all emergencies rise to the level of leveraging all emergency management communications tools. All information will be communicated externally via the following channels in this order:

- 1) Baseline Communication (Smaller Events)
 - a. Press Release
 - b. Website
 - c. Social Media
- 2) Major Communitywide Emergency Management Events (reserved for the most critical of critical communitywide events)
 - a. Website with alert bar, built out webpage and Spotlight linked to page to be updated as instructed
 - b. Text/Email Notification/Alert issued
 - c. Written notice (if warranted) via mailed letter
 - d. Video statement (if warranted)

The City of Ramsey should harness the partnership it has with its local media groups in the instance of an emergency. The Emergency Management Manual outlines who has authority to speak on behalf of the City in an Emergency situation. In an Emergency event, timeliness in communications with the media is paramount. Typically, the City would be first in the chain of command as it relates to communication, however, urgent matters of the public should be communicated as quickly and accurately as possible using every resource available to the City including outside partners.

Critical Incidents

There are many events that don't rise to the category of emergency management, but are still critical issues impacting the community. These issues don't result in traditional public safety response, but are still important topics that require enhanced communication. These aren't necessarily longer-term policy issues, but incidents that require us to adapt and refocus our communications efforts. A recent example is the Covid-19 Pandemic. The following incidents require external communications:

1. Public Health Emergency
2. Financial/Legal Crisis
3. Technological Breakdown

Major Policy Issues

Finally, there are a number of policy issues that aren't in the emergency or critical incident category but still rise to the level of enhanced communications strategies. A recent example is the Public Works Campus/Water Treatment Plant. The following incidents require broadcasting via various communications channels:

1. Budgeting and Finance
2. Transportation
3. Infrastructure
4. Water Quality

Legal and Technical Communications

There are a number of pieces of communications that don't need to follow this overarching process. For example, legal notices and public hearings are handled by individual departments.

General Communication

Most of the City's external communication falls into this category. All external communication efforts are weighed against the Strategic Plan and Brand Guidelines in order to achieve the goals set forth by the City Council and that are outlined in this document.

Accountability & Measurables

The Communications & Events Coordinator will provide a regular progress update on a quarterly basis or upon request by the City Council.

The report will include the following statistics:

- 1) Citizen Survey results (when available)
- 2) Ramsey resident content overview
- 3) Web stats including hits, page searches, Spotlight content and more
- 4) Social Media stats
- 5) QCTV Viewership report (if applicable)

CONTENT CALENDAR (METRICS)

<p>January</p> <p>Ramsey Resident Newsletter 10 Social Media Posts (mirrored to website) Development Updates Public Improvement Project Updates</p>	<p>February</p> <p>10 Social Media Posts (mirrored to website) Development Updates Public Improvement Project Updates Celebrate Black History Month</p>	<p>March</p>
<p>April</p>	<p>May</p> <p>Celebrate Building Safety Month</p>	<p>June</p>
<p>July</p> <p>Start Happy Days Advertising</p>	<p>August</p>	<p>September</p> <p>General Fund Budget Update</p>
<p>October</p> <p>Celebrate National Planning Month and Fire Month, Domestic Violence Awareness</p>	<p>November</p>	<p>December</p>

COMMUNICATIONS ACTION PLAN (PROJECT BASED/CHANGES TO PROCESS)

In addition to strategic themes and process, the following action items represent project-based communication tactics to continue to improve the effectiveness of our communications strategy. This section is also critical to Staff to help recommend appropriate resources to meet the vision of the City Council.

This is a work in progress. Staff simply wants to demonstrate progress. This will be completed/finalized as part of the next and final step of final document adoption.

Action	Timeframe	Resources	Key Outcomes and Indicators	Responsible Party
Strategy: Improve Community's Awareness of Key Messages in a timely manner				
1. Improve the preparation of the Ramsey Resident Newsletter		Existing Resources	<ul style="list-style-type: none"> • Develop a Content Calendar and review with City Council on a quarterly basis • Use newsletter as anchor for content for website and social media • Track emerging issues • Re-issue popular articles • Implement a Newsletter Editor and Editorial Board 	Megan Thorstad
2. Identify ways to better engage with our Community, not just inform	Q__ 2021	Additional Resources/Reallocation of Existing Resources	<ul style="list-style-type: none"> • Create a "How Stuff Works" series • Leverage Social Media for Project Notifications and Agendas • Create individual project communications plan and talking points for major projects in advance – part of project approval 	Megan Thorstad
3. Create a Communications Committee	Q1 2021	Budget Impact = Low		Megan Thorstad

Action	Timeframe	Resources	Key Outcomes and Indicators	Responsible Party
4. Create a geo-based notification system (hyper-local)	Future	Budget Impact = Medium Would require additional resources	NextDoor App	Megan Thorstad
5. Create targeted messaging plan for geographic-based topics (combine with above)				
Other?				
Other?				
Strategy: Improve the Website's User Experience				
6. Implement the planned website design refresh				Jason Fredrickson
7. Reorganize website structure to better spotlight key topics				Jason Fredrickson
8. Better market 'Notify Me' option for opt-in email and text notifications			<ul style="list-style-type: none"> Expand the use of the text notification system 	Jason Fredrickson
Other?				
Other?				
Strategy: Expand Outreach to Community through Social Media				

Action	Timeframe	Resources	Key Outcomes and Indicators	Responsible Party
9. Implement more frequent, quick social media posts that focus more on breadth of outreach and less on depth of content – should be timely and instant				
10. Post all public meeting notifications on social media in addition to community events				
11. Use City’s social media account to push clarifying messages, but not respond directly to private social media pages/groups				
Other?				
Other?				

CC Work Session

2. 3.

Meeting Date: 02/08/2021

By: Kathy Schmitz, Administrative Services

Information

Title:

2021 Legislative Platform

Purpose/Background:

Please refer to item 7.3 on the regular agenda.

The purpose of this case is to review the proposed 2021 Legislative Platform for the City of Ramsey. Legislative priorities were reviewed in December and discussed with local state legislators at the last City Council work session.

The document portrays Highway 10 as Ramsey's top legislative priority for the Minnesota Legislature, includes "high priority" legislative action that has direct impact on the city of Ramsey, and a section of select "policy priority" items that have been of interest to the Council in the past.

Observations/Alternatives:

The City was fairly successful in the 2020 Legislative Session.

- \$8.4M for Highway 10 Improvements
- Adjustments to Fire Relief Association pertaining to dissolution of Joint Powers Agreement (JPA) with City of Nowthen. Note, this law will need to come back for a "technical correction" in the 2021 session.

Two items have been held over after being introduced in the 2020 Legislative Session, with hopes of approval in 2021 as part of a larger Tax Bill.

- Extend Project Deadline (5 Year Rule) for Tax Increment Financing (TIF) District 14 (The COR)
- Sales Tax Exemption for Public Works Campus

Other options for future legislation include:

- Sales Tax Exemption for the Water Treatment Facility
- State Funding for Water Treatment Plant

Recommendation:

Based upon discussion.

Action:

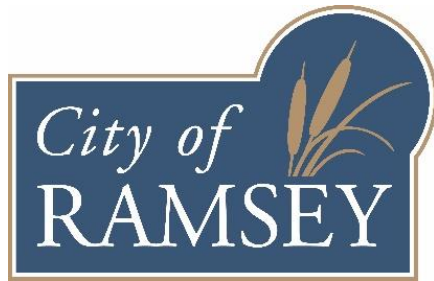
Based upon discussion.

Attachments

DRAFT 2021 Legislative
2021 LMC Policies

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	02/05/2021 10:42 AM
Form Started By: Kathy Schmitz		Started On: 02/05/2021 10:30 AM
Final Approval Date: 02/05/2021		



DRAFT 2021 City of Ramsey Legislative Platform

Top Priority: U.S. Highway 10 Ramsey Gateway Project

The City of Ramsey is coordinating with Anoka County for a state funding request that will bring this project to full funding. The Ramsey Gateway Highway 10 Project includes two grade-separated interchanges in the city of Ramsey at Ramsey Boulevard and Sunfish Lake Boulevard that will replace existing signalized intersections. Grade separation of the BNSF Railway and a new frontage road between Ramsey Boulevard and Sunfish Lake Boulevard are also part of this design project.

Project goals include:

- Safely accommodating all users including motor vehicles, freight, rail, transit, pedestrians, and bicyclists
- Providing efficient mobility and access for all modes of travel
- Developing a financially responsible design that minimizes right-of-way and environmental resource impacts
- Securing additional funding for full project construction
- We are currently in the second phase of the project, which is preliminary design.

Schedule

Key milestones of the project:

Public Open Houses – Winter 2020, Spring/Summer 2021, Winter 2022, Winter 2023

Preliminary Design – June 2020 to August 2021

Final Design – September 2021 to Jan 2023

Right of Way Acquisition Process – January 2021 to January 2023

Construction begins – 2023

Funding

- The project received \$8.4M of state bonding for Highway 10 Improvements in the 2020 Legislative session
- Recent funding was awarded under the Minnesota Highway Freight Program for \$10M, and through the 2020 Met Council Regional Solicitation for an additional \$10M of federal funds bringing the total funds secured to-date to \$84M of the \$138M project (60.09%).

High Priority: Legislation to Extend Project Deadline (5 Year Rule) for Tax Increment Financing (TIF) District 14 (The COR)

A bill was introduced in the 2020 Legislative Session and was not heard due to (COVID-related) time constraints. The proposed legislation extends the deadline to approve projects funded by the TIF District. Typically, regardless of the duration of the district itself, projects must be approved within the first 5 years of the District. This includes incentives for qualifying private development activity as well as public improvements. Of key importance to this district is improvements to Bunker Lake Boulevard. Under a Joint Powers Agreement, the City is responsible for some improvements to Bunker Lake Boulevard (Anoka County took on initial improvements to Ramsey Boulevard and Sunfish Lake Boulevard). The second priority is making the NW quadrant of The COR 'shovel ready'. A significant amount of fill is necessary to make this land developable. Other, smaller improvements could also be funded by this account/district. A bill needs to be re-introduced in the 2021 session.

High Priority: Sales Tax Exemption for Public Works Campus

A bill was introduced in the 2020 Legislative Session and was not heard due to (COVID-related) time constraints. The purchase of materials for the nearly \$17.3 million Public Works Campus are not exempt from the state sales tax without this legislation. The bill would exempt purchases made for the project, including those made in calendar year 2020 and 2021. This bill has been re-introduced in the 2021 session.

High Priority: Sales Tax Exemption for Water Treatment Plant

Like the Public Works Campus, the purchase of materials for the proposed \$32-36.5 million Water Treatment Plant are not exempt from the state sales tax without this legislation. The bill would exempt purchases made for this project. A bill needs to be introduced.

High Priority: State Funding for Water Treatment Plant

The City is requesting state funding to construct a water treatment plant being constructed to address a public health need in the city of Ramsey. The discovery of manganese by the Minnesota Department of Health in 2019 led the City to conduct a feasibility study for a water treatment plant to address the public health issue. The recommended action is to construct a \$32-36.5 million Water Treatment Plant to serve Ramsey Water customers. Construction is proposed to commence in the fall of 2021. A bill needs to be introduced.

High Priority: Technical Correction of Fire Relief Pension Bill

The original legislation was approved in the 2020 legislative session and is in need of language revisions to facilitate the dissolution of the Nowthen/Ramsey joint fire services contract. After review by the MN Department of Revenue, Minnesota Legislative Commission on Pensions and Retirement, and the State Auditor's office, it was determined that corrections need to be made to the legislation to address some administrative concerns before dissolving the Joint Powers Agreement. The City of Ramsey, the City of Nowthen, and the current Fire Relief Association are in agreement and will be submitting revised language in the next 30 days.

Policy Priority:

Funding for Non-State Aid City Streets

ISSUE: Minnesota has over 141,000 miles of roadway, and more than 22,500 miles—or 16 percent—are owned and maintained by Minnesota's 853 cities. The Minnesota Constitution limits eligibility for dedicated Highway User Tax Distribution Fund dollars to up to twenty percent of streets in cities with populations over 5,000 (147 of 853 cities). This means almost 85 percent of municipal streets are ineligible for Municipal State Aid (MSA) funds and must be paid with local funding. Funding challenges are compounded by city cost participation requirements in state and county highway projects, which divert resources from city-owned streets.

Maintenance costs increase as road systems age, and no city—large or small—is spending enough on roadway capital improvements to maintain a 50-year lifecycle. For every one dollar spent on maintenance, a road authority—and therefore taxpayers—save seven dollars in repairs. According to a report released in late 2012 by the governor's Transportation Finance Advisory Committee, cities collectively need an additional \$400 million per year to bring city streets up to an economically competitive standard.

RECOMMENDATIONS: City streets are a separate but integral piece of the network of roads supporting movement of people and goods. Cities need greater resources and flexible policies in order to meet growing demands for street improvements and maintenance. The City of Ramsey supports:

- A. dedicated and sustainable state funding source for non-MSA city streets in large and small cities statewide;
- B. enabling legislation that would allow cities to create street improvement districts (similar to storm water districts or sidewalk improvement districts already allowed under Minn. Stat. § 435.44); and
- C. the creation of a new fund within the Local Road Improvement Program that would provide grants to cities burdened by cost participation requirements related to trunk highway and county state-aid projects.

Policy Priority:

Metropolitan Council Governance

The issue of Metropolitan Council governance is an issue that the City Council has had an interest since 2016. The current City Council will be having additional discussions on this issue. Since this is an issue that is likely to continue into the future, the existence of this item as 2021 *Legislative Priority* reaffirms the City's interest in addressing governance of the Metropolitan Council.

Over the last couple of years, Anoka County and three other metropolitan counties, formed a coalition that advocated for a change in the structure of the Metropolitan Council. As part of that meeting, the Council received documents explaining the County position, and documents outlining the position of the Metro Cities organization.

Below are the points/observations:

- Consider options for a Metropolitan Council governance structure that may increase accountability and address concerns of regional stakeholders and policy makers.
- Consider opportunities for local communities to provide input on ideas before any legislative change in Metropolitan Council governance is made.
- Consider that the Metropolitan Council has provided financial support of past projects in the City of Ramsey:
 - Parking Ramp
 - Sunwood Drive
 - Center Street
 - Sunwood Townhomes (TH 47)
 - Sunwood Village
 - The Draw Park and Amphitheater
 - Rail Station
- The City of Ramsey expects to continue an ongoing partnership with the Metropolitan Council.

Recommendations:

- A. Any reform to the Metropolitan Council should ensure that the Metropolitan Council is a responsible, responsive, and accountable partner for regional development and progress; and
- B. That in order to recognize the responsibility that the Metropolitan Council has to local units of government, local governments shall have a decision role in the appointment process for representatives to the Metropolitan Council; or current elected representatives of local government should be considered as members.
- C. In order to promote the stability and continuity of governance, consider staggered terms of office for Metropolitan Council members.

Policy Priority:

Local Government Aid (LGA) and Fiscal Disparities

Local Government Aid for Ramsey has fluctuated (see chart below) from a high of \$396,382 in 2001, to the current level of \$0 in 2017. The basic formula was changed in 2014 and some level of LGA was restored for the next three years (approximately \$100,000 per year), however the same formula has now resulted in the elimination of all LGA for Ramsey and similar developing suburbs.

FY 2000 - \$359,771
FY 2001 - \$396,382
FY 2002 - \$303,894
FY 2003 through 2013 - \$0
FY 2014 - \$91,381
FY 2015 - \$110,352
FY 2016 - \$111,311
FY 2017 - \$0
FY 2018 - \$0
FY 2019 - \$0
FY 2020 - \$0

Fiscal Disparities: Former Anoka State Legislator Charles R. Weaver originally authored fiscal disparities legislation in 1971. It was created for the purposes of:

1. Providing a way for local governments to share in the resources generated by the growth of the metropolitan area without removing existing resources;
2. Promoting orderly development of the region by reducing the impact of fiscal considerations on the location of business and infrastructure;
3. Establishing incentives for all parts of the area to work for the growth of the area as a whole;
4. Helping communities at various stages of development; and
5. Encouraging protection of the environment by reducing the impact of fiscal considerations to ensure protection of parks, open space, and wetlands.

Fiscal Disparities affects cities, counties, special taxing districts, and school districts within the seven-county metro area. It has reduced tax base disparity throughout the seven-county metropolitan area to a level of 3-to-1 (instead of the previous 10-to-1). Historically, the City of Ramsey (and Anoka County) have been net recipients of fiscal disparities funding. Meaning, the amount of dollars Ramsey receives from the program is greater than the dollars Ramsey contributes to the program.

RECOMMENDATION:

Ramsey supports revision of the LGA formula that recognizes the needs of developing suburbs and restores LGA to developing suburbs for long-term capital needs. Any future legislation that would modify or impact the Fiscal Disparities program should only be considered within a framework of comprehensive reform efforts of the State's property tax, aids and credits system. Any proposed legislation that would modify or impact the Fiscal Disparities program must be evaluated utilizing the criteria of fairness, equity, stability, transparency and coherence in the treatment of cities and taxpayers across the metropolitan region, and must continue to serve the program's intended purposes.

The Ramsey City Council is in support of the Fiscal Disparities program. The Ramsey City Council opposes future diversion from the Fiscal Disparities Program to fund programs or projects that would contradict the purpose of the program. The City does not support efforts to exempt Ramsey (or Anoka County) from any future Fiscal Disparity program amendment discussions.

Policy Priority:

Governor's Executive powers and Local Control

Council members have expressed concern for the well-being of local business and the ability of local government (or local State Legislators) to have representation in decisions that affect the local economy and businesses. The City is supportive of legislation that strengthens the ability of locally-elected officials to determine issues of local control.

League of Minnesota Cities Statement on local control:

The increasingly complex and costly requirements necessary for cities to provide services to their citizens would benefit from a strong partnership between federal, state and local governments. This partnership should be based upon a shared vision for Minnesota and should allow individual communities to tailor that vision to the unique needs of their citizens without mandates and policy restrictions imposed by state and federal policy makers. The state should recognize that local governments, of all sizes, are often the first to identify problems and inventive solutions to solve them, and should encourage further innovation by increasing local control. The state should not enact initiatives that erode the fundamental principle of local control in cities across Minnesota.

LEAGUE OF MINNESOTA CITIES

2021 City Policies

For Legislative and
Administrative Action

Adopted November 12, 2020

*The only comprehensive statewide advocacy agenda
for all Minnesota cities*



*This document is available in the Legislative Action Center
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The League's Intergovernmental Relations (IGR) staff work on legislative issues that matter to cities. Feel free to contact our IGR staff members with any questions, concerns, or suggestions regarding legislative issues.



We're here to help!

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LMC POLICY DEVELOPMENT PROCESS

The *City Policies* document addresses more than 200 legislative issues that impact cities and serves as the foundation of the League of Minnesota Cities (LMC) advocacy efforts. City officials from across the state are recruited throughout the year to serve on one or more policy committees. In 2020, over 130 city officials participated in the policy committees. Policies are considered, discussed, and revised annually with considerable member input. Then, draft policies are published online for member comments before being considered for approval by the LMC Board of Directors. Guided by the *City Policies*, LMC member cities and staff actively advocate for city-friendly legislation. Below are some of the major events in the policy development process:

- January** The Minnesota Legislature begins the first session of each two-year biennium in January of odd-numbered years. The 2021 Legislative Session began on January 5, 2020.
- February** The Legislature typically begins the second session of each biennium in February or March of even-numbered years.
- March/April** In March, the National League of Cities usually hosts the Congressional City Conference in Washington, D.C and the League's legislative conference is held in St. Paul. Due to questions surrounding the ongoing pandemic, both are anticipated to be conducted in some sort of virtual manner.
- May** Under the Minnesota Constitution, the deadline to end any legislative session is the first Monday following the third Saturday in May (May 17, 2021). The governor may call special legislative sessions when necessary.
- June** At the LMC Annual Conference (*Tentatively*: Rochester, June 23-25, 2021), members provide comments on *City Policies* throughout the conference and during the Legislative Update.
- July** Policy committees hold their first of three meetings. The July meeting typically includes a review of the most recent legislative session, a preliminary discussion of emerging issues, and a review of member comments and board interim policies from the prior year.
- August** Policy committees hold their second of three meetings to hear from subject-matter experts on existing and potential new policy topics.
- September** Policy committees meet for a third time to finalize their work and make specific policy recommendations to the LMC Board of Directors.
- October** Draft policies, as approved by the policy committees, are shared with members online during the comment period. Member input is also sought from city officials attending LMC Regional Meetings around the state each fall.
- November** The LMC Board of Directors reviews member input, then considers and amends the policies for the following calendar year. The Board adopts policies on behalf of League members before the start of the next legislative session.

PURPOSE, PROCESS AND PRINCIPLES OF CITY POLICIES

The League of Minnesota Cities is dedicated to promoting excellence in local government through effective advocacy, expert analysis, and trusted guidance for all Minnesota cities. Each year, the League's member cities identify common needs and goals, and the Board of Directors adopts policies designed to help cities overcome obstacles and reach those goals. These policies serve as the foundation of the League's advocacy work on behalf of Minnesota cities.

There are 853 cities in Minnesota, and 835 cities are members of the League of Minnesota Cities. Eleven townships and 63 special districts/other members are also League members. The League's members include the smallest rural cities in Greater Minnesota and the largest cities in the urban core; they include suburban communities in the Metropolitan Area and regional centers in every corner of the state. Every member of the League has a voice in developing the following policies.

Two core principles guide the development of City Policies and the actions of the League:

1. Local units of government must have sufficient authority and flexibility to meet the challenges of governing and providing citizens with public services. The Legislature must avoid imposing unfunded and underfunded mandates that erode local control and create liability and financial risk for city taxpayers.
2. The increasingly complex and costly requirements necessary for cities to provide services to their citizens require a strong partnership between federal, state, and local governments. This partnership should be based upon a shared vision for Minnesota and should allow individual communities to tailor that vision to the unique needs of their citizens.

Because of the fluid nature of emerging issues, state and national politics, and current events, additional and alternative policies may be proposed after the policies are adopted by the Board of Directors. The League will make every effort to notify members of substantial changes or additions to policies after they are adopted by the Board of Directors.

IMPROVING SERVICE DELIVERY

SD-1. Local Control

Issue: Cities are often laboratories for determining public policy approaches to the challenges that face citizens. Success in providing for the basic needs of a functional society is rooted in local control to determine how best to respond to the ever-changing needs of a citizenry. Because city government most directly impacts the lives of people, and representative democracy ensures that locally elected officials are held accountable for their decisions through local elections, local governments must have sufficient authority and flexibility to meet the challenges of governing and providing citizens with public services.

Response: The increasingly complex and costly requirements necessary for cities to provide services to their citizens would benefit from a strong partnership between federal, state and local governments. This partnership should be based upon a shared vision for Minnesota and should allow individual communities to tailor that vision to the unique needs of their citizens without mandates and policy restrictions imposed by state and federal policy makers. The state should recognize that local governments, of all sizes, are often the first to identify problems and inventive solutions to solve them, and should encourage further innovation by increasing local control. The state should not enact initiatives that erode the fundamental principle of local control in cities across Minnesota.

SD-2. Unfunded Mandates

Issue: Federal and state mandated programs substitute the judgment of Congress, the president, the Minnesota Legislature, and the governor for local budget priorities. These mandates force cities to reduce funding for other basic services or to increase taxes and service charges.

Response:

- a) **Existing unfunded mandates should be reviewed and modified, or repealed where possible.**
- b) **No additional statewide mandates should be enacted unless full funding for the mandate is provided by the level of government imposing it or a permanent stable revenue source is established.**
- c) **Cities should not be forced to comply with unfunded mandates.**
- d) **Cities should be given the greatest flexibility possible in implementing mandates to ensure their cost is minimized.**

SD-3. Local Approval of Special Laws

Issue: The Minnesota Constitution prohibits special legislation except for certain special laws relating to local government. It provides that a special law must name the affected local unit of government and is effective only after approval by the local government unit, unless general state law provides otherwise. Under state statute, a special law is not effective unless approved by the affected local unit of government, except under limited circumstances.

In recent years, the Legislature has occasionally enacted general laws that affect a single local unit of government. By enacting a general law with limited application, local approval is not required.

***Response:* The League of Minnesota Cities supports the constitutional requirement that a special law must be approved by the affected local unit of government before it can take effect. If a law is intended to affect or benefit a single local unit of government, the Legislature must follow the requirements for enacting a special law set forth in the Minnesota Constitution and in state statute. The League specifically opposes the Legislature's technique of bypassing the constitution by not naming the local government, but describing the local government in such narrow terms that it can only apply to one entity.**

SD-4. Redesigning and Reinventing Government

Issue: Every level of government is redesigning, reinventing, and reevaluating its organizational structure and programs in response to financial realities and citizens' needs and problems. Reforms, however, must be more than change for the sake of change to existing programs. It is imperative that government officials talk with citizens about how services are currently provided and how they can be best provided in the future.

To be meaningful, redesign of governmental entities and services should:

- a) save money where feasible;
- b) deliver improved services;
- c) serve essential needs; and
- d) be equitably structured.

Cities have and will continue to re-evaluate city programs and services, pursue the use of cooperative agreements, and consider organizational changes that provide greater government efficiency and result in better service to citizens. Citizen input and participation should be gathered and taken into account as decisions about service delivery are being made and implemented.

All levels of government are encouraged to:

- a) Ensure that in redesigning, reinventing or reassigning government services and programs, the appropriate level of service to citizens is evaluated and citizen demands and expectations are adequately addressed.
- b) Engage as many citizens as possible, from diverse backgrounds and interests, to determine what services matter most to citizens and how the delivery of those services can be changed to increase efficiency and lower cost.
- c) Educate citizens about what services government delivers, how they are delivered, and how those services are funded.
- d) Engage in traditional and nontraditional partnerships to make service changes and do things in new ways.
- e) Identify and repeal programs or discontinue services that are no longer necessary, and evaluate which services can readily and fairly be provided by the private sector.

***Response:* Federal, state, and county governments should:**

- a) **Promote and support local redesign efforts through incentives rather than mandates.**
- b) **Communicate and establish a process of negotiation before shifting responsibility for delivering services from one level of government to**

another, or seeking to reduce service duplication.

- c) **Utilize government entities with proven track records in redesign efforts.**

SD-5. State Government Shutdowns

Issue: Twice in less than one decade, the state Legislature and governor failed to reach a global agreement on the state budget by the end of the fiscal biennium (June 30 of odd-numbered years). As a result of these impasses, portions of state government were shut down. The shutdowns, particularly the shutdown in 2011, created a range of challenges for cities, as well as for the state's courts, residents, businesses, licensed professionals, state employees and others.

For cities, the most pronounced challenges related to the shutdowns were as follows:

- a) Uncertainty about the timing and amount of aid and credit reimbursement payments and the distribution of local sales tax revenues.
- b) Inability of licensed city professionals such as peace officers and water treatment facility operators to renew licenses.
- c) Loss of access to critical information such as the Bureau of Criminal Apprehension database and state-mandated reports.
- d) The shutdown of transportation projects on the trunk highway and state aid system.
- e) Interruption of local economic development due to the state having sole authority to inspect, review and approve various plans and types of projects.

***Response:* The League of Minnesota Cities urges the Legislature and governor to establish a procedure in state law to continue certain state government**

operations into a new biennium in the event that the governor and legislators cannot reach a budget agreement. Specifically, the Legislature and governor should modify state law to assure that the staff necessary to distribute state funds that are already encumbered or statutorily appropriated to local governments are distributed as statutorily scheduled, or in the absence of a statutory payment schedule, are released in a predictable and timely manner in the event of future shutdowns.

The Legislature should also pass legislation that allows existing licenses of public employees to be continued during any future state government shutdown and should identify additional areas, such as electrical and plumbing inspection and plumbing plan review, where local governments could reasonably step in to handle the inspections, review, and approval necessary for local projects to move forward, and allows work on approved projects to continue in state rights-of-way.

SD-6. Duration of Conservation Easements

Issue: The Minnesota Marketable Title Act provides that any deed over 40 years old can be disregarded unless the holder of the interest re-records it. There is an exception for a person in possession of the property. A 2010 Minnesota Supreme Court decision said that the person in possession has to show that the possession has been visible enough to put a prudent person on notice of the interest, and that the possession has to be continuous. *Sampair v. Village of Birchwood*, 784 N.W.2d 65 (Minn. 2010).

This creates issues for cities that have conservation easements. It is difficult, if not impossible, to show actual use of the

easement because conservation easements are passive easements, not active ones. As a result, cities will have to re-record the easements every 40 years in order to maintain them. This will result in a significant administrative burden and increase costs for local units of government due to staff time, legal fees, and recording fees.

Additionally, Minn. Stat. § 500.20, entitled “Defeasible Estates,” provides in subd. 2a that private covenants, conditions, or restrictions that affect the title or use of real estate cease to be valid 30 years after the date of the instrument creating them and they may be disregarded. This provision was initially enacted in 1988.

Minn. Stat. ch. 84C regarding conservation easements was enacted in 1985, and Minn. Stat. §§ 84.64-.65 regarding conservation restrictions were originally enacted in 1974. Because conservation easements and conservation restrictions are not listed among the restrictions that are not subject to Minn. Stat. § 500.20, subd. 2a, it is possible to conclude, by negative implication, that subd. 2a does apply to the conservation easements and conservation restrictions created by earlier enacted statutes. This conclusion is inconsistent with the language in Minn. Stat. § 84C.02(b) that “a conservation easement is unlimited in duration unless the instrument creating it otherwise provides.”

Response: The League of Minnesota Cities supports legislation that exempts holders of conservation easements from re-recording the easements under the Minnesota Marketable Title Act and that clarifies that Minn. Stat. § 500.20, subd. 2a, does not apply to conservation easements and restrictions.

SD-7. Racial Equity in Minnesota

Issue: Since the earliest days of its history, race and racial inequity issues have been present in Minnesota. Land acquisition and ownership, discriminatory covenants restricting homeownership to white Minnesotans, and patterns of systemic, structural, and institutional racism have brought the state to experience some of the worst racial disparities in the country for employment, housing, education, health, criminal justice, and law enforcement. Explicit and implicit bias toward people of color are prevalent in public policies and other rules governing Minnesota residents. Racial equity is accomplished when race can no longer be used to predict success, and we have government and systems that work for all.

The data is readily available from the U.S. Census, the state demographer, and local government. For example, Minnesota ranks 50th in the nation for median income equality and 49th in homeownership equality. The killing of George Floyd and the disproportionate impact of COVID-19 on communities of color have further highlighted the critical need to overhaul our laws, policies, and practices to address systemic racism.

Racial demographics are continually changing throughout the state. According to the state demographer, 20 percent of Minnesota’s population are people of color. All racial groups have recently increased in the state, but between 2010 and 2018, Minnesota has added five times as many people of color as white residents.

While every city may be in a different place, the need for racial equity and the need to repair past racial harms touches all communities, from the most racially diverse cities to cities with very few or no people of

color. In recognition of the need to strive for racial equity, cities are invested in building a more equitable future when every resident can thrive regardless of race. Among efforts cities are undertaking are:

- a) Examining how cities deliver services and set local policies among city staff and elected officials;
- b) Creating high-level staff positions and departments to address race equity, financial and educational opportunity, diversity, and analysis of city policies;
- c) Engaging with the communities of color to build/rebuild relationships and trust;
- d) Establishing city commissions to address race and racial equity issues with local affected communities; and
- e) Working to improve access to city procurement opportunities for veteran-, woman-, and minority-owned businesses.

However, cities acknowledge that there is much work that still needs to be done before success for all Minnesotans can be achieved regardless of race. To optimize success for all Minnesotans, cities cannot work in isolation on racial equity issues.

Further, it should be acknowledged that community members who are both from communities of color and are immigrants require local governments to understand the intersection between these two issues and evaluate public policy initiatives from multiple social justice perspectives. League policies on immigration and racial equity are heavily interrelated in that situation.

***Response:* In order to best support and serve all Minnesotans, the State should take a leadership role by prioritizing addressing racial equity through its actions:**

- a) **Partner with local government and communities of color to identify and address racial equity issues;**
- b) **Proactively assess past racial harms and develop actions to address them;**
- c) **Collect and provide data disaggregated by race necessary for cities and the state to make informed decisions about how to address racial disparities;**
- d) **Develop a state system for the proactive and innovative development and delivery of resources to local government to address racial equity including policy and service options, local engagement tools, policy expertise, and financial resources; and**
- e) **Actively review and amend existing statutory language to identify laws that contribute to racial inequities and consider racial equity impacts when crafting proposed legislation and policies.**

SD-8. Immigration Reform

Issue: The United States and the State of Minnesota have long traditions of welcoming immigrants. Immigrants strengthen Minnesota by contributing to the state's economy, enhancing cultural resources, and participating in efforts to build strong communities.

According to the National League of Cities, roughly 35 percent of undocumented immigrants have lived in the United States for 10 years or more. Approximately 1.6 million undocumented immigrants are children, and another 3.1 million children in the United States have at least one undocumented parent. These families are forced to live “underground” and are unable to get drivers’ licenses or car insurance in

most states. In addition, they are unlikely to obtain health insurance and are afraid to report crimes to local law enforcement.

Since immigrants are barred from most federal public assistance, the burden of providing social services, education, and health care falls to state and local governments that are increasingly feeling the financial impact of both legal and illegal immigrants living in their communities.

***Response:* The League of Minnesota Cities, together with the National League of Cities, urges Congress to move quickly to enact and enforce effective immigration laws.**

Federal and state governments must not transfer responsibility for enforcing U.S. immigration laws to local personnel, including police officers, firefighters, educators, health professionals, and social service employees. Finally, federal and state governments must not prohibit local units of government from implementing policies aimed at fostering positive relationships between local government officials, including law enforcement personnel, and immigrant communities.

SD-9. Responsibility for Locating Private Underground Facilities

Issue: Cities are responsible for complying with state pipeline safety regulations that hold cities responsible for locating and marking private service laterals that connect in public rights-of-way to city sanitary and storm sewer, water, and district heating systems. The Minnesota Office of Pipeline Safety (MNOPS) is proposing amendments to state pipeline and safety rules related to the definition of excavation and changes to mandatory damage reporting.

Cities are concerned that damage to private service laterals within the public right-of-way continues due, in part, to construction methods during the replacement, repair and/or installation of underground utilities which cross city water and sewer services that are in the public rights-of-way. Trenchless excavation could potentially cause damage to underground service laterals and negatively impact the quality of utility services.

***Response:* The League supports the changes to the definition of excavation presented by MNOPS at the 2012 Review of Minn. Stat. ch. 216D. Cities support the elimination of windbreaks, shelterbelts, and tree plantations from the definition of excavation, unless any of these activities disturbs the soil to a depth of 18 inches or more.**

The League supports exempting normal maintenance of roads and streets from the definition of excavation if the maintenance does not change the original grade and does not involve the road ditch by defining “original grade” as the grade at the date of issue of the first notice by the excavator.

The League supports increasing MNOPS fines for violators of state pipeline safety requirements, bringing state penalties in line with federal penalties.

The League opposes mandatory damage reporting and recommends a simple standardized form to encourage cities to voluntarily report damages. The League opposes requirements that would force cities to mark underground facilities of all sizes and materials.

The League recognizes that trenchless excavation presents concerns to cities. Private property owners in the excavation

area must receive advance notice of any trenchless or other excavation activities that could affect the quality of utility services. Notice must include at least one phone number for assistance in case of any service problems.

Contractors must comply with city permits requiring that the drill head be visible when crossing any paint marks and moving through the pothole at the depth that the city allows for the installation.

Cities must not be required to locate privately-owned water and sewer laterals and must not be held responsible for actions by excavators when the city determines not to locate such facilities. Excavators should be responsible for locating and protecting any private service lateral that is impacted by excavation activities conducted on private property beyond the public right-of-way.

SD-10. Utility Relocation Under Design-Build Road Construction

Issue: The Minnesota Department of Transportation (MnDOT) has promoted legislation relating to the design-build construction process that would require private and public utilities to be responsible for utility relocation necessitated by road construction. The policy, if enacted, would create unanticipated costs for utilities owned and operated by cities. Municipally-owned utilities would be unreasonably held to the same standards as privately-owned utilities that exist in the public right-of-way.

Response: The League of Minnesota Cities supports use of the design-build procedure, however, municipal utilities that exist in the public right-of-way should not be penalized under this process. Municipal utilities legitimately

exist in the public right-of-way. When a MnDOT construction project requires the relocation of utilities, the cost of relocating municipal utilities should be shared equitably between MnDOT and affected municipal utilities.

SD-11. National Fire Protection Association (NFPA) Standards

Issue: The National Fire Protection Association (NFPA) is an international association of individuals and trade and professional organizations that deals with fire and life safety. The NFPA has advocated legislation that would mandate two standards: NFPA 1710, Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments, and NFPA 1720, Organization and Deployment of Fire Suppression, Emergency Medical Operations, and Special Operations to the Public by Volunteer Fire Departments. NFPA standards 1710 and 1720 define minimum response times, minimum fire company staffing levels, initial full alarm response levels, and extra alarm response levels. Although NFPA codes and standards are voluntary, they are often adopted by local jurisdictions.

Response: **Levels of service delivery for fire and emergency medical services (EMS) have always been determined by local jurisdictions. If mandated, the NFPA standards would force local governments to shift dollars from fire prevention programs to fire suppression activities, potentially increasing the risk of fire and the danger to local firefighters.**

The League of Minnesota Cities opposes any attempt to mandate standards for minimum staffing levels of fire, specialized or EMS vehicles controlled by

units of local government. The League also opposes any attempt to adopt a standard dictating or affecting the response time of any fire, specialized or EMS vehicle.

SD-12. Fire Mutual Aid

Issue: City and township fire departments regularly assist each other with firefighting and other response activities. This mutual aid is mostly authorized by individual written contracts with each city or township, which results in a patchwork of different agreements with different provisions. Often, each city attorney recommends different provisions.

Following the Red River floods and the St. Peter tornados, emergency responders (including fire departments) met and helped pass a statute to govern mutual aid situations when there is an emergency declared by mayor or governor and no written agreements exist. The statute, Minn. Stat. § 12.331, provides a framework for how worker's compensation, liability, property claims, insurance, and charges between the departments will be handled in mutual aid situations.

The League of Minnesota Cities Insurance Trust (LMCIT) developed a model mutual aid agreement that contains the same basic structure for liability as the statute. Many cities have entered into area-wide mutual aid agreements that are similar to the LMCIT model agreement. To provide uniformity, there should be a statute that is similar to Minn. Stat. § 12.331, to govern daily fire mutual aid situations that do not rise to the level of emergencies.

***Response:* The Legislature should pass a statute to provide uniform provisions when fire departments assist each other.**

These provisions should include statutory definitions and clarifications for:

- a) Who is in command of the mutual aid scene.**
- b) Who will cover the firefighters for worker's compensation.**
- c) How liability and property claims will be handled.**
- d) Who will pay for expendable supplies such as foam.**
- e) When fire departments will charge each other for these services.**
- f) The ability for fire departments to opt out by having a separate written agreement.**

SD-13. Clarification of Joint Powers Relationships with Federally Recognized Indian Tribes

Issue: During the 2010 legislative session, Minn. Stat. § 471.59 was modified to allow federally recognized Indian tribes to participate in joint powers agreements with other governmental entities, including Minnesota cities. Indian tribes are extremely unique legal entities under federal law and international treaties. The new law was a broad brush authorization that did not address important issues that uniquely arise when dealing with Indian tribes related to sovereignty, insurance liability and liability limits (commonly called "tort caps"). Previous laws, such as Minn. Stat. § 626.93 (authorizing tribes to act as law enforcement entities) explicitly addressed these concerns. Since the new law passed, interest has been expressed by public safety groups and individual cities in entering into joint powers agreements with federally recognized Indian tribes. However, legislative guidance is needed to address concerns related to sovereignty, insurance and liability limits for these agreements.

Response: Include in Minn. Stat. § 471.59 (the joint powers statute) language substantially similar to Minn. Stat. § 626.93 that clarifies that Indian tribes entering into joint powers relationships agree to:

- a) Be subject to liability for its torts and those of its officers, employees, and agents acting within the scope of their employment or duties arising out of the joint powers agreement to the same extent as a municipality under Minn. Stat. ch. 466; and**
- b) Notwithstanding Minn. Stat. § 16C.05, subd. 7, waive its sovereign immunity with respect to claims arising from liability under the joint powers.**

SD-14. Ambulance Service Costs and Liability

Issue: The cost of providing ambulance care has increased steadily over the last several years due in part to changes in Medicare and Medicaid reimbursement. The federal Balanced Budget Act (BBA) of 1997 made two significant changes to ambulance billing. First, the act mandated that all ambulance services accept Medicare and Medicaid assignments as payment in full; that is, ambulance services cannot bill the Medicare or Medicaid patient for any unpaid balance beyond the Medicare or Medicaid assignment. Second, the act mandated a uniform fee schedule that was implemented in April 2002. The new fee schedule significantly reduced reimbursement levels for many ambulance services. The BBA mandates are impacting the ability of some Minnesota ambulance service providers to adequately fund their operations.

The loss of revenue due to Medicare and Medicaid reimbursement changes, coupled with higher insurance rates, is affecting the

ability of many non-government-based ambulance service providers to deliver emergency care, particularly in rural Minnesota. All ambulance services and personnel are regulated by Minn. Stat. ch. 144E and must comply with the same licensing, training, and equipment-related requirements, regardless of ownership.

In addition, the liability exposure of medical directors associated with ambulance service is a concern. While medical directors of government-based ambulance services may arguably be covered by public official immunity, the law is unclear and should be clarified.

Response: The League of Minnesota Cities supports federal legislation that would:

- a) Require Medicare to set ambulance payment rates at the “regional cost” of providing service;**
- b) Require adequate reimbursement for ambulance providers;**
- c) Establish a “prudent layperson” standard for the payment of emergency ambulance claims such that if a reasonable person believed an emergency medical problem existed when the ambulance was requested, Medicare would pay the claim;**
- d) Make it easier for providers to file claims with Medicare by eliminating a processing system that often leads to the rejection of legitimate reimbursement claims.**

The League also urges the Legislature to extend the protection of the state and municipal Tort Claims Act to licensed third parties that contract with a municipality to provide ambulance services. The League also supports extending the applicability of public

official immunity to medical directors in the course of ambulance service activities.

SD-15. Fees for Service

Issue: While general services—such as permitting, inspections or enforcement—are typically funded out of a city’s general fund, cities often impose fees to cover the cost of providing certain services, permits, and licenses.

The Legislature and interest groups often seek to mandate or preserve fee limitations for city services. Over the last several years, the Legislature has enacted a number of new laws designed to rigorously control local fee-setting authority. Examples of such mandates include placing limits on coin-operated amusement machine license fees, on-sale and off-sale liquor license fees, license fees for retailers selling fireworks, deputy registrar fees and planning and zoning fees. The state also requires cities that collect more than \$5,000 in development-related fees each year to annually report all construction and development fees to the Department of Labor and Industry.

***Response:* While the state has a role in providing a general, statewide funding policy, the state should not interfere in the decision-making functions performed by cities when setting city budgets to provide city services. The League of Minnesota Cities seeks authority for cities to charge fees that are reasonably related to the cost of providing the service, permit or license. The League opposes legislation that would require specific methods to pay for city services or would place caps on city fees.**

SD-16. Improving and Increasing Citizen Access to Information

Issue: State law requires that cities publish certain types of information in a “qualified” newspaper designated by the city. While the requirements vary based on city population size, most cities must publish: ordinances before they can take effect; advertisements for bids; various financial reports; meeting and hearing notices; notices of elections; dates for filing affidavits of candidacy; and sample ballots. Collectively, these items are referred to as “official notices,” legal notices” and “public notices” in state statute.

There are several requirements in statute for a newspaper to be a “qualified” or “official” newspaper for the city. For instance, there can only be one newspaper chosen for the city; it must be printed in English in a newspaper format; if it is a daily newspaper, it must be distributed at least five days each week; if not a daily paper, it may be distributed twice a month with respect to the publishing of government public notices; it must be circulated in the city which it purports to serve, and either have at least 400 copies regularly delivered to paying subscribers or have at least 400 copies distributed without charge to local residents.

As technology has evolved, citizens have become more accustomed to the instantaneous availability of online information. Because cities are committed to providing information to citizens and responding to this demand, they have invested heavily in their websites and in growing a robust online presence. They survey citizens about what method of communication is preferred and based on this, cities update, reform, evolve, and advance communication tools and often, they do so with limited means and resources to ensure citizens have access to information about their city.

Because of the publishing mandate outlined in state statute, cities continue to publish in newspapers with limited resources while simultaneously providing information to citizens in the format they actually demand: online. These requirements originated in 1949 and to ensure the original intent of the law – providing citizens access to their local government – it is time to eliminate these outdated requirements and make communicating with citizens more efficient.

***Response:* The Legislature should eliminate outdated and unnecessary publication requirements that are no longer relevant or representative of the technology we now have that has significantly increased access to government. Cities should have the authority to:**

- a) **Determine whether web publication should replace or supplement newspaper publication based on the unique needs of each community.**
- b) **Designate an appropriate publication that reaches the maximum number of citizens possible.**
- c) **Use alternative means of communication to fulfill statutory requirements such as city newsletters, cable television, video streaming, e-mail, blogs and city websites.**
- d) **Expand the use of summaries where information is technical or lengthy.**
- e) **Publish and provide public access to local codes of ordinances on a website accessible to the public and to post revisions and changes to city codes, resolutions, and rules on the city website, when feasible.**

SD-17. Administrative Fines for Code Violations

Issue: Many statutory and home rule charter cities have implemented administrative

enforcement programs for violations of local regulatory ordinances such as building codes, zoning codes, health codes, and public nuisance ordinances. This use of administrative proceedings has kept enforcement at the local level and reduced pressure on over-burdened district court systems. Cities using administrative enforcement processes experience a lower cost of enforcement and a quicker resolution to code violations.

Minnesota statutes expressly provide the authority for all cities to utilize administrative enforcement of local codes and enforcement of liquor license and tobacco license violations.

In 2009, the Legislature amended Minn. Stat. ch. 169, the chapter of law pertaining to state traffic regulations, to allow cities and counties to issue administrative citations for certain minor traffic offenses. Since the passage of the 2009 administrative traffic citations law, some people have questioned whether administrative citations for non-traffic, liquor, and tobacco license code violations can be legally issued by statutory cities given that state law does not expressly provide authority on other code matters.

***Response:* The League of Minnesota Cities continues to support the use of city administrative fines for local regulatory ordinances, such as building codes, zoning codes, health codes, public nuisance ordinances, and regulatory matters that are not duplicative of misdemeanor or higher-level state traffic and criminal offenses. The Legislature should clarify that both statutory and home rule charter cities have the authority to issue administrative citations for code violations. Further, state statute should allow statutory and home rule charter cities to adjudicate administrative**

citations and to assess a lien on properties for unpaid administrative fines.

SD-18. Contracting and Purchasing

Issue: Minnesota statutes stipulate contracting and purchasing requirements for Minnesota cities. The law prescribes the process political subdivisions must use to make purchases and award contracts, and requires a competitive sealed bid procedure for contracts or purchases over \$175,000. The intent of these statutory requirements is to provide taxpayers with the best value for their dollar and ensure integrity in the process. However, imposing these statutory requirements may, at times, result in political subdivisions paying more for goods and services than private entities under the same circumstances.

The Legislature recognized the benefits associated with alternative purchasing methods when it amended municipal contracting law in 2004 to authorize the use of reverse auctions to purchase supplies, materials, and equipment. Similarly, other contracting procedures, including “design-build” and direct negotiation are proven alternatives to the formal bidding process. Authorizing broader use of these types of alternatives as the Legislature did in 2009 by authorizing a design-build pilot program, would enhance the ability of cities to make appropriate and fiscally responsible purchasing decisions.

Response: **The League of Minnesota Cities supports broader use of alternative contracting and purchasing methods that streamline the process and reduce local purchasing costs. Specifically, the League supports authorizing cities to use the design-build procedure and providing municipalities with broader authority, similar to that of private businesses, to directly negotiate contracts. The Legislature should establish a task force**

to review municipal contracting laws, and consider contracting and purchasing reforms that give cities the flexibility to provide quality goods and services at the lowest cost to taxpayers.

SD-19. City Enterprise Operations

Issue: Historically, city enterprise operations have been created in response to community needs, lack of a private market, financial reporting requirements, state and federal mandates, to enforce state and local law, and to ensure a quality of life for the residents of a community. Establishing an enterprise operation allows a city to provide a desired service while maintaining financial control over service levels, costs, and public inputs.

In some cases, enterprise operations produce general public benefits and may require public support to ensure a desired level of service at a reasonable cost. The benefits of an enterprise operation, therefore, should be evaluated not solely in terms of profitability but also on the service benefits to citizens of the community.

Response: **The League of Minnesota Cities supports the local decisions made by cities to deliver services by establishing a city enterprise operation. The state should refrain from infringing on the ability of a city to provide services for its community.**

SD-20. Preservation of Order in City Council Meetings

Issue: The Minnesota Supreme Court recently held a provision in Minn. Stat. § 609.72, subd. 1(2), that prohibits disturbing public meetings was unconstitutionally broad. *State v. Hensel*, A15-0005 (Minn. 2017). Minn. Stat. § 412.191 gives statutory authority to city councils to preserve order

and regulate procedure at their meetings. Cities rarely relied on the struck-down statute, but instead used other avenues to maintain order, such as issuing warnings and enforcing decorum rules. The struck-down statute served as a last resort when other options did not work.

***Response:* The Legislature should ensure statutes adequately balance public participation with the ability to effectively manage public meetings and protect public safety.**

SD-21. Constitutional Amendments

Issue: The Minnesota Constitution requires that a constitutional amendment be approved by a simple majority of both chambers of the Legislature at one session, and must then be ratified by a majority of all the voters voting at the election. Minnesota is one of 18 states that require a simple majority vote by legislators while 26 states require a higher threshold (17 states require a two-thirds majority and nine require a three-fifths majority). Since statehood, 215 proposed constitutional amendments have been voted on by the electorate; 120 of them have been approved (56%) and 95 rejected (44%).

Cities provide a variety of critical and essential services to residents of Minnesota. Many public policy decisions at the state level impact cities and therefore, city officials depend on their state legislators to represent city interests at the Legislature.

Additionally, unlike a statutory change, a constitutional amendment is difficult to modify or repeal once enacted.

***Response:* The League of Minnesota Cities strongly supports our representational system of government and opposes laws and amendments that restrict local government. The Legislature**

is the appropriate governing body to consider and enact laws that reflect statewide interests. Utilizing constitutional amendments to change public policy circumvents this process.

Therefore, the League supports requiring a supermajority vote (two-thirds in support) by the Legislature to put an amendment on the ballot.

SD-22. Initiative and Referendum

Issue: The Legislature has frequently considered legislation to establish initiative and referendum by proposing to place a question for voter approval on the state general election ballot to amend the state constitution to allow voters to initiate or repeal state laws by submitting a petition which would cause such questions to be placed on the state general election ballot.

***Response:* Cities strongly support our representational system of governance and, therefore, oppose amending the state constitution to provide for initiative and referendum. The Legislature is the appropriate governing body to consider and enact public policy that reflects statewide interests.**

The process of adopting state law based on good public policy is best upheld and supported by increasing the accountability and responsiveness of the legislative process, not by circumventing it. Presenting complex issues to voters in the guise of direct democracy further weakens representative government.

A state constitutional amendment to provide for initiative and referendum subjects cities and their residents and taxpayers to the unintended outcomes of sometimes unwise attempts to place significant public policy decisions into the

hands of special interests that can raise unlimited funds for the purpose of promoting their more narrow interests.

SD-23. Civil Liability of Local Governments

Issue: One of the barriers to the delivery of governmental services and programs is the exposure of local governments and their officials to civil damage claims. The state has acted to protect itself and its local governments by enacting exceptions and limitations to liability suits, and authorizing self-insurance and other mechanisms to deal with claims allowed by law.

Response: The League of Minnesota Cities supports:

- a) **Creating an exception to municipal tort indemnification law, Minn. Stat. § 466.07, where an employee is defended and indemnified for claims under a contract of insurance carried by the employee.**
- b) **Extending the protection of the state and municipal Tort Claims Act to quasi-governmental entities when performing public services such as firefighting or licensed third-party ambulance providers that contract with a municipality to provide ambulance services.**
- c) **Existing constitutional safeguards for protecting public and private property interests without any statutory expansion of property rights.**
- d) **Clarifying and maintaining the applicability of municipal immunity in various areas, including, but not limited to, vicarious official immunity and park and recreational immunity, including the extension to entities providing a public service that have not traditionally been included within**

the immunity (e.g., state trails over municipal utility easements).

- e) **Preserving changes to Minnesota’s joint and several liability laws that require a municipality to be at least 50 percent at fault to be held responsible for 100 percent of a damage award.**
- f) **Reasonable limits on the amount and circumstances in which statutory attorney fees may be awarded in order to encourage settlement by all parties and decrease the likelihood of litigation.**
- g) **Preserving the essential structure of the local government tort liability caps in Minn. Stat. § 466.04.**

SD-24. Private Property Rights and Takings

Issue: In the wake of the U.S. Supreme Court’s 2005 decision, *Kelo v. City of New London*, 545 U.S. 469, which upheld the ability of local governments to use eminent domain for economic development purposes, the Legislature enacted significant restrictions on cities’ use of eminent domain for economic development and redevelopment, and imposed new compensation and procedural requirements that apply to all condemnation actions, including those for traditional public uses such as roads, parks, and schools. Legislation to control cities’ abilities to perform regulatory acts—such as road rights-of-way condemnation, shooting range zoning, and amortization—has also received strong support from legislators. In addition, some legislators would like to authorize businesses to seek inverse condemnation when a governmental entity enters the business market and provides competing goods or services or limits the number of businesses that can operate privately or receive public contracts.

Such legislative initiatives threaten a wide array of planning, environmental, historic preservation, and land conservation measures and undermine the fundamental responsibility of cities to protect the public health, safety, and welfare of its citizens.

In 2006, the Legislature enacted Minn. Stat. § 117.031, a statute related to attorney fees in the eminent domain process. The structure of the statute has resulted in attorney fee awards in eminent domain actions that have no relationship to the outcome of the case, serve only to encourage litigation, and shift limited public funding away from infrastructure projects.

***Response:* State law must continue to provide cities with the tools needed to balance the rights of private property owners with the interests of the public. The League of Minnesota Cities opposes legislation that diminishes the ability of cities to act in the best interest of the health, safety, and welfare of its citizens; that increases the cost of doing business for the public good; or that creates the possibility of additional lawsuits against cities.**

Specifically, the League opposes legislation that:

- a) Allows businesses to seek inverse condemnation when a city provides competing goods or services, or limits the number of private operators.**
- b) Creates an automatic cause of action for damages any time a local regulatory action impacts the use or reduces the value of private property.**

The League supports legislation that:

- a) Authorizes cities to use eminent domain for economic development and redevelopment projects that**

advance a greater public good that benefits the community.

- b) Empowers local elected officials to determine whether a particular taking of property serves a public purpose.**
- c) Creates incentives to encourage landowners to voluntarily sell their property to the public for development or redevelopment.**
- d) More appropriately balances awards of attorney fees and costs of litigation with the outcome of the eminent domain proceeding.**

SD-25. Organized Solid Waste Collection

Issue: “Organized collection” refers to a situation where a local unit of government, for any of a variety of reasons, decides that there is a public interest served by limiting the number of solid waste and recycling collection services available in the area. The reasons for implementing organized collection can vary, but include:

- a) Public safety concerns caused by the number and frequency of large trucks moving quickly through residential neighborhoods;**
- b) Reducing wear on public infrastructure from heavy truck traffic;**
- c) Improving the efficiency, cost and quality of garbage and recycling service provided to local residents;**
- d) Cooperating with other local governments to best meet solid waste management and recycling objectives;**
- e) Taking local steps to reduce energy impacts of public services; and**
- f) Meeting the requirements of county ordinances and solid waste management plans as required under Minn. Stat. § 115.94.**

Organized collection is also encouraged in

state solid waste policies as a means of improving the efficiency and coordination of solid waste management between local units of government. There are very specific and burdensome public procedures laid out in statute defining how such a decision must be publicly vetted and approved and over what time period that can occur.

Despite all of these important and valid reasons for using organized collection, legislation has been discussed in several recent sessions that would allow special takings claims or contractual damages to be claimed by the solid waste industry if local governments make decisions that limit the number of companies that can collect garbage in a community in a manner that prevents a company currently operating in the community from continuing to do so through the implementation of organized collection. The unspecified and ongoing liability this change would create would have the effect of eliminating organized collection as a waste management option. This change would also create a virtual monopoly situation for any company awarded a solid waste contract under organized collection. The local unit of government would have to “buy out” a contractor in the future to change providers, even if their services were no longer the lowest bid. It also creates an incentive for bidders under organized collection to submit high bids, as they would be eligible for damages if they fail to win without having to provide service. Furthermore, this is a precedent that, if applied to other government purchasing and service contracting decisions, would clearly run counter to the public purpose of government providing services at the lowest feasible cost to taxpayers.

Response: The League of Minnesota Cities opposes efforts to apply inverse condemnation claims to city solid waste

contracting decisions or to allow automatic contractual damage claims for solid waste haulers that lose competitive bids in organized collection communities.

Further, the League supports the current state policy that organized collection is a valuable tool as part of a comprehensive solid waste and recycling management program and recognizes the need to protect and preserve the authority of cities to adopt solid waste service contracts that protect public safety, the environment and public infrastructure.

SD-26. Private Well Drilling

Issue: The state has continued to place requirements on public water supply providers to add drinking water treatment and testing, to restrict the volume of water used, and to increase the cost of water use through fees and requirements on utility rate structures. As a result, many water users are choosing to obtain all or portions of their water from wells they place on their own property. This creates risks to public health and safety, can affect the surrounding environment, can affect city water supplies, and can leave city water utilities with massive losses of customer load and rate revenue.

Providing clean, safe, cost-efficient drinking water to citizens is an essential service provided by 726 active municipal water systems. The Minnesota Department of Health (MDH) agrees that cities have the statutory authority to determine whether private wells are an appropriate use within their boundaries and that cities must protect the public water supplies from numerous private wells in city boundaries. Private wells in a city increase the risk of contaminating public water supplies and encourage over use of water. Cities have the

authority to regulate and even prohibit private wells by local ordinance.

Response: The League of Minnesota Cities supports current law that authorizes cities to protect public health and safety through local controls regulating or prohibiting private wells being placed within municipal water utility service boundaries and would oppose any changes to law to remove that authority.

SD-27. Sustainable Development

Issue: Minnesota cities spend significant time and resources planning for growth, development, and redevelopment that will best serve the future needs of their residents. Numerous factors are considered as part of that process, but an area of increasing interest involves concepts often categorized as “sustainable development.” Minn. Stat. § 4A.07, subd. 1(b), defines this term, as it pertains to local government, to mean “development that maintains or enhances economic opportunity and community well-being while protecting and restoring the natural environment upon which people and economies depend. Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Cities play a key role in fostering sustainable development and other conservation practices due to their role in land use planning and zoning, stormwater and wastewater management, and local economic development. Local governments can take a lead on these issues by choosing to incorporate aspects of sustainable development into their local operations and facilities. They can also develop local policies and regulations that support and guide individual and private sustainability efforts. The ability of a city to affect these

changes can, however, be restricted by policies and requirements imposed by other levels of government.

Sustainable development initiatives can cover a wide range of issues, but share the benefit of lessening the future environmental impacts of communities on the land, air, and water in their area. Lakes, streams, rivers, wetlands, wildlife habitat, shoreland areas, and other natural resources can be protected and enhanced in quality through local efforts. Energy efficiency and renewable energy production reduce the energy demands of a community and the environmental impacts of energy production. By more efficiently using public infrastructure and minimizing resource consumption, the costs to individuals, business, and government can be reduced. New and expanded business and job opportunities are also generated by the “green” products and services needed to implement sustainable development initiatives. The ideal result of well-planned sustainability, natural resources management, and conservation efforts is a city that is more efficient in the use of its resources and infrastructure, creates fewer environmental problems for future generations to address, and is a more desirable home for residents and businesses.

Response: The League of Minnesota Cities supports federal, state, and regional efforts to promote sustainable development where the effectiveness of the proposed practice is supported by sound science, and as long as those efforts do not supersede the authority of local governments to determine their own policies regarding land use and related issues.

Providing technical assistance and financial incentives, and streamlining regulations to encourage local

governments and private property owners to engage in sustainable development practices, as well as assisting in education and information efforts for the building industry and the public, are the best means to generate successful results. These programs should focus on outcomes, allowing flexibility in how to best meet those outcomes in different locations and situations. The League opposes mandates that limit the authority of cities to determine what practices will best meet the needs of their communities.

The League supports sustainable development efforts that meet the above criteria, including programs proposed in the following areas:

- a) **Shifting public resources, services, investments, purchasing power, and procurement toward more economically and environmentally sustainable outcomes where those solutions are cost effective and appropriate.**
- b) **Using local land-use planning and zoning to protect and enhance limited natural resources, and reduce the impacts of growth and development on local infrastructure.**
- c) **Promoting efficient and renewable energy sources.**
- d) **Encouraging sustainable building design, construction, and operation strategies focused on integrated design, energy efficiency, water conservation, stormwater management, waste reduction, pollution prevention, indoor environmental quality, and the use of low-impact building materials and products.**
- e) **Supporting sustainable economic development, such as brownfield clean-up, on-site stormwater**

management, and sustainable business practices and technologies.

- f) **Assisting and recognizing local governments that take actions to reduce greenhouse gas emissions and increase energy efficiency by providing and identifying technical assistance, financial assistance, and best practices.**

SD-28. Advanced Energy Building Standards

Issue: The State of Minnesota has made a strong statutory commitment to the reduction of carbon emissions and greenhouse gases. As part of that effort, projects funded by the state must meet a set of energy requirements called Sustainable Building 2030, or SB 2030. However, to meet state energy efficiency goals, improvements in energy performance of buildings not financed by the state will also be needed.

The State Building Code sets the standards that must be met in new or substantially retrofitted structures and prohibits local requirements that differ from that code. The current state schedule for the amendment and adoption of more stringent building and energy codes is not adequate to result in the state meeting those goals.

Cities working on improving the energy performance of development within their communities have identified a clear opportunity to establish cost-effective energy-efficiency performance standards for new and substantially reconstructed commercial, industrial, and institutional buildings that can significantly reduce carbon dioxide emissions by lowering energy use in those structures.

The solution that has been proposed, referred to as an advanced energy building

standard, creates an optional tier of additional energy efficiency requirements for buildings in those categories if they exceed a designated square footage. Such an addendum would be state-developed and cities could choose whether to apply it in their jurisdictions based on community priorities, opportunity, and readiness. An advanced energy building standard would allow municipalities to require more energy efficient buildings, reducing the energy burden for building occupants and lowering overall greenhouse gas emissions. Having a uniform set of standards prevents confusion by developers, designers, planners, and regulators, with people only needing to know if the jurisdiction uses the requirements outlined in existing State Building Code or has adopted the added energy section.

Discussions with developers, architects, engineers, city staff, energy efficiency experts, utility interests, labor, state agencies, academia, and other stakeholders have examined approaches the state could use to create and allow an advanced energy building standard. While several different versions could work, it is clear that Minnesota needs to change its approach in order to meet state energy efficiency goals.

Additionally, utilities across the region have extensive requirements and goals related to reducing energy consumption and increasing power generation from renewable resources. For advanced energy building standards to be an effective tool, they will need to be designed to work in cooperation with those existing programs.

***Response:* The legislature should require the Department of Labor and Industry to establish an advanced energy building standard beyond the base statewide commercial code for the construction, reconstruction, and alteration of public**

and private commercial and multifamily residential buildings that exceed a certain square footage as an appendix of the State Building Code.

These standards should conform to timelines and performance measures that result in net zero carbon emissions by 2036 or sooner and should be updated every three to five years. Cities should be provided the authority to adopt the advanced energy standard by ordinance at their discretion, making it an official addendum to the baseline energy code in any jurisdiction adopting them.

The League recognizes the benefits of a consistent state code and supports a requirement that a local jurisdiction adopting the standards in the appendix may not amend them, but may specify the minimum size structure to which they apply, as long as it is 10,000 or more square feet.

SD-29. Construction Codes

Issue: The State Building Code (SBC) is the statewide standard for the construction, reconstruction, alteration, and repair of the buildings and other structures of the type governed by the code. A building code provides many benefits, including uniformity of construction standards in the building industry, consistency in code interpretation and enforcement, and life-safety guidance. Since 2018, the state will adopt a new version of the SBC every six years after a rulemaking process that allows for significant public input. The League supports adopting and amending the SBC through the rulemaking process, and opposes legislative changes to the building codes absent unusual or extraordinary circumstances.

While all cities must enforce certain codes—such as the accessibility code and the bleacher safety code—enforcement of the SBC remains a local option for cities outside of the seven-county metropolitan area with fewer than 2,500 people that did not adopt the code before Jan. 1, 2008. Requiring enforcement of the SBC by smaller cities in Greater Minnesota is cost-prohibitive for many cities, and would result in an unfunded mandated.

While a single set of coordinated codes helps provide consistency in code administration and enforcement, implementation of sustainable building design, construction, and operation does not readily integrate with the existing state building and energy code system. As a result, many cities are interested in adopting an advanced energy building standard beyond the base statewide commercial code for the construction, reconstruction, and alteration of public and private commercial buildings. An advanced energy building standard would allow municipalities to require more energy efficient buildings, reducing the energy burden for building occupants and lowering overall greenhouse gas emissions.

***Response:* A statewide-enforced building code may have benefits, but requiring it would result in an unfunded mandate.**

Enforcing the State Building Code should remain a local option for the municipalities that have not already adopted the Code, unless the state fully funds the costs of enforcement and inspection services necessary to enforce a statewide building code. If the Legislature requires all cities to enforce the State Building Code, local governments must have the option to hire or select a building official of their choice and set the appropriate level of service—even if the

state fully funds code enforcement activities.

The state should collaborate with local governments, construction industry representatives, and other stakeholders to review the building and energy codes and consider modifications to encourage sustainable building design, construction, and operation.

Specifically:

- a) For purposes of federal conformity, the state should adopt the International Energy Conservation Code as part of the State Building Code.**
- b) The Legislature should authorize cities to voluntarily adopt a uniform advanced energy building standard with stronger local standards for development and conservation that will help inform the baseline state code development process.**

SD-30. Building Officials

Issue: There is a shortage of certified building officials in Minnesota. This shortage is particularly acute in Greater Minnesota where some cities have trouble finding certified building officials to perform inspections required by state law. Minnesota needs to hire a new generation of certified building officials, and must ensure that current officials have adequate training and opportunity to inspect a wide range of projects.

The Department of Labor and Industry (DLI) has authority over state-licensed facilities and public buildings. Pursuant to Minn. Stat. § 326B.106, subd. 2, it must delegate authority to inspect projects on these buildings to a municipality if DLI determines that the municipality has

adequate qualified local building officials to perform plan review or inspection of the projects. In 2014 the Legislature passed legislation requested by the League of Minnesota Cities and agreed to by DLI to provide more transparency and clarity to the delegation process. DLI, after consulting local governments and the League, implemented a new delegation procedure as required by statute. Although the new delegation process is a significant improvement, it can still be difficult for local building officials to achieve the experience necessary to be delegated full inspection authority.

Response: Minnesota’s housing and construction industries depend on the work of local building officials, and cities that enforce the State Building Code endeavor to provide quality code administration and enforcement. The State must increase its efforts to train new building officials, and must provide sufficient education to help local officials efficiently administer and enforce construction regulations to protect the health and safety of citizens. These education efforts should include training to assist local building officials gain the requisite experience to qualify for delegation of state-licensed facilities and public buildings.

The League urges the state to make surplus revenue from the building permit surcharge available to local governments to help defray the cost of complying with code official training and education requirements.

SD-31. Disability Access Requirements

Issue: Title II of the Americans with Disabilities Act (ADA) of 1990 requires that state and local governments provide people

with disabilities equal opportunity to benefit from all of their programs, services, and activities. Public entities are not required to take actions that would result in significant financial and administrative burdens, but they must modify policies, practices, and procedures to avoid discrimination unless they can demonstrate that doing so would fundamentally alter the nature of the service, program, or activity being provided.

State and local governments are also required to follow specific standards when constructing new facilities and altering existing public buildings, and they must relocate programs or otherwise provide access in inaccessible older buildings. Under the ADA, public entities are not necessarily required to make each existing facility accessible. However, their programs—when viewed in their entirety—must be readily accessible to people with disabilities. A public entity may achieve program accessibility through various methods. For example, a city may alter existing facilities, acquire or construct new facilities, relocate a service or program to an accessible facility, or provide services at other accessible sites.

One district court judge has taken an expansive view of disability access requirements for public recreation facilities. The case involved a parent who sued a city due to difficulty viewing soccer and baseball games on certain city fields. The court, in interpreting the Minnesota Human Rights Act (MHRA), held that any public facility is a public service. Since the MHRA requires that every public service be accessible to disabled persons, the court concluded that each and every playing field and other public facility must be fully accessible. The court rejected the ADA’s limitations on modifications for physical access to older facilities, as well as the ADA’s “when viewed in its entirety” language for program access. The result is a more restrictive state

standard for physical access to public facilities than required by the ADA and the State Building Code.

***Response:* The League of Minnesota Cities supports changes to the MHRA that will make state accessibility standards compatible with the federal ADA for public services and facilities. The Legislature should clarify that a facility that is in compliance with Accessibility Code provisions of the State Building Code meets the physical access requirements of the MHRA. State law should also specify that accessibility requirements apply to public programs and services as a whole, rather than to each individual aspect of a public program or service.**

SD-32. Assaults on Code Enforcement Officials

Issue: Many city employees and contractors are required to enforce city codes and ordinances and state statutes and rules as part of their job duties. Code enforcement can involve denying a building permit, ordering a landlord to make repairs to rental properties, or fining property owners for failing to abate a nuisance. Because of the nature of their job, code enforcement officials can be subjected to verbal assaults, threats, and physical violence.

Minnesota law recognizes the need to protect certain employees whose jobs make it more likely that they will be the target of assaults by escalating assault charges from fifth to fourth degree for the assaults of peace officers, firefighters, school officials, and “public employees with mandated duties”. Minn. Stat. § 609.2231, subd. 6, specifically defines “public employees with mandated duties” as agricultural inspectors, occupational safety and health inspectors, child protection workers, public health

nurses, animal control officers, and probation or parole officers. An assault on one of these employees who is engaged in the performance of a duty mandated by law, court order, or ordinance, is a gross misdemeanor if the person knows the employee is engaged in the performance of official duties and inflicts demonstrable bodily harm.

Under current law, an assault on a code enforcement official not enumerated in Minn. Stat. § 609.2231, subd. 6, while performing official business can only be charged as fifth degree assault, a misdemeanor, unless it results in substantial bodily harm. All code enforcement officials should be afforded the same protections under Minnesota Statutes, and the legislature should amend the statute to expand the employees covered by the statute.

***Response:* The legislature should expand Minn. Stat. § 609.2231, subd. 6, to include code enforcement officials. The term code enforcement official should be defined broadly to include public employees and contractors whose jobs require them to enforce all administrative codes, rules, ordinances, and state laws.**

SD-33. Restrictions on Possession of Firearms

Issue: The Minnesota Citizens Personal Protection Act, also known as “conceal-and-carry,” prohibits guns on most school properties but forbids other local units of government from prohibiting loaded firearms on their properties. The inconsistencies in the law’s treatment of different kinds of properties have caused confusion about how the law applies to multi-use facilities, such as municipal ice arenas used for school-sponsored programs.

Further, the law gives private property owners the right to prohibit guns in their establishments, but prohibits landowners from restricting firearm possession by tenants and their guests without distinguishing between residential and commercial properties. This creates confusion for shopping malls and other retail properties with large common areas that are not occupied by the tenants but which the tenants and their customers must cross to access the tenant's space.

Finally, the Citizens Personal Protection Act does not explicitly state the type of firearm a permit holder may carry, and this has led to ambiguity regarding whether the law is limited to the right to carry a pistol-length firearm in public or if it allows for any firearm, including a military-style assault rifle.

***Response:* The League of Minnesota Cities requests an amendment to the Citizens Personal Protection Act that would allow cities to prohibit firearms in city-owned buildings, facilities, and parks. The League supports clarifying the Act to state that a permit holder, under the terms of a permit, is allowed to carry a pistol-length firearm, but not a semiautomatic military-style assault weapon. The League is not seeking a repeal of the Citizens Personal Protection Act, nor authority to prohibit legal weapons in parking lots or on city streets and sidewalks. The League also supports efforts by commercial property owners to clarify that the prohibition on restricting possession by tenants and their guests applies only to residential rental property.**

SD-34. Public Safety Communications

Issue: The state role in financing public safety communications has important cost

implications for cities. The state needs to accept financial responsibility for use by cities of the state public safety radio communications backbone. Cities have struggled to pay high expenses to participate in the 800 MHz statewide public safety system.

In previous state budgets, the Legislature turned to revenue sources upon which cities depend to cover costs to purchase and operate new communications technology and hardware for computer-aided dispatch, 911 public safety answering points (PSAPs), and interoperable radio communications equipment and subsystems in order to finance the build-out of the state backbone for the new system. As a result, fees were directed to fund revenue bond debt service used to complete the statewide build-out of the Allied Radio Matrix for Emergency Response (ARMER) and the cost of operations of the state public safety radio communications backbone.

At the federal level, the Federal Communications Commission (FCC) has ordered reservation of 700 MHz wireless spectrum for a national interoperable broadband network to meet public safety communications needs. FirstNet was established in 2012 as an independent authority within the National Telecommunications and Information Administration (NTIA) and is responsible for constructing a nationwide high-speed public safety wireless broadband network.

***Response:* The League of Minnesota Cities supports continued and increased state financing of substantial local costs to participate in ARMER, including the acquisition and modernization of subscriber equipment, such as portable and mobile radios required for ARMER users. The League also opposes efforts to divert dedicated ARMER funds to the**

state's general fund. The Legislature should fund regional cooperation and partnerships for effective delivery of 911 service, training and use of ARMER.

The League also urges the FCC to continue to support availability of wireless spectrum necessary to expand channel capacity that allows local public safety agencies to meet future needs of cities and other local units of government.

SD-35. Criminal and Juvenile Justice Information

Issue: Criminal justice information integration is about getting the right information into the hands of the right people at the right time and in the right place to make key decisions throughout the criminal justice process. The integration of criminal justice information remains complex and multifaceted. It takes time and resources from all levels of government. Public safety is compromised when there is a lack of centralized, complete, and accurate criminal history data about individuals, incidents, and cases.

City officials are aware of the complex issues raised by the utilization of electronic record keeping, data sharing, and access to records that identify data subjects. The League of Minnesota Cities recognizes that one of the ongoing challenges with the integration of criminal and juvenile justice information is meeting the requirements of the Minnesota Government Data Practices Act (MGDPA).

More than 500 cities operate police departments. These departments vary dramatically in fiscal capacity, staffing resources, and technical expertise. Further, each municipal law enforcement agency has unique operating procedures, strengths, and needs based on the community it serves. The

League knows the integration and security access to criminal and juvenile justice information systems has a significant impact on municipal police business practices.

Response: The League of Minnesota Cities supports continued efforts by the state to integrate and make available criminal justice information systems. This includes efforts in key areas of funding, data practices, collaborative relationships, balancing privacy and public safety, and addressing aging systems. The League also supports the Criminal and Juvenile Justice Information Advisory Group, cooperation among legislators, law enforcement, corrections agents, court officials, prosecutors, community groups, and businesses that build public support for criminal justice systems.

To ensure compliance with the MGDPA, comprehensive guidelines and operational practices should be implemented to safeguard access to and use of criminal and juvenile justice data. However, data practices policies should not create new, unfunded mandates for local units of government or compromise the usefulness of criminal and juvenile justice systems by creating unnecessary barriers.

SD-36. Pawn Shop Regulation and Use of the Automated Property System (APS)

Issue: Minn. Stat. ch. 325J enables licensure for pawnbrokers and provides statewide minimum regulations for the pawn industry.

Specifically, the law:

- a) Requires pawnbrokers to record all transactions, including details of the item pawned or sold, information about the customer and the cost of the transaction.

- b) Requires pawnbrokers to maintain records of all transactions for three years, and to make records available upon request to law enforcement agencies.
- c) Allows pawnbrokers to charge a maximum monthly interest rate of 3 percent of the principal amount loaned in a transaction, plus a reasonable fee for storage and services.

The Automated Property System (APS) is a computerized system for tracking and monitoring pawn transactions. The purpose of the APS is to provide a tool to verify compliance with Minn. Stat. ch. 325J, to help identify and minimize illegal activity, to recover stolen property, and to provide a legitimate environment for consumers. Currently, almost 260 law enforcement agencies and over 190 stores in Minnesota and Wisconsin participate in the APS system as either a “query only” or “contributing” member.

All access to and use of information in the APS system is governed by the Minnesota Data Practices Act. Only authorized users have access to the data. There is no public access to the data. Further, data that would reveal the identity of persons who are customers of a licensed pawnbroker or secondhand goods dealer are private data on individuals and only used for law enforcement purposes. Data describing the property in a regulated transaction with a licensed pawnbroker or secondhand goods dealer is public.

Original pawn and secondhand transactions reported to the APS carry a \$1 fee, regardless of the number of items involved. All subsequent updates or corrections to transactions are processed without charge. Contributing jurisdictions may also add regulatory costs to the transaction fee. The

total transaction fee is then typically assessed by the dealer to the customer.

A bill that would weaken Minn. Stat. ch. 325J and restrict the use of the APS has been introduced in the Minnesota Legislature. Specifically, the legislation would forbid law enforcement agents from acquiring customer information from pawn and secondhand shops until they have probable cause to do so, and would eliminate the authority of local units of government to more strictly regulate pawn and secondhand dealers.

***Response:* The League of Minnesota Cities supports the authority of cities to regulate and license pawnbrokers, and opposes any legislation that would remove the authority of local governments to enact more restrictive regulations than currently exist in Minn. Stat. ch. 325J.**

The League supports the authority of cities to set licensing and transaction fees that enable them to recover their full regulatory and enforcement expenses.

The League supports cooperation between law enforcement agencies and the pawn industry that enhances the ability to identify illegal activity and recover stolen property. Access to transaction information by law enforcement agencies is vital to accomplishing this goal. Further, the sharing of information through the use of the APS is a proactive way to prevent property and other crimes.

SD-37. City Costs for Enforcing State and Local Laws

***Issue:* Cities experience substantial costs enforcing state and local laws, particularly those related to traffic, controlled substances, and incarceration of prisoners.**

The current method in our criminal justice system of recovering costs for law enforcement and prosecution through fines is insufficient to meet the costs incurred by local governments. Further, when a violator requests relief from paying the full amount of the fine and surcharge, the courts have been more inclined to waive the fine than to reduce the surcharge. When this occurs, the local units of government recover no costs even though the city has incurred expenses.

***Response:* The Legislature should review this issue and adopt measures that provide for complete reimbursement of the costs incurred by local governments in enforcing state and local laws. Solutions that should be considered include:**

- a) **Increasing fine amounts.**
- b) **Removing or modifying county and state surcharges that conflict with cost recovery principles.**
- c) **Requiring the courts to consider ordering restitution from the defendant to reimburse the costs of enforcement and prosecution as part of any sentence.**
- d) **Requiring that if a court reduces the amount paid by a violator, any reduction should be made from the surcharge and not the fine.**

SD-38. Compensation and Reimbursement for Public Safety Services

Issue: Municipal public safety personnel often respond to emergencies involving non-residents. For example, municipal fire, police, and/or ambulance services may be dispatched to the scene of a traffic accident on an interstate highway involving victims from other cities or states. Although cities can bill for some public safety services they

provide to non-residents, they have limited authority to collect on unpaid bills.

Cities have also found that auto insurance policies vary when it comes to coverage for emergency responses. Insurance companies of those responsible for accidents sometimes deny payment for fire service.

Additionally, municipal public safety personnel commonly respond to emergencies that require the provision of medical services. The medical services provided by the city-employed first responders are part of a continuum of health care that is covered by insurance companies when provided by paramedics and other medical care providers; however, insurance policies vary when it comes to coverage for municipally provided medical services. Insurance companies of those treated by municipal public safety personnel frequently deny payment for emergency medical services when they are billed by a municipality.

Thus, when a municipal public safety agency provides first response medical assistance, they commonly do so at the expense of local property taxpayers.

***Response:* While emergency medical responses are legitimate functions of municipal public safety departments, the costs of providing emergency medical care to individuals should be covered by insurance and not be borne exclusively by the community's taxpayers. Cities should have the authority to bill for the full cost of first responder medical services they provide and to collect on unpaid bills. Insurance companies should be required to reimburse local governments for the full cost of providing these emergency medical services. Finally, auto and homeowner's insurance policies should be**

required to insure for the cost of emergency responses.

SD-39. Administrative Traffic Citations

Issue: Cities have implemented administrative enforcement programs for violations of local regulatory ordinances, such as building codes, zoning codes, health codes, and public nuisance ordinances. This use of administrative proceedings has kept enforcement at the local level and reduced pressure on over-burdened district court systems.

The Legislature has repeatedly increased the fine surcharge on district court cases to generate revenues for the state's general fund. The surcharge—the amount paid over and above the fine—is now \$75 per citation. The growth in the surcharge has dramatically increased the cost of citations and has caused some to question whether the total of the fine and surcharge is disproportionate for minor matters. To lower the amount imposed on their residents, a number of cities have expanded their administrative programs to include some offenses traditionally heard in district court, such as minor traffic offenses.

The increased state surcharges have not been used to assist local units of government with the growing costs of enforcement and prosecution. No matter which entity—city, county or state—issues a statutory citation, the violator pays between \$115 and \$127 for a minor speeding violation. Of this amount, the city receives between \$13 and \$20, and the county receives just slightly more.

Further, when a violator requests relief from paying the full amount of the fine and surcharge, the courts have been more inclined to waive the fine than to reduce the surcharge. When this occurs, the local units

of government recover no costs even though the city has incurred expenses.

In 2009, the Legislature amended the statutes to allow administrative fines to be issued for certain minor traffic offenses. Cities report that the short list of offenses noted in that law change does not adequately address the needs of local law enforcement. Additional authority is necessary to allow law enforcement officers to implement an effective program to reduce violations.

***Response:* The League of Minnesota Cities continues to support the use of city administrative fines for local regulatory ordinances, such as building codes, zoning codes, health codes, public nuisance ordinances and regulatory matters that are not duplicative of misdemeanor or higher level state traffic and criminal offenses. Cities should have the authority to issue administrative citations for low-level moving and equipment violations that: 1) would otherwise result in warnings, and 2) occur on roadways where the speed limit is 45 miles per hour or less.**

If state leaders choose not to expand the list of administrative traffic offenses, they should then change the distribution of statutory violation fine revenues so that cities are adequately compensated for enforcement and prosecution costs.

SD-40. Distracted Driving

Issue: Distracted driving is when a driver engages in any activity that might take attention away from the primary task of driving. According to the Minnesota Department of Public Safety, one in four motor vehicle crashes is related to distracted driving. Distracted driving was a contributing factor in 175 fatal crashes from 2011 to 2013 in Minnesota and resulted in

191 deaths. More than half of those crashes occurred in rural areas. Those fatalities cost the state more than \$269 million. A University of Utah study finds that the relative risk of being in a traffic accident while using a cell phone is similar to the hazard associated with driving with a blood alcohol level at the legal limit.

Under existing law, it is illegal for a driver to read, compose, or send text messages and emails, or access the Internet using a wireless device, while the vehicle is in motion or a part of traffic (including while stopped in traffic or at a semaphore). Cell phone use is totally banned for school bus drivers. Cell phone use is also totally banned for teen drivers during their permit and provisional license stages.

***Response:* The League of Minnesota Cities opposes any changes to Minnesota Statutes that would weaken distracted driving laws.**

The League supports state funding for distracted driving enforcement and education and also supports strengthening distracted driving laws.

SD-41. Juveniles in Municipal Jails

Issue: Municipal jails have long served as holding facilities for suspects who are being questioned and/or booked, and for those awaiting transfer to a county jail or juvenile detention facility. In 2012, the Minnesota Department of Corrections (DOC) issued a reinterpretation of an existing law to say that, “[W]here counties have secure juvenile correctional facilities...juveniles are not allowed to be held in jail and/or municipal lock-ups for any length of time.”

This interpretation is in conflict with a provision in Minn. Stat. § 260B.181, subd. 4, which provides that juveniles can be held

in a licensed juvenile facility for up to six hours. Many municipal jails, including those in counties where juvenile detention facilities exist, have been operating under the six-hour holding law.

Managers of municipal jails indicate the reinterpretation of the law is contrary to common practice and presents significant challenges for municipal law enforcement personnel.

***Response:* The League of Minnesota Cities supports a statutory clarification that would allow juveniles to be held for questioning and booking in licensed jail facilities for up to six hours, regardless of whether the county has a juvenile detention facility.**

SD-42. Justice System Funding

Issue: Over the past several years, Minnesota’s justice system has operated under consecutive budget shortfalls. Public service windows are closed part of each week in many courthouses. Delays in case filings, hearings and dispositions are building throughout the state as staff and judges struggle to keep up with caseloads. The budget shortfalls limit the ability of the courts to process cases pertaining to shoplifting, trespassing, worthless checks, traffic and ordinance violations, juvenile truancy, runaways and underage drinking, consumer credit disputes, property-related and small civil claims, and many other cases. Timely processing of these cases is critical to keeping communities safe and to preserving the quality of life residents expect.

The State Court Administrator has advocated for statutory changes that have resulted in efficiencies and cost savings while preserving core services. These changes involve consolidating services

where practicable and using technology to reduce costs. They include centralized payable processing, use of e-citations and restructuring of state mandated programs.

***Response:* The League of Minnesota Cities supports a statement by former Chief Justice Eric J. Magnuson that calls for “an adequately funded, functioning justice system that resolves disputes promptly in order to ensure the rule of law, protect public safety and individual rights and promote a civil society.” The League supports the use of technology to reduce costs and preserve services. The League opposes any changes that would decriminalize local ordinances, petty misdemeanors or misdemeanor offenses, or that would make prosecution of these crimes more difficult.**

SD-43. 21st Century Policing

Issue: Published in May 2015, the *President's Task Force on 21st Century Policing Report* makes multiple recommendations aimed at helping law enforcement agencies and communities strengthen trust and collaboration, while reducing crime by implementing the next phase of community-focused policing. The report contains recommendations related to six key areas of law enforcement:

1. Building Trust and Legitimacy;
2. Policy and Oversight;
3. Technology and Social Media;
4. Community Policing and Crime Reduction;
5. Training and Education; and
6. Officer Safety and Wellness.

Many Minnesota communities have embraced 21st Century Policing concepts, and municipal police departments throughout the state have adopted policies that align with 21st Century Policing principles. The Legislature and governor made progress toward advancing 21st Century Policing principles statewide by enacting the 2020 Police Accountability Act.

In Minnesota, police chiefs have indicated strong interest in securing additional training in 21st Century Policing practices for officers. Demand for training has increased in recent years, and in 2017 the Legislature responded by increasing continuing education requirements for officers, expanding the scope of this training to include more community policing, and by providing \$6 million per year for training reimbursement provided by the Peace Officer Standards and Training (POST) Board. This funding is not permanent and sunsets in 2024.

The POST Board is funded through a special revenue account from a surcharge on criminal and traffic convictions. However, a significant amount of the special revenues collected are diverted to the state’s general fund and are not made available for training reimbursement, and the amount of the surcharge paid to the state has been declining. There is also growing concern about the impact of the surcharge on residents, particularly those of low income and persons of color, and concern about funding policy training based on ticket revenue.

***Response:* The League of Minnesota Cities recognizes the need for communities and law enforcement agencies to strengthen trust and collaboration, while continuing to reduce crime. The League supports the recommendations of the President’s Task**

Force on 21st Century Policing Report as well as the training, policy and accountability provisions contained in the 2020 Police Accountability Act. To that end, the League supports:

- a) POST Board model policies that align with the recommendations of the President’s Task Force on 21st Century Policing Report and the 2020 Police Accountability Act;**
- b) POST Board approved training opportunities for new recruits and in-service peace officers that include but are not limited to procedural justice, bias/implicit bias and cultural awareness, de-escalation, and crisis intervention training;**
- c) Increased state and federal funding for peace officer training that includes reimbursement for tuition, travel, time and backfilling the shifts of officers who are out for training;**
- d) Permanent funding for police training that is not based on criminal and traffic ticket revenue;**
- e) State and federal funding for peace officer safety and wellness initiatives; and**
- f) Authority and grants for municipal police departments to deploy technologies such as dash cameras and police body worn cameras that enhance both criminal justice and officer accountability.**

SD-44. Post-Incarceration Living Facilities

Issue: Sufficient funding and oversight is needed to ensure that residents living in post-incarceration living facilities have appropriate care and supervision, and that neighborhoods are not disproportionately impacted by high concentrations of these types of facilities. Under current law, operators of certain post-incarceration living

facilities are not required to notify cities when they intend to purchase single family housing for these purposes. Cities do not have authority to regulate the locations of post-incarceration living facilities. Cities have reasonable concerns about the safety of facility residents and neighborhoods, particularly in cases of public safety. Cities also have an interest in preserving a balance in residential neighborhoods between this type of facilities and other uses. It is in the best interest of providers to inform and work with cities before opening a facility in order to educate providers of community standards and expectations.

Response: Cities should have statutory authority to require agencies, as well as licensed and registered providers, that operate post-incarceration living facilities to notify the city before properties are operated. Cities should be provided with the necessary contact information once licensed or registered. Providers applying to operate post-incarceration living facilities should be required to contact the city to be informed of applicable local regulations. The Legislature should also require establishment of non-concentration standards for post-incarceration living facilities to prevent clustering. Finally, licensing or registering authorities must be responsible for removing any residents incapable of living in such an environment, particularly if they become a danger to themselves or others.

SD-45. Homeland Security Costs and Liability

Issue: The federal government’s response to terrorism has resulted in new responsibilities for local governments in a number of areas. For example, shortly after the terrorist attacks on Sept. 11, 2001, the federal government tapped local law enforcement

personnel to provide security and perform screening at our nation's airports. These new responsibilities increase cities' liability exposure and result in higher local costs for public safety services. In addition, local governments are expected to continue emergency planning and capacity building efforts, provide additional training and equipment for first responders, and improve emergency response coordination and communication.

As partners in protecting our country from terrorism, the federal government must: 1) provide greater direct financial support for our first responders; 2) maintain funding for general pre- and post-disaster emergency management programs; 3) ensure a coordinated and effective national emergency response system; and 4) address issues of cyber security that threaten public safety, services, and infrastructure.

***Response:* The League of Minnesota Cities recommends that when the federal government requires or contracts for cities' assistance in meeting federal homeland security responsibilities, the federal government should fully cover the costs, including the risk of liability arising from these activities.**

The League supports greater federal funding to prepare, train, and equip our first responders. The League also supports changes in the federal funding process to ensure Department of Homeland Security funds move quickly to the local level. Furthermore, the League supports the allocation of state resources to provide training and technical assistance to local governments related to the prevention and control of cyber security risks to critical infrastructure.

SD-46. Cybersecurity

Issue: Dating back to at least 2012, U.S. Defense Secretaries have warned that the United States are increasingly vulnerable to foreign computer hackers who could dismantle the nation's power grid, transportation system, financial networks and government. On a state level, the original Minnesota broadband task force issued unanimous joint recommendations regarding cybersecurity in their 2009 report. The more recent iteration of the Broadband Task Force also issued a 2016 recommendation to establish a legislative cybersecurity commission to share information, monitor workforce issues, and support and strengthen infrastructure. These recommendations to address cybersecurity issues in the state have not been implemented, which creates an absence of a secure and safe forum for state and local officials and policymakers to share information and assess the necessary tools and capabilities needed to protect their systems. The problem is serious. The Minnesota Judicial Branch, state agencies, cities, and school districts were all affected by cyberattacks in 2017.

***Response:* The League of Minnesota Cities supports state action to identify and strengthen state and local capabilities. The League supports the inclusion of funding to evaluate state government cyber vulnerabilities, single points of failure, and fixes, and, based on those findings, create an ability for municipal governments to apply for grant funding or assistance to help conduct the same evaluation.**

SD-47. Legalization of Fireworks

Issue: In 2002, the state enacted a law allowing the sale and use of non-aerial, non-explosive consumer fireworks, including

sparklers, party poppers, snakes, and other novelty items—relaxing the ban on consumer fireworks in place in Minnesota since 1941. In 2008, the Legislature further relaxed the ban by increasing the amount of explosive material allowed in legal fireworks.

Local fire service professionals have reported that consumers and law enforcement personnel have had difficulty distinguishing between legal and illegal fireworks, and that the 2002 law resulted in greater use in Minnesota of illegal fireworks purchased in other states.

According to data provided by the Minnesota State Fire Marshal Division, injury trends and dollar losses related to fireworks incidents surged after the consumer fireworks ban was lifted. Hospital reports reveal that the annual number of injuries caused by fireworks rose dramatically in 2002 and remains elevated. Likewise, Minnesota Fire Incident Reporting System records show that the annual dollar loss resulting from fireworks incidents increased significantly in 2002 and has since grown.

In 2003, the state enacted a number of provisions limiting local authority pertaining to fireworks sales. The 2003 law caps the allowable municipal permit fee at \$100 per vendor selling fireworks with other products, and \$350 per vendor selling fireworks exclusively. The law restricts cities from requiring fireworks sellers to purchase additional liability insurance. Finally, the 2003 law states that cities cannot prohibit or restrict the display of consumer fireworks if the display and structure comply with National Fire Protection Association (NFPA) Standard 1124. The NFPA is a private international association of individuals and trade and professional organizations. (NFPA Standard 1124 is not a

public document and is available only for a fee.)

Fireworks products can cause serious injuries and fire loss. The legal sale of consumer fireworks undermines fire prevention efforts. The sale and use of consumer fireworks increase local public safety enforcement, emergency response, and fire-suppression costs.

***Response:* The League of Minnesota Cities opposes legislation that would further relax the ban on the sale and use of consumer fireworks. The League supports a repeal of the 2002 law that relaxes the ban on the sale and use of consumer fireworks.**

Fees are needed to cover the costs associated with compliance checks, education, and inspections relating to the sale of a regulated product. The current fee caps do not allow cities to recover these costs. The League supports allowing cities to establish and impose reasonable fees on retailers that sell fireworks. The League opposes restrictions on requiring fireworks retailers to purchase additional liability insurance. Finally, the League seeks repeal of the NFPA reference.

SD-48. Traffic Enforcement Cameras

Issue: Drivers who disobey traffic laws can cause serious traffic accidents and contribute to gridlock. In spite of the severity of this problem, cities cannot always afford the levels of peace officer enforcement that residents demand. The technology exists to enforce traffic laws with photographic evidence. For example, there is less running of red lights when motions imaging recording systems (MIRS) are installed at traffic signals.

Response: Local law enforcement agencies should have the express authority to use photo enforcement technology to enforce traffic laws. Local law enforcement officers should have the express authority to issue citations for traffic violations by mail where the violation is detected with photographic evidence.

SD-49. Operation of Motorized Foot Scooters

Issue: Current state statute (Minn. Stat. § 169.225) regulates the operation of motorized foot scooters and treats motorized foot scooters similar to bicycles in terms of rights and duties. By statutory definition (Minn. Stat. § 169.011, subd. 46), motorized foot scooters must be powered by an engine or motor that is limited to a maximum speed of 15 miles per hour. The law provides that an operator must be 12 years of age or older. Although the law contains safety provisions, including a requirement that operators under the age of 18 must wear helmets, it does not require training or permits for operators of any age.

Motorized foot scooters that are part of organized sharing or rental businesses rely on the ability to park in the public right-of-way, especially on public sidewalks, to facilitate customer access and vending. Cities have express authority to regulate parking on city streets and sidewalks. Local government units should also have clear authority to regulate or proscribe unauthorized use of city right-of-way for motorized foot scooter parking, to require a permit or license for each scooter or sharing company, and to include terms and conditions dictated by the granting authority.

In order to protect public health, safety and welfare, it is important that cities have clear authority to regulate motorized foot scooter parking and sharing options.

Response: State law should support the ability of local governments to regulate or proscribe unauthorized use of city right-of-way for motorized foot scooter parking, to require a permit or license authorizing motorized foot scooter parking or sharing in the public right-of-way, and to impose terms, conditions, and local rules on businesses seeking such a permit or license.

SD-50. Drug Courts

Issue: The League of Minnesota Cities recognizes the impact of substance abuse on individuals, communities and taxpayers. According to the National Council on Alcoholism and Drug Dependence, the relationship between alcohol and drugs and crimes--including domestic abuse and violence, underage drinking, robbery, assault and sexual assault--is clearly documented. The National Center on Addiction and Substance Abuse reports 65 percent of the nation's inmates meet certain medical criteria for substance abuse and addiction, but only 11 percent received treatment for their addictions.

Drug courts are an effective problem-solving approach for dealing with alcohol and other drug addicted offenders in the judicial system. Drug courts closely monitor the defendant's progress toward sobriety and recovery through ongoing treatment, frequent drug testing, regular mandatory check-in court appearances, and the use of a range of immediate sanctions and incentives to foster behavior change.

In drug court, judges collaborate with other traditional court participants (prosecutors, defense counsel, treatment providers, probation officers, law enforcement, educational and vocational experts, community leaders and others), whose roles have been substantially modified, but not

relinquished, in the interest of helping defendants deal with addiction.

Response: The League of Minnesota Cities supports the efforts of drug courts to address substance abuse and reduce crime. The League supports funding for additional drug courts.

SD-51. Drug Paraphernalia

Issue: Cities throughout the state struggle with local businesses selling items primarily designed to enable illegal drug use. Current state law only prohibits use, possession, delivery, and advertisements of drug paraphernalia. The law inadequately defines the term “drug paraphernalia,” and leaves cities to pass more effective ordinances “prohibiting or otherwise regulating the manufacture, delivery, possession, or advertisement of drug paraphernalia.”

Many cities have adopted their own ordinances to regulate drug paraphernalia, including specifically prohibiting sales. But for a variety of reasons, business owners routinely challenge these ordinances as unconstitutional and then successfully invoke virulent public outcry on that basis. This experience—along with costly court challenges—discourages other cities from taking similar steps to curb illegal drug activity, and leaves most cities only able to enforce an inadequate state law.

Most states immediately around Minnesota define “drug paraphernalia” in a detailed way based on a 1979 model federal law designed to avoid constitutional issues. Minnesota does not. Federal law and the law of half the states immediately around Minnesota explicitly ban sales of drug paraphernalia, but Minnesota does not. The current state of the law arguably makes drug paraphernalia easier to obtain in Minnesota

than in the states immediately surrounding it.

Response: The League of Minnesota Cities supports strengthening the current statutory prohibition on drug paraphernalia, including improving the statutory definition of “drug paraphernalia” and explicitly prohibiting sales.

SD-52. Regulation of Massage Therapists

Issue: The state does not currently license nor register massage therapists. Minn. Stat. ch. 146A is the Complementary and Alternative Health Care Practices Act which identifies prohibited provider conduct and authorizes the Minnesota Department of Health to take disciplinary action against noncompliant providers who are not registered or licensed by a health-related licensing board. The office has authority to respond to allegations of prohibited behavior through an investigatory process but this function is triggered mainly by consumer complaints and there is no requirement that the office take any action. Additionally, resources for these purposes have been severely limited.

In absence of any required statewide standards or regulation, several cities have entered the traditional state domain of health-care licensure by enacting ordinances that require all massage therapists to obtain a local professional license and many cities have also required bricks and mortar establishments to obtain a business license. These ordinances help local law enforcement officers to differentiate between legitimate providers and businesses engaged in sex trafficking and prostitution as well as provide for health and sanitation standards.

City staff and law enforcement have spent much time and resources conducting statewide criminal background checks; investigating massage therapist accreditation programs to determine legitimacy and credibility; and inspecting and monitoring establishments due to citizen complaints and concerns. This has resulted in different procedures, requirements and fee structures across the state. Despite the thorough work of city staff and law enforcement, when an illegitimate business suspects investigation, it will often close down and re-open in a different city. Without any sort of statewide database of these businesses, one city's solution may become another city's problem.

Additionally, local law enforcement agencies do not have access to national criminal history data. This has allowed those with criminal convictions in other states related to sex trafficking and prostitution to obtain massage therapy business and/or professional licenses in cities in Minnesota. Allowing access to this information could help cities prevent sex trafficking across state lines.

Response: The League of Minnesota Cities supports the statewide registration or licensure of massage therapists that would not pre-empt the ability of cities to regulate massage therapy establishments. The League also supports legislation pertaining to the practice of massage therapy that accomplishes the following:

- a) Helps cities establish legitimacy of providers and businesses applying for a local license to practice, including allowing local law enforcement agencies access to national criminal history databases.**
- b) Prevents individuals from conducting criminal activities such as prostitution and sex trafficking out of**

establishments operating as massage therapy facilities.

- c) Improves provider compliance with Minn. Stat. ch. 146A and requires the state to take action in response to noncompliance.**
- d) Protects the public from injury and from other conditions that may result in harm.**

SD-53. Lawful Gambling and Local Control

Issue: As part of the 2009 reforms to lawful gambling statutes, some local control was removed from the lawful gambling process. Previously, the lawful gambling licensee would have to obtain the city council's approval as part of its application to renew the organization's premises permit (some forms of lawful gambling require obtaining an organizational license and a premises permit(s) from the state). This step was removed when the state established a perpetual organizational license and premises permitting system. Because these licenses and permits are issued by the state, under the current system a city's authority over these licensees is limited to: 1) approval of the initial premises permit; and 2) enforcement of the city's lawful gambling ordinance. Some city officials have concerns that gambling organizations will be more apt to ignore local regulations (such as spending the required percentage of lawful gambling expenditures in the city's trade area) if they don't need the city's approval for the renewal of their state-issued premises permits.

Response: **The licensee should be required to obtain local approval on an annual basis, or at longer intervals as determined by the city, and file the resolution of local approval with the Gambling Control Board.**

SD-54. Liquor Liability Insurance Limits

Issue: Minn. Stat. § 340A.409 requires that “no retail license may be issued, maintained or renewed unless the applicant demonstrates proof of financial responsibility with regard to liability imposed by Minn. Stat. § 340A.801” relating to the sale of alcoholic beverages. The minimum limits of liability currently in statute require \$50,000 of coverage because of bodily injury to any one person in any one occurrence, \$100,000 because of bodily injury to two or more persons in any one occurrence, \$10,000 because of injury to or destruction of property of others in any one occurrence, \$50,000 for loss of means of support of any one person in any one occurrence, \$100,000 for loss of means of support of two or more persons in any one occurrence, \$50,000 for other pecuniary loss of any one person in any one occurrence, and \$100,000 for other pecuniary loss of two or more persons in any one occurrence. These limits have not been updated since at least 1985 and would provide very little relief to persons impacted by an intoxicated person. While cities can choose to require higher limits of liability than required by statute, it may create competitive imbalance between communities if the limits are not consistent.

Response: The minimum limits in Minn. Stat. § 340A.409 should be increased to \$500,000 per occurrence with a \$500,000 annual aggregate.

SD-55. On-Sale Liquor or Wine Licenses to Cultural Centers

Issue: Cultural centers are not one of the qualifying entities to which municipalities

may issue on-sale liquor or wine licenses. Several cultural centers have received special legislation that allows their municipalities to issue on-sale liquor or wine licenses to them. This practice interferes with the ability of municipalities to control the placement and operating manner of these entities.

Response: The Legislature should authorize municipalities to issue on-sale liquor or wine licenses to cultural centers, subject to restrictions imposed by the municipality.

SD-56. Liquor Licensing of Non-Contiguous Spaces

Issue: During the COVID-19 outbreak, restaurants and bars have been able to open at limited capacity for in-person service with spacing requirements between tables both inside and outside. To provide opportunities for businesses to open and serve the public, many cities allowed for non-contiguous spacing of tables outside despite requirements outlined in Minn. Stat. § 340A.410, subd 7. This has allowed customers to go to restaurants and bars and remain outside, which has been deemed preferable to dining indoors in mitigating the risk of exposure to the virus.

Response: The increased flexibility has allowed businesses and cities to partner in response to the pandemic and city residents have enjoyed increased seating options. The League of Minnesota Cities supports amending Minn. Stat. § 340A.410 to allow for licensing of spaces that are not compact and contiguous during and after the pandemic.

SD-57. Wine and Off-Sale Licenses

Issue: Minn. Stat. ch. 340A authorizes cities to issue liquor licenses to various establishments within their jurisdictions, but in virtually all cases, the license issued by the city is not valid until the state approves it. This is true for such commonly issued licenses as wine, off-sale intoxicating liquor and temporary on-sale intoxicating liquor licenses. The result is extra time spent for city staff, as well as a time-based commercial impact to the business pursuing the original license.

Additionally, if a business applies for an on-sale wine license, the state may choose to conduct an inspection of the business further delaying approval of the license and full operation of the establishment. This inspection is often in addition to a city certificate of occupancy inspection and a county health inspection.

Response: The Legislature should remove the requirement of approval by the commissioner for city-issued liquor licenses and simply require cities to notify the state of newly issued and renewed licenses as is already the case for intoxicating on-sale liquor licenses and all 3.2-liquor licenses. If the state requires an inspection to certify an on-sale wine license, this should be delegated to either the city or county to be conducted at the same time as other inspections. This will expedite the process for both the state and the business.

SD-58. Youth Access to Alcohol and Tobacco

Issue: To promote public safety and public health, cities have an interest in preventing youth from obtaining alcohol and tobacco. For example, the Minnesota Department of Health reports that 80 percent of adult

smokers had their first cigarette before the age of 18; reducing youth tobacco use may help prevent adverse impacts of tobacco in the future. To this end, many cities operate compliance check programs in an effort to discern the current level of youth access and to reduce youth access. Statewide, a number of cities have created community partnerships with their court systems, local businesses, and school districts to quickly address problems associated with youth access to alcohol and tobacco.

Response: The League of Minnesota Cities opposes any proposal that could result in increased risks of youth access to alcohol and tobacco products and supports statutory changes that assist in reducing youth access to alcohol and tobacco products. The League supports locally-determined alcohol compliance check programs, but any state mandate for alcohol compliance checks should come with state-supported funding initiatives to support these locally-determined compliance efforts. The Legislature should consider a grant program supporting locally-based community partnerships that can quickly and effectively respond to youth access problems.

SD-59. Consumer Small Loans

Issue: Consumer small loans, also known as “payday loans,” are short-term cash loans based on the borrower's personal check held for future deposit or on electronic access to the borrower's bank account. Borrowers write a personal check for the amount borrowed plus the finance charge and receive cash. In some cases, borrowers sign over electronic access to their bank accounts to receive and repay payday loans. Lenders hold the checks until the borrower's next payday when loans and the finance charge must be paid in one lump sum.

Consumer small loans are typically predatory in nature. According to Debt.org, an organization dedicated to helping consumers understand and overcome debt, predatory lenders typically target minorities, the poor, the elderly and the less educated. They also prey on people who need immediate cash for emergencies such as paying medical bills, making a home repair or car payment. These lenders also target borrowers that do not qualify for conventional loans or lines of credit due to credit problems or unemployment.

***Response:* The League of Minnesota Cities seeks statewide legislation that would protect consumer small loan borrowers against predatory lending practices. Also, cities should have explicit authority to regulate consumer small loan conditions including the ability to cap finance charges and interest rates.**

SD-60. Regulation of Mobile Businesses

Issue: The transient nature of mobile businesses presents unique challenges to traditional city zoning and permitting and may create an unfair competitive advantage over traditional businesses that pay property taxes and generate income for a city. Cities also make significant investments in the development of retail districts and downtowns and have a strong interest in maintaining a level playing field for brick and mortar establishments.

Minnesota has seen a sharp increase in the number of food trucks (Mobile Food Units) operating throughout the state. Food trucks are licensed as food and beverage service establishments by the Minnesota Department of Health (MDH) or by local jurisdictions pursuant to an MDH delegation agreement. Food trucks are prohibited from operating in the same location for more than

21 days without approval of the regulatory authority.

In 2015, the Legislature authorized the Board of Cosmetologist Examiners to adopt rules governing the licensure, operation and inspection of “Mobile Salons” which are operated in a mobile vehicle or mobile structure for exclusive use to offer personal services defined in Minn. Stat. § 155A.23, subd. 3. The rules must prohibit mobile salons from violating reasonable municipal restrictions on time and place of operation of a mobile salon within its jurisdiction, and shall establish penalties, up to and including revocation of a license, for repeated violations of municipal laws.

***Response:* It is appropriate for mobile businesses to be licensed by the state or its designees in the same manner as non-mobile business establishments. Such state regulation must not preempt the ability of local governments to enact reasonable time and place restrictions on the operation of mobile businesses within their jurisdictions.**

SD-61. Regulation of Party Buses and Boats-for-Hire

Issue: A party bus (also known as a party ride, limo bus, limousine bus, party van, or luxury bus) is a large motor vehicle usually derived from a conventional (school) bus or coach, but modified and designed to carry 8 or more people for recreational purposes. In Minnesota, these vehicles are regulated by default under Minn. Stat. ch. 221 (the chapter of law dealing with motor carriers) and registered by the Minnesota Dept. of Transportation’s (MnDOT’s) Office of Freight and Commercial Vehicle Operations. The regulations require operators to carry commercial insurance, have an annual vehicle inspection and be registered with the state. Party bus drivers

are required to hold a current commercial driver's license (CDL) issued through the Minnesota Dept. of Public Safety's Driver and Vehicle Services Division.

A boat-for-hire is a watercraft used by owners and operators to carry passengers for hire. Minn. Stat. § 326B.94 and Minnesota Rules 5225.6000 through 5225.7200 govern the requirements of boat owners and operators carrying passengers for hire on Minnesota's inland waters. These vessels must have a permit to carry passengers for hire. They must have an annual safety inspection and a dry-dock inspection performed by Minnesota Department of Labor and Industry boiler inspection personnel once every three years (or annually if the hull is made of wood). The vessels must also be operated by a licensed master and must follow all Minnesota Dept. of Natural Resources' boating and water recreation regulations.

Party buses and boats-for-hire are sometimes chartered for celebrations such as weddings, proms, bachelor and bachelorette parties, birthdays and tours. Party buses are also popular for round trips to casinos and sporting events, and personalized drop-offs and pick-ups at various bars and nightclubs. Additionally, both party buses and boats-for-hire have become popular settings for adult entertainment.

Cities have seen a sharp increase in the number of party buses and boats-for-hire being used as venues for illegal activities such as underage drinking, drug use and sex trafficking. The transient nature of party buses and boats-for-hire presents unique challenges to traditional city zoning, permitting and law enforcement. While state laws regulate requirements for the operation of party buses and boats-for-hire, the law is silent on enforcement, penalties, inspection

and liability related to illegal activities that occur in party buses and on boats-for-hire.

***Response:* The League of Minnesota Cities supports changes to state statutes that would help reduce criminal activities taking place on party buses and boats-for-hire. Specifically, the League supports:**

- a) Creation of statutory definitions of "party bus" and "boat-for-hire" that contain permissible uses of the vehicles;**
- b) Prohibition on offering or allowing "adult entertainment" as defined by Minn. Stat. § 617.242, "sexual conduct" as defined by Minn. Stat. § 617.241, or "nudity" as defined by Minn. Stat. § 617.292, subd. 3, on party buses and boats-for-hire;**
- c) Explicit authority for peace officers to investigate suspicious activities on party buses and boats-for-hire and to cite individuals on board who are involved in illegal activities; and**
- d) Requiring the appropriate authority to utilize existing authority to impose fines, or to deny, suspend, or revoke permits or registration certificates held by operators found to have adult entertainment, drug, or underage consumption violations.**

SD-62. Environmental Protection

Issue: Cities demonstrate strong stewardship for the protection and preservation of the environment. Minnesota municipalities have historically been the leading funding source for environmental protection and improvements. Municipal efforts include environmental protection through wastewater treatment, wetland restorations, stormwater treatment, public utility emission reductions, brownfield cleanup, safe drinking water programs, as well as others.

At some point, however, the diminishing or nonexistent environmental benefit received from additional efforts is fiscally irresponsible. The programs are often improperly designed to meet their stated goals. Additionally, the absence of funding by the state and federal government has removed an essential restraining feature in program design and implementation. Agencies are less accountable to the governments that mandate environmental programs when they do not have to find the money to implement the programs.

Specific problems faced by cities include:

- a) New programs or standards are continually adopted without regard to the existence, attainability or cost of existing programs and standards.
- b) Regulatory bodies fail to consistently use the best science available and the most current and accurate data when establishing water quality standards.
- c) Regulatory bodies impose new permit requirements without going through rulemaking. Instead, the agencies rely on internal documents, program strategies, and “best professional judgment of staff” when setting permit criteria.
- d) Regulatory bodies approve permits and programs that compete with traditional municipal services and encourage urban sprawl. This behavior puts at risk the public investments and growth management efforts cities have made when planning for future development.
- e) Permit fees and other cost-transfer elements of federal and state programs do not provide an incentive for environmental agency efficiency, policy prioritization or risk assessment. Additionally, all residents of the state contribute to the need for wastewater, drinking water, and stormwater treatment and benefit from the resulting improved water quality. These factors

- f) Third-party environmental advocacy groups create significant hardships on cities by threatening litigation even when the best science available may not support the groups’ positions.
- g) Cities are often required to pay the cost of removing problem materials from the waste stream, rather than preventing the problem at the consumer product or manufacturing level.

Response: Alternative wastewater treatment and cooperative service systems should be prohibited from operating in areas that can reasonably and effectively be served by existing municipal systems, unless:

- a) **The municipal system is proven to be substantially less cost-effective and substantially less beneficial to the environment; and**
- b) **The operation of these systems will not create a stranded public investment in the existing system.**

Sufficient state and federal financial assistance should be provided to local governments when complying with state and federal infrastructure requirements, particularly with regard to wastewater, stormwater, and drinking water facilities.

The Minnesota Pollution Control Agency (MPCA) should streamline its permitting and re-issuing processes to allow for effluent standards and permit requirements to be known earlier, thereby giving communities more time to defend against contested case hearings.

The Legislature should require the MPCA to make its determination regarding permit-required submittals,

permit modifications, and the reissuance of a permit within a reasonable set time period, and require the MPCA to make its determinations and reissue the permit within that reasonable set time frame.

The state should ensure townships are required to meet the same environmental protection and regulatory requirements as cities.

Legislation should be passed that requires state agencies to establish permit requirements only when the criteria they are using is developed through the rule-making process.

State agencies need to develop science-based standards and quantify new effluent standards, ensuring that they are scientifically and economically practicable. State and federal agencies should coordinate and integrate their monitoring data to assure that all pertinent data is available and utilized.

The state general fund is an appropriate source for state water program funding. Municipal water permit fees should only be increased if new revenue is needed because of increased costs of processing municipal water permits or if the funds would go for specific scientific research, technical and financial support for cities, or agency staffing needed by cities to address environmental and public health concerns, not as a means to generate new revenue to cover other budget shortfalls.

Additionally, the Legislature should create effective, producer-led reduction, reuse, and recycling programs to deal with a product's lifecycle impacts from design through end-of-life management and should regulate products and compounds that damage water quality, sewer collection, stormwater or

wastewater treatment systems at the consumer and manufacturing levels, not just at the treatment and infrastructure maintenance level. Examples include requiring accurate labeling as to whether disposable wipes can be safely flushed and creating incentives for private salt applicators to reduce the volume of salt they apply.

SD-63. Impaired Waters

Issue: Despite the billions of dollars that Minnesota municipalities have invested and continue to invest in wastewater and stormwater management systems, and best management practices to protect, preserve, and restore the quality of Minnesota's surface waters, the quality of some of Minnesota's surface waters does not meet federal water quality requirements. The federal Clean Water Act requires that further efforts be made by the state to reduce human impacts on surface waters that are determined to be impaired due to high pollutant loads of nutrients, bacteria, sediment, mercury, and other contaminants. Scientific studies of these waters must be conducted to determine how much pollution they can handle (Total Maximum Daily Loads, or TMDLs). The pollutant load reduction requirements will affect municipal, industrial, and agricultural practices and operations along any river, stream or lake determined to be impaired. While the sources of 86 percent of the pollutants affecting Minnesota waters are non-point sources, there will also be new costs and requirements for point-source dischargers, like municipal wastewater treatment facilities. Municipal stormwater systems will also face increased protective requirements and regulation as part of the state's impaired waters program.

Response: The League of Minnesota Cities will work actively with the

administration, the Legislature, and other stakeholders in the design and implementation of Minnesota's impaired waters program to:

- a) Ensure equitable funding solutions are found, such as the state general fund or bonding, that broadly collect revenue to address this statewide problem;
- b) Support legislative appropriation of constitutionally dedicated clean water revenues that will supplement traditional sources of funding for these purposes, not be used to cover budget cuts, backfill past program reductions, or to otherwise supplant normal state spending on water programs;
- c) Direct the majority of funds collected by the state for impaired waters into programs that fund municipal wastewater and stormwater projects, and for state programs needed for municipal wastewater and stormwater permitting and technical support, including the Clean Water Revolving Loan Fund, Wastewater Infrastructure Fund, TMDL Grants Program, Small Community Wastewater Treatment Grant and Loan Program, and other state programs that provide financial resources for city wastewater treatment facilities, septic tank replacement, stormwater management projects, and other city water quality improvement and protection projects;
- d) More adequately cover the current five-year wastewater infrastructure funding need projection of more than \$1.65 billion;
- e) Recognize and address the upcoming costs of stormwater management infrastructure and operation on municipalities from new regulatory

mandates and load reduction requirements;

- f) Allow flexibility in achieving pollutant load reductions and limitations through offsets or trading of pollutant load reduction credits for both point and non-point load reduction requirements within watersheds;
- g) Recognize and credit the work underway and already completed by local units of government to limit point and non-point source water pollutant discharges;
- h) Recognize the diversity of efforts and needs that exists across the state;
- i) Ensure the best science available is used to accurately determine the sources of pollutant load in order to maximize positive environmental outcomes and minimize unnecessary regulatory and financial burdens for cities by correctly accounting for and addressing agricultural and other non-point pollutant sources;
- j) Ensure the state requires that the MPCA retain control of the TMDL development process and that all scientific research related to TMDLs is conducted by the MPCA or qualified, objective parties pursuant to state contracting, procurement, and conflict of interest laws; and
- k) Clarify state water quality mandates so cities know specifically what they are required to do and what methods of achieving those outcomes are acceptable to state and federal regulators.

SD-64. Municipal Public Water Supplies

Issue: Essential residential water supplies provided by public water supply systems are classified as the highest priority for the use of public water under Minn. Stat.

§103G.261. Minnesota cities spend significant resources meeting their responsibility to providing safe, reliable, affordable water to their residents in a sustainable manner. That is an essential element in assuring a healthy and stable future for public health, the environment, and economic development. As a result, municipal water suppliers have collected some of the most current and accurate information available on local water conditions.

The state requires extensive planning and permitting processes for municipal water suppliers to document that their systems are drawing water at sustainable levels, that the water is safe for human consumption, that they have land use controls in place to protect public water supplies from contamination, that adequate plans exist for emergency and high demand situations, and that rate structures meet state statutory requirements. Those systems are constantly becoming more technologically, environmentally, and economically efficient. City water suppliers have invested many billions of dollars to develop their utility systems and infrastructure in a manner that meets those criteria.

Demand and supply sides of this issue are being addressed throughout the state. Cities have established educational programs, incentives, and local water use restrictions to further improve water conservation efforts, while appliances and plumbing fixtures are becoming more efficient in their water use. Furthermore, stormwater is being infiltrated into the ground at unprecedented levels as part of municipal stormwater permit requirements and is being redirected for irrigation purposes in some cities.

Despite those efforts, there are places in the state where monitoring data indicates that water may be being used faster than the

supply can sustain, particularly in the case of underground aquifers. These issues are very complex, however, and causes and effects are not always easily documented or understood. City water supplies are not the only users of that water, either. Industries, smaller private wells, agricultural operations, irrigation systems, and contamination containment and treatment can all be major drains on local water supplies.

Hard facts and sound science need to be used to determine the best courses of action to assure that safe, reliable, affordable water supplies are available to future Minnesotans. Those approaches will vary considerably depending on local water and soil conditions, the types and sizes of users, and the quantity and quality of available water. They also need to be coordinated between the many state entities that play a role in water management and regulations so that scarce local resources are not wasted and efforts are not counterproductive to other priority environmental and public health results.

Response: The state should lead the development of sound scientific information on water supply, aquifer recharge, and groundwater availability and quality, making good use of the existing studies, data, and staff expertise of municipal water suppliers.

The state should also be working to remove barriers to water re-use, aquifer recharge, encouraging cultural changes in water use practices, applying technology for smart water use, exploring impacts and creative mitigation options at contaminated sites, on ways to incent and enable alternate uses of stormwater, and ways to make sure that all water users play a role in ensuring that water supplies are being managed in a manner that is

sustainable for future residents. Those solutions need to keep in mind that essential residential water use is the highest preferred use of public water supplies.

Finally, in cases where sound management of water resources will require substantial modifications in public water systems that were previously determined to be adequate, the state needs to be a partner in developing cost-effective solutions and in providing the technical and financial resources to make those changes to prevent communities from being economically uncompetitive.

SD-65. Municipal Electric Utilities

Issue: Municipal electric utilities provide essential community services to many Minnesota cities. The League of Minnesota Cities works closely with the Minnesota Municipal Utilities Association (MMUA) to identify issues of concern and to support their legislative and administrative efforts to address them.

How those entities are regulated by the state, how their service territory is defined and amended, how their very limited customer base is protected, and how they are treated in relation to other types of electric utilities is important to them remaining affordable, efficient, and effective.

Currently, the legislative proposals have been made to allow unregulated third-party electricity sales from generators directly to the customer, circumventing long-established consumer protections. In some cases, municipal utilities would be required to “wheel” energy from third parties across their power lines to retail customers in violation of the utility’s exclusive service area rights.

Another way to arrange third-party sales is by selling electricity from solar panels or other generating equipment sited on a consumer’s own property to retail customers, while maintaining ownership of those panels or equipment. The equipment owner would charge for electricity it provides, yet rely on the local utility to provide reliable service to the customer at all other times. While such arrangements may seem convenient to an unregulated third-party, they come at a significant cost to the utilities and subsequently, to the rate payers of that utility.

Providing municipal reliable utility services comes with certain unavoidable expenses such as electric generation, power lines, poles, and substations. These types of fixed costs are on-going and should be equitably shared by the local customers. However, both current and previously proposed changes to state law would give third-party providers an advantage subsidized by the remaining rate payers and/or taxpayer.

***Response:* The legislature should support and maintain the current regulatory compact, and recognize the value of the dependable services provided by municipal utilities, and the fact that municipal utilities are accountable directly to the citizens. Further, the legislature should reject giving third-party providers any advantage over municipal utilities, as well as any other effort to de-regulate utilities.**

Additionally, current state practice is for the Department of Commerce and Public Utility Commission to require payment of quarterly fees on municipal utilities to the Department of Commerce three quarters in advance. The state should bill for those fees only for the upcoming quarter.

SD-66. State Support for Municipal Energy Policy Goals

Issue: The State of Minnesota has adopted an aggressive energy policy focusing on the promotion of energy efficiency and the expansion of renewable energy with the goal of achieving a reduction in carbon generation through reduced use of fossil fuels. Minnesota cities share this goal, as demonstrated by over 100 cities voluntarily participating in the GreenStep Cities program. However, already strained budgets and reserves at the state and local level have limited the ability of the state to assist local units of government in furthering specific projects that support the overall state goal. In addition, institutional knowledge and capacity of most cities limits their ability to explore energy efficiency or renewable energy projects, even projects whose energy “payback” could finance project capital costs.

As the role cities are playing in reducing energy use and developing renewable energy generation expands, how those efforts are affected by electric utility practices also becomes more important. Utility billing is not consistent between electric utilities, with many using different rate categories, significantly complicating B3 benchmarking reporting and billing transparency. For projects on which a utility provides capital, the length of time over which city projects are amortized can also be extended to the point that energy cost savings are eliminated, even with substantial demand reductions. The application of demand and peak demand rates in repayment schedules can also reduce or eliminate energy cost savings.

Response: **The League of Minnesota Cities calls on our legislators and state executive agencies charged with accomplishing the state’s energy policy goals to assist cities, townships and counties with tailored efforts to identify**

appropriate energy efficiency and renewable energy projects for undertaking at the local level. Among those tools, the state should:

- a) Help ensure that reduced energy use results in reduced energy costs by addressing problems with amortization timing;**
- b) Have laws that allow and support utility grant and loan programs;**
- c) Create a grant program to assist in covering local capital costs to install solar energy systems on public buildings;**
- d) Use proceeds from the Renewable Development Fund to support local government projects;**
- e) Provide increased flexibility for utilities to work with local government;**
- f) Support development of a unified electric energy billing and usage structure that is easily imported into a B3 Benchmarking tracking system;**
- g) Develop a framework that allows Property Assessed Clean Energy Programs;**
- h) Play an increased role in providing a network of charging stations to support a transition to electric vehicles;**
- i) Create a grant and loan program to offset start-up capital expenses for projects identified where the savings in energy costs can offset capital project costs or where projects are needed to meet energy policy goals;**
- j) Clarify state law so that cities may use public utility franchise agreements to advance energy policy goals, and;**
- k) Recognize that state energy agency technical expertise needs to be made available to cities at no cost.**

SD-67. Urban Forest Management Funding

Issue: Urban forests are an essential part of city infrastructure. Dutch elm disease, oak wilt disease, drought, storms, and emerald ash borer threaten our investment in trees. The costs for control and removal can be catastrophic and put pressure on city budgets. The Minnesota Department of Natural Resources, through its Urban and Community Forestry program, and the Minnesota Department of Agriculture, through its Shade Tree and Invasive Species program, currently have regulatory authority to direct tree sanitation and control programs. Although these programs allow for addressing some tree disease, pest, and other problems, funding levels have been inadequate to meet the need of cities to build capacity for urban tree programs and respond to catastrophic problems. Cities share the goal of the state’s Releaf Program—promoting and funding the inventory, planning, planting, maintenance, and improvement of trees in cities throughout the state. In addition, economic gains for stormwater management, tourism, recreation, and other benefits must be protected from tree loss. A lack of timely investment in urban forests costs cities significantly more in the long run.

Further, more and more cities are facing immediate costs for the identification, removal, replacement, and treatment of emerald ash borer (EAB) as it spreads across the state. The state has no program to assist cities in covering those expenses.

Response: **The League of Minnesota Cities supports funding from the general fund or other appropriate state funds for a state matching grant program to assist cities with building capacity for urban forest management and meeting the costs**

of preparing for, and responding to, catastrophic urban forest problems.

Specifically, direct grants to cities are desperately needed for the identification, removal, replacement, and treatment of trees related to management of EAB. The state should establish an ongoing grant program with at least \$5 million per year that is usable for those activities.

SD-68. City Pesticide Application Authority

Issue: Current state law in Minn. Stat. § 18B.09 limits city authority to an ordinance requiring warning signs after pesticide application. With many cities working to increase pollinator-friendly habitat and reduce the impact of pesticide usage known to be lethal to pollinators, cities are seeking further tools to meet those public expectations. With small lot sizes, primarily non-agricultural property uses, and dense residential concentrations, cities often find that the broader state pesticide regulations are not adequately protective of pollinators and are seeking additional state authority to address these issues in their communities.

Response: **The state legislature should amend Minn. Stat. § 18B.09 to allow cities to opt to restrict the application or use of pollinator-lethal pesticides within their community and require the Minnesota Department of Agriculture to maintain a list of which pesticides include pollinator protection boxes in their labeling or precautionary pollinator or bee warnings in the environmental hazards section of their labeling.**

SD-69. Election Issues

Issue: Cities play an important role in administering state and federal election law and conducting voting activities.

Response: To strengthen the effectiveness of elections administration, the Legislature should:

- a) **Seek the input of cities, townships, counties, and school districts on proposed changes to voter registration, election law, and needed improvements and updates to the Statewide Voter Registration System;**
- b) **Amend the timeline for candidate filings in cities without a primary so that the final day of filing is prior to the August primary date;**
- c) **Expedite court action to resolve candidate eligibility related to residency in errors and omissions proceedings; and**
- d) **Eliminate redundant audio testing of assistive voting technology and equipment by election judges in precinct polling places on Election Day.**

SD-70. Administering Absentee Balloting

Issue: Eligible voters in Minnesota may vote by absentee ballot prior to Election Day. Starting 46 days before the election, a voter can request an application for an absentee ballot and if approved, receive and cast an absentee ballot in one visit to their county or city election offices. Ballots can also be requested, applied for and received by mail and returned by the voter to the election office by 3:00 pm on Election Day or by 8:00 pm on Election Day if delivered by mail or package delivery. Absentee balloting results are not known until combined with polling place results when the polls close on Election Day.

For those voting absentee in-person, the absentee ballot application process is burdensome and confusing as voters expect the same process they encounter in their

polling place on Election Day. The application process should be replaced by having the voter verify their identity on a paper or electronic roster. Currently electronic signatures are not allowed by state law; having the authority to use electronic signatures would make the process more efficient. Streamlining the voter check-in procedures would increase efficiency and decrease the time voters spend in line waiting to cast their absentee ballot.

Minn. Stat. § 203B.121, subd. 4 stipulates that at the close of business on the seventh day before Election Day, elections administrators can begin processing absentee ballots received by mail and accepted. At the beginning of the seventh day before Election Day, in-person absentee voters can place their ballots directly into a tabulator (Minn. Stat. § 203B.081, subd. 3). If a voter who has voted absentee prior to the seventh day before Election Day wishes to “claw back” their ballot and receive a new ballot, they are able to do so through the seventh day. Once direct balloting begins, a voter should no longer be able to “claw back” a ballot. Additionally, opening absentee ballots that have been accepted should begin at the beginning of the day on the seventh day before Election Day.

For those who vote in-person absentee prior to the seven days before Election Day, there is confusion and in some cases, frustration that they are not allowed to place their ballots directly into a tabulator. To improve the voter experience and respond to the voter demand to vote early, this time period should be increased from seven to the full 46 days before Election Day. Additionally, a voter can request to place their ballot in a series of envelopes similar to those returned by mail to be processed after they have left the building. Few, if any, voters request to place their ballot into envelopes.

State law allows alternative sites for conducting absentee balloting but requires that these sites remain open for the full 46 days prior to Election Day. For some jurisdictions, staffing alternative sites for the full 46 days is not efficient as these sites may be underutilized until closer to Election Day. Cities should be able to determine the length of time most appropriate for alternative sites to meet the voting demands of their residents. As required by state law, voters would maintain the ability to vote in-person absentee during the full 46-day period at city halls.

Current law allows for in-person absentee voting until 5:00 p.m. on the day before Election Day. This does not leave adequate time for election officials to process absentee ballots, prepare supplemental lists indicating which voters have already cast absentee ballots and deliver the lists to precincts prior to opening of the polls on Election Day. The current absentee voting process further requires that additional supplemental lists of final absentee voters be delivered to the polls after the last mail delivery on Election Day and often leads to administrative challenges and increased potential for errors in the process.

As more and more voters choose to vote early with absentee balloting, improvements must be made to increase efficiency of administering absentee balloting before Election Day, reduce the potential for errors, and to improve voter experience.

***Response:* The League of Minnesota Cities supports:**

- a. Reviewing the current in-person absentee ballot process to determine if paper, electronic or a combination of the two processes would be more efficient and be preferable to voters;**

- b. Amending state statute to allow elections administrators to begin processing accepted absentee ballots when direct balloting begins at the beginning of the seventh day before Election Day and subsequently, concluding the “claw back” period at the close of business the day before;**
- c. Increasing the time period that an in-person absentee voter can place their ballot directly into a tabulator from seven to 46 days;**
- d. Eliminating the option to place an in-person absentee ballot in a series of envelopes instead of a tabulator;**
- e. Allowing alternative in-person absentee voting sites to be established for less than the full 46 days currently required by state law;**
- f. Establishing an earlier deadline for ending in-person absentee voting;**
- g. Revising absentee ballot regulations to allow any person 18 and older to witness the absentee process and sign the envelope as a witness; and**
- h. Authorizing cities with health care facilities to schedule election judges to conduct absentee voting at an earlier date in health care facilities.**

SD-71. Loss of Felon Voting Rights

Issue: There is confusion as to when voting rights are restored to those convicted of a felony, and notification of restoration is inconsistent or nonexistent. This very often leads to challenges placed on Election Day rosters for those convicted of a felony who are not eligible to vote and election judges must then challenge the voter and spend time and resources determining a voter’s eligibility. It would be much clearer if the loss of voting rights occurred only when a person is incarcerated.

Response: The League of Minnesota Cities opposes the loss of voting rights for

those convicted of a felony who serve the entirety of their sentence in the community and are not incarcerated. If incarcerated, the League of Minnesota Cities supports the restoration of voting rights to those convicted of a felony once they have completed their term of incarceration. This will eliminate the administrative burden of challenging voters at the polls and determining eligibility from various jurisdictions. This will also eliminate the need for investigation by local law enforcement of those who have unknowingly registered to vote or voted before their rights were restored.

SD-72. Write-in Candidates in City Elections

Issue: For federal, state and county offices, write-in candidates are totaled together as one number for write-in votes. If a candidate wants the write-in votes to be individually recorded, the candidate must file a written request with the Secretary of State no later than seven days before the general or special Election Day. This provides any declared write-in candidate the same provisions for tabulation as a candidate whose name is printed on the ballot. Because this requirement does not exist in city elections, city election officials are required to take considerable time and resources to count and individually record write-in votes cast, many of which are frivolous.

Response: The League of Minnesota Cities supports legislation to:

- a) **give cities the option to require that write-in candidates for local elective offices file a formal request with the chief election official at least seven days before the city election if they wish to have their write-in votes individually recorded; and**

- b) **allow the city clerk to only compile and report write-in votes for specific candidates if the total number of write-in votes for an office is greater than or equal to the number of votes received by the candidate appearing on the ballot receiving the fewest number of votes.**

SD-73. Ranked Choice Voting

Issue: Current law allows charter cities to consider and adopt Ranked Choice Voting (RCV) as an alternative voting method in local elections. State statute does not extend this authority to statutory cities. Additionally, there are no statewide standards for conducting RCV. The lack of consistent guidelines on how to effectively implement a RCV system imposes significant challenges for election administrators and voters.

The Office of the Secretary of State certifies voting systems for cities and counties across the state. This process does not include the systems used for RCV elections. This makes it difficult for cities to access voting systems approved by the state.

Minn. Stat. §§ 204D.11 and 206.90 require the use of one ballot only for a state general election unless there is a need for a separate judicial ballot. To allow cities that have implemented RCV to hold municipal elections in conjunction with a state general election, state statute must be amended to allow for more than one ballot.

Response: The League of Minnesota Cities supports:

- a) **legislation that would give statutory cities the same authority given to charter cities to consider and adopt RCV;**

- b) statewide standards for those cities that choose to adopt RCV to ensure it is implemented consistently throughout the state to give voters confidence in the fairness of the alternative process of casting their ballots and in the outcome of such elections;**
- c) a state certification process for voting systems used in tabulating RCV elections; and**
- d) allowing for the use of more than one ballot should a city with RCV conduct a municipal election in conjunction with a state general election.**

SD- 74. Voter Assistance

Issue: Increasingly, voters may need assistance with language translation. Currently state statute does not allow for the hiring of language interpreters for the sole purpose of assisting voters with ballot language interpretation; they must also be trained as and serve as election judges. This limits the availability and access to language interpretation for voters.

The federal Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) provides the legal basis for absentee voting requirements for U.S. citizens who are active members of the Uniformed Services, the Merchant Marine, and the commissioned corps of the Public Health Service and the National Oceanic and Atmospheric Administration, their eligible family members and U.S citizens residing outside of the United States. This process allows a voter to complete a ballot electronically and then return it via mail. Voters with disabilities may have assistive technology within their homes that best meets their needs. Allowing them to receive a ballot electronically, similarly to UOCAVA voters, would subsequently allow them to complete their ballot utilizing their own personal

assistive technology. State statute does not allow a voter to complete a ballot electronically.

As election equipment and assistive technology continues to evolve, it is critical that local elections administrators have flexibility in purchasing equipment and technology that will best meet the needs of voters within their communities.

Issue: **The League of Minnesota Cities supports the ability of elections administrators to respond to the needs of voters who may benefit from assistance to ensure the greatest level of participation by those eligible to vote. This includes:**

- a) Allowing the hiring of second language interpreters to staff polling places;**
- b) Extending electronic voting to people with disabilities; and**
- c) Increasing flexibility for elections administrators to purchase assistive voting equipment and technology that best meets the needs of voters with disabilities.**

SD-75. Electronic Rosters

Issue: While electronic rosters (or “e-poll books”) may increase efficiency and decrease cost for some cities, this may not be true for all. As cities explore the use of electronic rosters, data collected from the Office of the Secretary of State and from jurisdictions that have used the technology, may be helpful in determining next steps and to improve the process. Currently when a voter verifies their identity at a polling place via an electronic roster, they sign a paper form. State law does not allow voters to sign the e-poll book.

Response: **As the Legislature continues to examine the use of electronic rosters, cities should retain the option of utilizing**

this technology but should not be required to do so. If cities choose to use e-poll books, the use of electronic signatures should be allowed to increase efficiency. To ensure there is a paper copy of the signatures, the receipts printed by the electronic rosters should include a copy of the voter's signature.

SD-76. Election Judge Recruitment and Retention

Issue: Nearly 30,000 Minnesotans serve as election judges. The recruitment and retention of election judges is a significant and essential component of administering elections throughout the State of Minnesota.

State statute requires that precincts with more than 500 registered voters be assigned at least four election judges and those with fewer than 500 registered voters be assigned at least three election judges. Minn. Stat. § 204B.21 requires that at least two election judges in each precinct serve with a different major political party designation, except for student trainee election judges. The remaining election judges in a precinct can serve without an affiliation to a major political party and no more than half the judges in a precinct may belong to the same major political party. Statute specifically requires election judge party balance to perform four polling place activities: assisting a voter in curbside voting; opening the ballot box; duplicating ballots; and in conducting an election at a Healthcare Facility. Political party affiliation is also unnecessary in city special elections when offices on the ballot are nonpartisan.

Minn. Stat. § 204B.19 allows high school students to be excused from school to serve as a trainee election judge if the student submits a written request signed and approved by the student's parent or guardian to be absent from school and a certificate

from the appointing authority stating the hours during which the student will serve as a trainee election judge to the principal of the school at least ten days prior to the election. This process is not currently extended to college students which has proven to be a barrier for recruiting college students to serve as election judges. Additionally, teachers and college faculty are also allowed to take time off of work to serve as an election judge.

Response: **To ensure state requirements are met, party balance is maintained, and to expand the opportunity of serving as an election judge to others, the League of Minnesota Cities supports the following changes:**

- a) **Eliminate the party balance requirement for elections where only nonpartisan offices and/or ballot questions are on the ballot;**
- b) **Authorize college students to get time off from classes if they have been appointed to serve as an election judge;**
- c) **Allow for one election judge affiliated with any two political parties to perform the four activities that require party balance specifically outline in statute and allow the remaining judges to serve as non-partisan; and**
- d) **Shorten the deadline for major political parties to provide lists of persons interested in serving as election judges to election officials within 30 days following precinct caucuses.**

SD-77. Mail Balloting

Issue: Minn. Stat. § 204B.45 authorizes all non-metropolitan townships and cities with less than 400 registered voters located outside of the Minneapolis/St. Paul seven-

county metropolitan area to hold elections by mail. A city may conduct mail balloting for an individual precinct having fewer than 100 registered voters, subject to the approval of the county auditor.

Staffing and equipment needs can be very costly and mail balloting is an efficient way of conducting an election for cities that have lower numbers of registered voters regardless of location in or outside the metro area. It is not uncommon for the redistricting process to create very small precincts in the metro area that are more cost-effectively served by a mail balloting process. Additionally, for special elections that historically have lower turnout, mail balloting could increase voter participation.

Response: The League of Minnesota Cities supports allowing all cities to conduct mail balloting.

SD-78. Modernizing Charter Amendment Process

Issue: Minn. Stat. § 410.12 outlines the process for amending city charters and one of the methods is citizen petition and Minn. Rules 8205 provides specific criteria for formatting. City staff then review the petition to determine if it is valid and has met statutory requirements for completion and submission. To ensure that both citizens and city staff fully understand the requirements, clarifying changes should be made.

Response: To improve the process for amending a city charter, the League of Minnesota Cities supports:

- a) **Adding clarifying language regarding “registered voters”. These voters must be eligible voters in the district for which the petition is being circulated who are in active status on**

the statewide registration system at the time of petition verification and have not had a name or address change since the most recent voter registration application was submitted.

- b) **Ensuring that petitioners have access to the petition, public information lists used to verify registered voters, and the examination log available for inspection on request of any registered voter.**
- c) **Revising Minn. Rules 8205 to ensure that formatting requirements are clear and up to date.**

SD-79. Presidential Nomination Primary

Issue: In 2016, the legislature passed into law a process for the state of Minnesota to conduct a presidential nomination primary in 2020 for president of the United States. This will be administered by cities and counties much the same way elections are conducted.

Minn. Stat. § 207A.15 provides a process for local units of government to be reimbursed for expenses incurred from conducting the primary. The Office of the Secretary of State (OSS) will submit to the Department of Management and Budget (MMB) an estimated cost of administering the primary, and MMB will provide funding to the OSS. That funding will then be distributed to local units of government as a reimbursement based on expense reporting submitted to the OSS. Because the presidential nomination primary is a partisan activity administered on behalf of political parties, it is critical that local units of government be reimbursed fully and that no cost be borne by cities.

The last time the state of Minnesota held a presidential primary was in 1992 and turnout was very low. There is concern that this

could happen in 2020 and would therefore be an inefficient use of resources, particularly staffing thousands of precincts throughout the state. Conducting the election by mail could conserve resources and potentially increase voter participation.

Response: The League of Minnesota Cities supports:

- a) **Ensuring that local units of government are fully reimbursed for all anticipated and unanticipated costs of conducting the presidential nomination primary; and**
- b) **Allowing the presidential nomination primary to be conducted via mail balloting.**

SD-80. Health Care Facility Voting

Issue: Minn. Stat. § 203B.11 outlines the process for individuals living in health care facilities to vote. Local election officials send teams of election judges to facilities such as nursing homes and hospitals during the 20 days before the election. They distribute ballots to eligible residents of the facility and provide assistance as needed. Allowing more time for this process would increase resident ability to register to vote or apply for an absentee ballot and ensure their ballot is submitted.

There have been instances when facility staff have refused entry to city elections officials to provide health care facility outreach voting. It is essential that city staff are able to provide this service to ensure that every eligible resident is able to vote should they choose to.

It is not uncommon for residents of health care facilities to move to different rooms or units within a building. If their voter registration is tied to a specific unit within

the building, they must re-register to vote after moving or their ballot may be rejected. This is unnecessary given the resident still lives in the same facility.

The process for health care facility voting is required in precincts that conduct elections by mail. This is confusing for residents and facility staff. This requirement should be eliminated in mail-only precincts though elections administrators should work to ensure that any new resident of a facility is able to register and receive a ballot.

Response: It is critical that those living in health care facilities are able to vote securely and with minimal complication. To do so, the League of Minnesota Cities supports amending state law to increase flexibility for cities and health care facilities partnering in administering elections. This includes:

- a) **Extending the time period that residents of health care facilities are able to vote to 46 days before an election which is current state law for voting absentee;**
- b) **Requiring entry into facility for city elections officials to ensure residents are able to vote;**
- c) **Eliminating the need to include a specific room or unit number on voter registration or absentee ballot applications of those living in health care facilities; and**
- d) **Exempting mail-only precincts from also conducting health care facility voting while ensuring that new residents are able to register and receive a ballot.**

SD-81. Voters Experiencing Homelessness

Issue: Minnesotans experiencing homelessness are able to register to vote

using the location of where they usually sleep as defined in Minn. Stat. § 200.031. This could be an intersection or shelter address. Because the voter does not have a permanent mailing address, the registration is often challenged which then requires a voter to re-register each election. This process also requires a registered voter in the precinct to vouch for that person which can be difficult to find when experiencing homelessness.

For those experiencing homelessness, leaving their space and any belongings can potentially mean losing them. This becomes a significant barrier to registering to vote and participating in elections.

***Response:* The League of Minnesota Cities supports the following to improve the process for voters experiencing homelessness to safely and securely vote.**

- a) Allow an eligible voter to designate an address where their official election mail may be sent and have that serve as the address for assigning a precinct and polling location.**
- b) Allow cities to do outreach in areas with concentrated populations of those experiencing homelessness to register people to vote, assist with applications for absentee ballots, and issue and receive ballots in a process similar to Health Care Facility outreach.**

IMPROVING LOCAL ECONOMIES

LE-1. Growth Management and Annexation

Issue: Unplanned and uncontrolled growth has a negative environmental, fiscal, and governmental impact on cities, counties, and the state because it increases the cost of providing government services and results in the loss of natural resource areas and prime agricultural land.

Response: The League of Minnesota Cities believes the existing framework for guiding growth and development primarily through local plans and controls adopted by local governments should form the basis of a statewide planning policy, and that the state should not adopt a mandatory comprehensive statewide planning process. Rather, the state should:

- a) Provide additional financial and technical assistance to local governments for cooperative planning and growth management issues, particularly where new comprehensive plans have been mandated by the Legislature;
- b) Keep comprehensive planning timelines on a ten-year cycle due to the financial and workload impacts these processes place on cities;
- c) Clearly establish the public purposes served by existing statewide controls, such as shore land zoning and wetlands conservation; clarify, simplify, and streamline these controls; eliminate duplication in their administration; and fully defend and hold harmless any local government sued for a “taking” as a result of executing state land-use policies;
- d) Give cities broader authority to extend their zoning, subdivision, and other land-use controls outside the city’s boundaries, regardless of the existence of county or township controls, to ensure conformance with city facilities and services;
- e) Clearly define and differentiate between urban and rural development and restrict urban growth without municipal services or annexation agreements outside city boundaries. This should contain a requirement that counties and joint power districts that provide sewer, water, and other services, which have been traditionally provided by cities, include as a condition of providing service the annexation of properties that are the recipients of such services in cases where annexation is requested by a city that could feasibly be providing those services;
- f) Facilitate the annexation of urban land to cities by amending state statutes that regulate annexation to make it easier for cities to annex developed or developing land within unincorporated areas;
- g) Oppose legislation that would reinstate the election requirement in contested annexations;
- h) Support legislation to prohibit detachment of parcels from cities unless approval of the detachment has been granted by both the affected city and township and the affected county has been notified prior to the city and township acting on the request;
- i) Oppose legislation that allows orderly annexation agreements to be adopted that prohibit annexation by other cities of property not being annexed under the agreement;

- j) Encourage ideas consistent with the long-term goal of allowing urban development only in areas currently or about to become urban or suburban in character; and**
- k) Establish stricter criteria on the amount cities can pay to townships as part of an orderly annexation agreement so that payments to townships are limited to reimbursement for lost property tax base for no more than a fixed number of years, documented stranded assessments, and other items for which there is a clear nexus.**

LE-2. Wildlife Management Areas

Issue: The Department of Natural Resources has been pressing for legislative requirements creating development restrictions on property adjacent to land purchased by the state for hunting and other conservation purposes. This issue has been increasingly controversial as urban growth extends into areas previously considered rural and residential property owners are finding themselves adjacent to public hunting land. With large amounts of new revenue going into state land purchase for game and fish habitat and public access purposes because of the passage of the constitutional amendment, these problems could occur even more frequently.

The solution being proposed will put local governments in the position of enforcing state land use restrictions and would require extensive changes to local plans, controls and ordinances. It would also create large numbers of nonconformities on properties within city limits and would make state wildlife management areas far less desirable due to impacts on future city development.

In rural areas, where this is less of a concern, counties and townships have the

authority to object to the state purchasing land for the outdoor recreation system for these very reasons. Cities do not have that statutory right. Due to recent statutory changes (Minn. Stat. § 97A.137, subd. 4) removing city authority to adopt ordinances related to firearm discharge, hunting and trapping activity in wildlife management areas within their borders, these purchases should not occur without city consent and input.

Response: The League of Minnesota Cities opposes the state imposing retroactive development restrictions around existing wildlife management areas.

When purchasing state wildlife management areas and other conservation and outdoor recreation system land, the state should either purchase sufficient land to provide an internal buffer from surrounding development or purchase development rights to land adjacent to the property if such a buffer is deemed essential to preserving the intended uses for the property. This should be required for new land purchases and done where feasible for existing wildlife management areas.

Furthermore, Minn. Stat. § 84.944 and § 97A.145 should be amended to include cities in the local government notification and approval process the state must follow before purchasing public land.

LE-3. Official State Mapping Responsibility

Issue: For many years, the Minnesota Department of Transportation (MnDOT) has provided the mapping services to keep survey-level accuracy in place for the state's official maps and records. That information changes when roads are made or improved,

and needs regular adjustment when municipal boundary adjustments are made. The information is then used at all levels of government to accurately determine property boundaries for transportation aid, utility service boundaries, state and local funding formulas, election issues, and a number of other uses.

No state agency, however, has ever been statutorily provided with mapping responsibility and MnDOT is not funded for providing that level of detail in its mapping. Because MnDOT, as an agency, requires less specificity in its maps, a change has slowly been integrated to mostly restrict MnDOT mapping to what changes occur in road ownership and responsibility, leaving many mapping needs unmet for other users of boundary data.

***Response:* The League of Minnesota Cities supports legislation making a named state entity the official provider of survey-level mapping for the state, including maps for municipal boundary adjustments. The Legislature must provide the necessary appropriations to the entity for providing that service.**

LE-4. Electric Service Extension

Issue: Minnesota law preserves the right of municipal electric utilities to grow with the cities they serve. Municipal electric utilities may grow either through application to the Minnesota Public Utilities Commission (MPUC) or through condemnation proceedings. Eliminating authority of municipal electric utilities to extend services, or making extension of municipal electric service to annexed property unreasonably costly, would interfere with community development and make it unfeasible for municipal electric utilities to serve properties located within rural electric cooperative (REC) or other electric service

provider service territory in annexed areas, even if the REC or other electric utility had not served them prior to annexation.

***Response:* The League of Minnesota Cities opposes any attempt to remove or alter the eminent domain option available to municipal electric utilities in state law, or to make it financially unfeasible for municipal utilities to compensate rural electric cooperatives or other electric utilities for serving future customers who reside in annexed areas where that electric utility has not provided service.**

LE-5. Statutory Approval Timelines

Issue: Cities since 1995 have been required to act on written requests relating to zoning, septic systems, the expansion of Metropolitan Urban Service Areas (MUSA), and other land-use applications in accordance with a statutory time period generally referred to as the 60-day rule. Pursuant to Minn. Stat. § 15.99, state and local government agencies must approve or deny a permit within a statutory timeframe. Failure by the agency to issue a specific denial of the application is deemed an approval.

Minn. Stat. § 15.99 does not directly address whether an appeal of a decision triggers an extension or is part of an original zoning request that must be handled within the 60- or 120-day time period. In a 2004 Minnesota Court of Appeals decision, the court found that a zoning application is not approved or denied for the purposes of Minn. Stat. § 15.99 until the city has resolved all appeals challenging the application. *Moreno v. City of Minneapolis*, 676 N.W.2d 1 (Minn. Ct. App. 2004). According to the court, an appeal is not a request for a permit, license or other governmental approval; therefore, it does not trigger a new 60-day time period.

Under this interpretation, a decision rendered by a zoning board or planning commission is not the final approval or denial of an application if the city allows an appeal to the city council.

This court decision is problematic for a couple of reasons. Forcing cities to further condense the process for considering planning and zoning applications will make it more difficult to gather public input and leave less time for thoughtful deliberation by zoning boards and planning commissions. It may also provide an incentive for cities to extend the original 60-day period in every instance in order to build-in adequate time to consider possible appeals.

The Minnesota Supreme Court recently issued another 60-day rule decision that held that an application to the Minneapolis Heritage Preservation Commission for a certificate of appropriateness was a “written request related to zoning,” and therefore was subject to the automatic approval provision of the 60-day rule. *500, LLC v. City of Minneapolis*, 837 N.W. 2d 287 (Minn. 2013). This opinion creates ambiguity and uncertainty about what permit applications are subject to the law.

Additionally, the statute does not allow for exceptions to the timelines in event of extenuating local circumstances. If a state of emergency limits the ability of city staff to complete the work, it should not result in a de facto approval of applications. Clarification is needed about how these instances are fairly handled to ensure a fair public process can occur for all interested and involved parties.

While the Legislature has clarified some aspects of this law, additional modifications are necessary to assist cities in providing accurate and timely responses to applicants and to allow adequate time for public input.

Furthermore, as city staff and financial resources are increasingly limited, flexibility in the length of approval timeline requirements may be needed at the local level.

Response: The Legislature should repeal or amend Minn. Stat. § 15.99. If repeal is unlikely, amendments should:

- a) Increase the initial time limit to 90 days or have the language in Minn. Stat. § 15.99 apply as the default requirement only in cases where permitting bodies have not established an independent approval timeline;**
- b) Clarify that approval does not abrogate the need for approvals under other applicable federal, state or local requirements;**
- c) Provide appeal rights to adjacent property owners;**
- d) Clarify that, if requests are to be decided by a board, commission or other agent of a governmental agency, and the decision of the board, commission or other agent is adopted subject to appeal to the governing body of the agency, then the agency may extend the 60-day time limit to resolve the appeal; and**
- e) More clearly define that the phrase “related to zoning” refers to a traditional land use decision such as rezoning, conditional use permits, and variances.**
- f) To address states of emergency, add the following new language to the statute: (h) The time limits in subdivision 2 and 3 are paused if the governor declares a state of emergency under section 12.31. In cases described in these paragraphs, the deadlines in the areas included in the emergency declaration remain paused until ten days after the expiration of the state of emergency,**

applied to any written application awaiting action that was submitted prior to or during the state of emergency.

LE-6. Maintenance of Retaining Walls Adjacent to Public Rights of Way

Issue: The Minnesota Constitution grants cities the power to “levy and collect assessments for local improvements upon property benefited hereby.” Retaining walls are one of the many improvements that a city is authorized to make on behalf of its citizens, and Minnesota’s special assessment law, Minn. Stat. ch. 429, authorizes cities to charge special assessments on properties that are benefitted by an improvement.

The Minnesota Court of Appeals held that the city of Minneapolis had a nondelegable duty of lateral support to a property owner with a retaining wall abutting a city sidewalk. *Howell v. City of Minneapolis*, 2013 WL 1707759 (April 22, 2013). A subsequent jury found that the city created the need for lateral support when it built the street and sidewalk adjacent to the property, making the city responsible for the maintenance the retaining wall, despite the fact that the property is clearly benefitted by the retaining wall.

The special assessment statute anticipates the need for cities to create retaining walls when making public improvements, and this holding could create significant costs for cities forced to repair and maintain retaining walls that benefit a single property. A choice by a developer or previous property owner to build a retaining wall to improve the value or usefulness of property may appear to be necessary today, but determining who first created the need for lateral support in the past can involve costly and time-

consuming historical research that may not reveal a clear answer.

Response: **The Legislature should amend the special assessment statute so that retaining walls needed to facilitate public improvements are treated the same as other local improvements. In cases where retaining walls located along public rights of way or within drainage and utility easements separate public improvements from adjacent properties, the Legislature should establish a rebuttable presumption that the need for lateral support was created by the property owner.**

LE-7. Development Disputes

Issue: State law is clear that fees collected under Minn. Stat. ch. 462 are eligible for judicial review in the event of dispute. The Legislature limited the timeframe during which an aggrieved party may challenge planning and zoning fees to 60 days after approval of an application. However, the law is not clear about what notice requirements to the municipality are necessary, relative to the timing for a person aggrieved by an ordinance or decision under the municipal planning act to seek review.

Response: **The Legislature should amend Minn. Stat. § 462.361 to establish a 60-day time limitation in which an aggrieved person may bring an action against the municipality.**

LE-8. Foreclosure and Neighborhood Stabilization

Issue: Cities dedicate scarce resources to address public safety and maintenance challenges associated with foreclosed, vacant, and under-maintained homes. Left unaddressed, these properties destabilize neighborhoods, depress neighborhood property values, and potentially increase the

costs of municipal services. Cities' revenue also continue to decline due to delinquent utility payments and property tax payments, as well as added costs for nuisance abatements. Although the number of those mortgage foreclosures has stabilized somewhat since the peak of the recession in 2008, issues surrounding community recovery are still ongoing.

State and local governments can play an important role in spurring reinvestment in struggling neighborhoods, but without additional resources to address the variety and costly impacts of foreclosures and vacant properties, cities cannot maintain or increase those activities to meet local needs. The federal government has provided funds for neighborhood stabilization, but such funds are limited in eligible uses and scope, and they are only available to a limited number of cities.

Contracts for deed have been used to successfully buy and sell thousands of homes around Minnesota. However, some property owners use contracts for deed as an alternative to a traditional lease, even though the purchaser has no intention of buying the home. Some communities have encountered a situation where a property owner is buying many homes in a community, then selling them on contract for deed. This can allow a person to essentially act as a landlord while evading a city's rental inspection and rental licensing process, while the buyers lose the traditional legal rights and protections as tenants. Many view it as a way to rent the property and may not be aware of it being a contract for deed.

Numerous problems arise for cities and neighborhoods when property owners are acting essentially as renters. It is difficult to determine who is responsible for maintaining the property or for paying utility bills and property taxes, and cities may not

be able to inspect substandard properties if they are not subject to a lease agreement. In some situations, property owners may wish to have a renter be the responsible party for utility bills and utilize contract for deed arrangements to have the person living on the property be the responsible party. The property may also not be recorded at the county for homesteading purposes if the buyer is not aware of the formal change in ownership that results from a contract for deed.

In recent years, private equity companies have begun purchasing large numbers of single-family homes to convert to residential rental uses. The impacts of large a number of acquisitions by private equity companies on cities, housing stock, and the rental and home ownership market are not yet fully understood by local, state, and federal units of government. Possible issues that may need further exploration include proposed disposition strategies for such a large number of properties and how that may affect the local housing market.

Response: The Legislature should:

- a) Secure increased state and federal resources and provide financing tools to help cover city costs associated with foreclosed and /or vacant properties, community revitalization strategies, and community investment, including revenue sources for programs that support foreclosure mitigation, homeownership counseling, and expanded homeownership opportunities and are sustainable.**
- b) Allow cities to take actions necessary to protect foreclosed and/or vacant homes from damage and to help preserve property values in neighborhoods where concentrations of such conditions are present,**

- including an expedited process to address nuisance properties.
- c) **Reexamine the Contract for Deed statutes to determine whether additional protections are necessary to prevent property owners from evading responsibilities of a landlord, and provide local jurisdictions resources to allow for education of future buyers and sellers in contract for deed arrangements.**
 - d) **Support local authority for cities to collect all delinquent taxes, utility bills, liens, and assessments on foreclosed, vacant, boarded and/or tax forfeited properties.**
 - e) **Improve notification to cities, and consistency in the information available to cities, when a property is in the foreclosure process and vacated.**
 - f) **Support coordinated responses to prevent foreclosures, activate and guide private investment and home purchases, and support distressed neighborhoods.**
 - g) **Study and monitor the impacts on the housing market of single-family home acquisition by private equity companies.**
 - h) **Re-enact a program similar to “This Old House” to allow owners of qualifying single-family homes or multi-unit rental properties to defer the increase in tax capacity from repairs or improvements to their homestead property as an incentive for cities to maintain housing stock, including, but not limited to re-occupying and homesteading foreclosed and vacant homes. In order to provide potential opportunities in more communities, the program’s age limit qualifications for a homestead property should be updated to include properties that are at least 30 years old.**

- i) **Support programs that provide resources to cities for rehabilitation or new construction of single-family homes, such as the Community Impact Fund and the Community Fix Up Program currently administered through MN Housing Finance Agency (MHFA).**

LE-9. Housing Policy

Issue: Cities recognize that stable housing is essential to the health, safety, and welfare of residents. Since the Fair Housing Act of 1968, and more recently with the recognition that certain barriers to housing disparately impact certain members of our communities, local government has been obligated to promote and reduce barriers to fair housing and equal opportunity. For example, households with housing choice vouchers face many barriers to securing housing in the private rental market, especially when rental vacancy rates are low. Currently rental vacancy rates are at a historic low in much of the state. As a result, many families and individuals may be unable to use their housing choice vouchers and thus unable to secure safe, decent and affordable housing. Additionally, many renters and homeowners face challenges from housing displacement due to rising costs, uninhabitable housing, and eviction that exacerbates housing instability and homelessness.

Despite progress since the Fair Housing Act of 1968, households of color nevertheless experience a gap in homeownership rates compared with white households and face barriers to housing due to a history of housing policies and lending practices that disproportionately benefit white households (i.e., application of GI bill largely only to white soldiers returning from war, redlining, and restrictive covenants). According to the U.S. Census Bureau and American

Community Survey data, the homeownership rate non-Hispanic White Americans has held consistently above 71%. However, the homeownership rate for Black Americans remains the lowest of all racial groups nationally at 41.8 percent. Comparatively for Hispanic Americans, the homeownership rate is around 47% and for Asian Americans, it has hovered around 53%. According to the Minnesota Housing Finance Agency analysis of the 2018 U.S. Census Bureau's American Community Survey, Minnesota has one of the highest homeownership rates in the nation, but the state has the fourth largest disparity in homeownership rates between white/non-Hispanic households and households of color.

According to the 2018 U.S. Census Bureau's American Community Survey, households of color are also more likely to experience cost burden (paying more than 30% of their income on housing). In Minnesota, 40% of households of color experience cost burden as compared to 23% of white households. Project based and voucher based rental assistance that enable renters to pay no more than 30% of their income on housing are critical to reducing cost burden disparities. Nationally, according to data analysis provided by the Urban Institute, only 1 in 5 households who qualify for a Section 8 voucher receive this critical form of rental assistance. State rental assistance programs are underfunded and are only intended to serve as last resort efforts to prevent homelessness. As a result, low-income families often make tradeoffs to reduce housing costs. Families may choose or only be able to afford living in poor-quality, substandard housing or a long distance from work opportunities to reduce housing costs. The imbalance between the demand for affordable housing and the supply of low-cost rentals contributes to increasing housing costs. At the same time, wages have

remained stagnant and not kept up with increased housing costs resulting in more and more families experiencing housing cost burden. Rent-burdened households have higher eviction rates, increased financial fragility, and wider use of social safety net programs, compared with other renters and homeowners. The rates and severity of rent burden, especially for households of color, have increased housing instability and resulted in fewer households transitioning from renters to homeowners.

Response: The Legislature should:

- a) Support resources and programs that seek to assist communities in their efforts to reduce barriers to housing and promote fair housing and equal opportunity and oppose any efforts by the federal government to roll back fair housing policies intended to protect people from housing discrimination.**
- b) Support housing stability for renters through policies that mitigate the impact of or reduce evictions filed.**
- c) Reduce racial disparities in homeownership in Minnesota and support policies and encourage innovative solutions that address structural barriers for people of color when it comes to accessing housing including policies that encourage fair lending and provide homebuyer education and funding for down payment assistance to low income households.**
- d) Support programs that reduce cost burden among renters and support policies that address barriers for people of color when accessing safe, healthy and decent affordable rental housing.**

LE-10. Resources for Affordable Housing

Issue: Cities, along with local housing officials, are concerned about the need for proactive commitment at the state level to aid cities to meet demand for affordable housing that is sensitive to local conditions, emerging trends, and changing demographics. This includes meeting the needs of lowest-income households as well as an aging population and ensuring a wide range of lifecycle housing options that allow seniors of all incomes to stay in their community, addressing racial disparity gaps in housing, and responding to emerging trends, such as the need to preserve federally subsidized housing and naturally occurring (unsubsidized) affordable housing. The League also recognizes that federal, state and local governments all have a role to play in meeting affordable housing needs, overcoming barriers to housing stability such as high market prices, eviction, and foreclosure, and responding to problems caused by vacant homes and the increase in rental properties that are the result of foreclosure.

A comprehensive report issued in 2018 by the then Governor's Task Force on Housing delineated 30 specific recommendations to help achieve six goals, including: commit to homes as a priority; preserve the homes we have; build more homes; increase home stability; link homes and services; and support and strengthen homeownership. The Task Force's recommendations were based upon input from various statewide stakeholders, local governments and residents and renters impacted by the lack of affordable housing in this State. These recommendations provide an important list of housing goals that should continue to be considered as cities work towards

addressing affordable housing issues in their communities.

Response: The Legislature should:

- a) **Support the affordable housing priorities of the Minnesota Housing Finance Agency (MHFA), which include making resources and methods available to maintain and improve existing affordable homes, including publicly subsidized deeply affordable, and housing stock that is aging such as naturally occurring (unsubsidized) affordable housing.**
- b) **Provide stable and long term funding, including but not limited to dedicated funding sources, for Minnesota Housing and other affordable housing programs, including those that encourage innovation and recognize regional markets, provides flexibility for cities to create partnerships and leverage resources with private and public entities, such as: capital investment funding for affordable and public housing, funding for supportive services and programs that address homelessness and reduce barriers to stable housing and homeownership, a tax credit contribution fund or a state low-income housing tax credit to help rebuild the state's partnership with local governments in the development of homeownership, and multi-family rental assistance and housing renovation programs.**
- c) **Consider establishing a program to address immediate needs throughout the year to provide a match for new or existing city-supported affordable housing projects. This could include matching funds, issued on a timeline that is consistent with local budgeting processes, for local revenues allocated to a local affordable housing trust fund.**

- d) **Substantially increase long-term funding for the Economic Development & Challenge Fund to leverage local private and public resources to develop workforce rental and single-family homes.**
- e) **Support legislation to provide sales, use, and transaction tax exemptions or reductions for development and production of affordable housing and use state bond proceeds for land banking and trusts as well as rehabilitation and construction of affordable housing.**
- f) **Provide funding and financing tools to cities to create affordable senior housing for our aging population.**
- g) **Provide funding and financing tools to cities to create affordable housing and prevent foreclosure for veterans.**
- h) **Support for funding to reduce the racial gap in homeownership rates, such as targeted homeownership capacity building and homebuyer assistance.**
- i) **Support additional funding for the housing choice voucher programs or other rental assistance programs and financial, tax, and/or other incentives for rental property owners to participate in these programs.**
- j) **Support the current 4d Low-Income Rental Classification under Minn. Stat. § 273.128 that provides a class rate reduction in property taxes to qualifying low-income rental properties. Pass legislation that requires a full analysis of the program to study the impact of expanding or modifying the current program to understand the financial impact to residents, who will bear the responsibility of the redistributed taxes. Oppose any changes to the 4d Low-Income Rental Classification program that substantially increases**

the tax responsibility for residents and businesses or increases the tax benefit for landlords without including increased benefits for renters of 4d units including but not limited to deeper affordability or property reinvestment. Support the implementation of a reporting process for landlords and consider a sunset period for any changes made to the program to evaluate the range of impacts that expanding the program may have.

- k) **Support funding for infrastructure grants available to cities to assist with the cost of providing critical infrastructure and ensure that residential sites are shovel ready for development.**

LE-11. Greater Minnesota Housing

Issue: Cities in greater Minnesota share many of the same housing needs as metro communities. However, not unlike differing real estate markets within a city, greater Minnesota communities often have vastly different market conditions for housing that can necessitate priorities that vary from metropolitan areas. Greater Minnesota cities face unique challenges that affect the affordability, quality, and availability of housing. While local communities in greater Minnesota are focusing on local efforts to attract development and encourage growth, assistance is often needed from state and federal resources to construct and rehabilitate greater Minnesota housing stock and that assistance should better accommodate the varying realities of a diverse state and housing markets.

Like many metropolitan cities, greater Minnesota city housing studies often cite challenges at many levels of the economic spectrum that impact local economies and population growth. However, incomes

within exclusively rural and rural/town mix counties are well below average incomes in exclusively urban counties. The US Bureau of Economic Analysis demonstrates over a 62% earnings gap between entirely rural and entirely urban counties. With low wages impacting the availability at all levels of housing.

However, one of the most vexing difference in the housing continuum is the lack of production of market rate housing in rural communities. The lack of market rate production has led to aging housing stock in greater Minnesota cities that hinders economic growth. At least 25% of the housing stock in 34 of greater Minnesota's 80 counties was built before 1940 and only four counties in greater Minnesota have 5% or more of their housing stock constructed in 2010 or later. The aging owner-occupied and rental housing stock have low assessed values far below any reasonable cost of new construction and thereby translates to an environment where lenders and developers often shy away from new market rate developments because of these valuations or low prevailing rents.

The circumstances also mean that the few affordable housing projects that do make their way to greater Minnesota are often notably of higher quality than the average market rate housing stock if they were lucky enough to produce any. Many of these affordable units rent for 20-37% higher than what individuals would otherwise be able to afford in many greater Minnesota cities if they were buying a median valued home of significant age. Though numbers certainly differ, modest market rate units that have been attempted or in some instances advanced in our communities have a per unit cost of \$140-\$150,000 while a tax credit project with their added soft cost can often reach costs of \$225,000 per unit or more. Project costs for workforce housing can also

become prohibitive for many developers in greater Minnesota due to prevailing wage requirements. While greater Minnesota cities are looking to gain every advantage and stretch limited local resources for housing, more state assistance should be focused to allow rural communities to minimize the financial gap of market rate production.

Response: The Legislature should:

- a) Appropriate funding to state assistance programs serving greater Minnesota to account for the state imposed prevailing wage requirements.**
- b) Require a comprehensive analysis of the state's housing assistance programs to better determine the specific needs of greater Minnesota communities and adjust programs accordingly.**
- c) Change Tax Increment Financing rules to address specific housing challenges in greater Minnesota, including but not limited to, extending the timeframe for pooling redevelopment TIF projects from 5 to 10 years to allow more flexibility for rural communities to amass properties and finance projects while removing blight and allowing TIF to be used for workforce or market rate housing production in areas of low market rate production to provide parity at a 25-year duration.**
- d) Appropriate more state resources and establish grant and forgivable loan programs that support market rate and senior housing development proposals in greater Minnesota communities where production is extremely low.**
- e) Work to address the disconnect between communities that follow the Statewide Building Code and those**

areas that do not to ensure a level playing field while encouraging prudent health and safety measures. Furthermore, the building code should not be used to further disadvantage cities for the investments they have made in infrastructure to comply with regulatory and smart growth principles.

LE- 12. Energy Efficiency Improvement Requirements for Housing

Issue: Rising energy costs have brought attention to the poor energy efficiency of many private residences and multi-family properties, especially in older housing stock. The affordability of housing could be severely impacted by continued increases in home energy costs. Improvements in the energy efficiency of housing would improve the affordability of local housing options and would help achieve state energy demand and greenhouse gas emission reduction goals. The challenge is how best to achieve that result.

Legislative discussions have suggested that minimum energy efficiency improvements could be added as point of sale requirements, including energy use disclosure and basic renovations such as improved attic insulation levels, window caulking and other air sealing, or improved light fixtures.

While the goals of such a program are laudable, there are a number of concerns for how this would actually be accomplished in individual cities. Most cities do not, for example, have point of sale inspections. There will also be cases where the building could be structurally unable to meet high attic insulation requirements, such as with manufactured housing or with older houses

with very little attic space. There are also concerns that the cost of meeting these energy requirements could result in homeowners being reluctant to sell their houses because of the expense of the improvements that would be required to meet new standards or property owners passing on the cost of upgrades to tenants.

Increased exposure to educational information, such as increased access to energy audits and more familiarity with and access to programs that finance energy efficiency projects could increase adoption of energy efficiency improvements. Electric utilities provide successful, cost-effective energy efficiency programs, have a customer relationship with homeowners, a regulatory requirement to meet energy demand reduction goals through conservation spending, and access to technical expertise that can take into account variations in building age and construction. Cities could, however, play a strong role in increasing public exposure to approved educational materials and providing incentives through the use of other local financing support options for property owners, such as grants, loans, a Property Assessed Clean Energy (P.A.C.E.) program, and other financing tools.

***Response:* The League of Minnesota Cities agrees that there is a need to improve the energy efficiency of residential building stock to reduce energy consumption and improve the affordability and livability of housing. The state should focus its efforts on improving educational programs and on improving the use of the existing statewide Conservation Improvement Program (CIP) and similar programs, and provide property owners with technical and financial support for weatherization and energy efficiency improvements. Further, the state should**

work to make residential Property Assessed Clean Energy (P.A.C.E.) programs viable for local governments.

Cities should use their communication tools, such as newsletters, web sites, and staff communications to promote these efforts and to help link property owners to educational materials and program resources. Additionally, cities could be incentivized to adopt strategies to disclose energy usage data for building owners to identify options for cost-efficient energy improvements.

LE-13. In-Home Day Care Facilities

Issue: There are restrictions on the ability of a city to regulate licensed day care facilities. Minn. Stat. § 462.357, subd. 7, states that certain licensed residential facilities and day care facilities must be considered a permitted single-family use for zoning purposes. The restriction is designed to protect “in-home” daycare facilities, but the law applies even if the facility is not the primary residence of the day care provider. This creates a loophole for providers to use a single-family home as a commercial daycare facility, which might not otherwise be allowable under a city zoning ordinance.

Response: The Legislature should amend Minn. Stat. § 462.357, subd. 7, to clarify that a licensed day care facility serving 12 or fewer persons is considered a permitted single-family use only if the license holder owns or rents and resides in the home.

LE-14. Residential Programs

Issue: Minnesota’s deinstitutionalization policy seeks to ensure that all people can live in housing that maximizes community integration. Minn. Stat. § 462.357, subd. 6a. states that “persons with disabilities should

not be excluded by municipal zoning ordinance or other land use regulations from the benefits of normal residential surroundings.” Minnesota cities support inclusion of people with and without disabilities in their communities, but these policies are best implemented with minimal encroachments on municipal zoning authority and positive working relationships between cities, care providers, and the state.

On one hand, treating persons with disabilities differently generally raises questionable issues of disparate treatment with the Federal Fair Housing Act. On the other hand, without some regulation, cities are powerless to protect individuals with disabilities from a clustering of residential programs within one neighborhood. As the Department of Justice has stated, while density regulations are generally suspect, “if a neighborhood came to be composed largely of group homes, that could adversely affect individuals with disabilities and would be inconsistent with the objective of integrating persons with disabilities into the community.” (*Joint Statement of the Department of Justice and the Department of Housing and Urban Development.*)

To this end, and in upholding a state and local dispersal requirement, the Eighth Circuit Court of Appeals stated that the requirement was designed to ensure that people with disabilities “needing residential treatment will not be forced into enclaves of treatment facilities that would replicate and thus perpetuate the isolation resulting from institutionalization.” *Familystyle of St. Paul, Inc. v. St. Paul*, 923 F.2d 91, 95 (8th Cir. 1991).

City authority to regulate the locations of residential programs is limited by state statute and the federal Fair Housing Act (FHA), although Minn. Stat. § 245A.11, subd. 4, prohibits the Commissioner of

Human Services from granting an initial license to a residential program of six or fewer people within 1,320 feet of an existing residential program in cities of the first class.

In 2015, Minn. Stat. § 245A.11, subd. 4, was amended to clarify that the Commissioner of Human Services is required to approve licenses for “community residential settings” within 1,320 feet of existing residential programs. A “community residential setting” is commonly known as adult foster care. While this was the original intent of the legislature, statutory terms changed over the years; this amendment was to make various statutory references consistent.

Sufficient funding and oversight are needed to ensure that residents living in residential programs have appropriate care and supervision, and that neighborhoods and residents of residential programs are not negatively impacted by high concentrations of these types of programs. As it stands now, there is nothing preventing clustering of residential programs in most cities in the state. Cities want to be part of the solution, and more than anything cities desire to be, and should be, partners in serving the policies of deinstitutionalization. Cities have an interest in, and are in the best position, to preserve a balance in residential neighborhoods between residential programs and all other uses. Because Minnesota cities are committed to inclusion of all individuals, it is in the best interest of the state, care providers, and those individuals served, that all parties include cities as partners before opening a residential program to best plan for community integration.

***Response:* Cities should maintain the statutory authority to require agencies, as well as licensed and registered providers that operate residential programs, to notify the city before properties are**

operated. Cities should be provided with the necessary contact information after a residential program is licensed or registered. Providers applying to operate residential programs should be required to contact the city to be informed of applicable local regulations. Finally, licensing or registering authorities must be responsible for removing any residents incapable of living in such an environment, particularly if they become a danger to themselves or others.

LE-15. Inclusionary Housing

Issue: Provisions in current state statute (Minn. Stat. § 462.358, subd. 11) allowing cities to enter into development agreements for the inclusion of a portion of the units in the development to be affordable for low- or moderate-income families have been a source of conflict between cities and housing developers.

Cities are concerned builders that view this statute as a restriction on local authority to adopt policies that promote availability of housing affordable to those who are unable to purchase or rent housing at price points that the market alone provides.

***Response:* The Legislature should:**

- a) Strengthen and clarify cities’ authority to carry out policies that offer developers a range of incentives in return for including a designated number of affordable units in their projects.**
- b) Identify strategies to ensure long-term affordability of rental and owner-occupied housing produced as a result of such policies and practices.**
- c) Focus state housing policy to support for local assessment of housing needs and direct additional state resources**

and the full exercise of local authority to increase development of affordable rental units and access to entry-level, owner-occupied housing.

- d) **Support voluntary measures to encourage cities to adopt and carry out land-use plans, activities, and subdivision regulations aimed at providing for construction and marketing of housing where a portion of all new units are affordable to lower-income households.**

LE-16. Community Land Trusts

Issue: The increasing price of land available for housing development, particularly for retaining affordability of housing for lower-income households, is a concern throughout the state. Creating more permanently affordable, owner-occupied housing depends heavily on maximizing the cost-effectiveness of taxpayer investments. The Legislature has previously appropriated funding and granted the Minnesota Housing Finance Agency authority to assist cities with funding community land trusts (CLTs) for affordable housing.

Response: **The Legislature should support continuation of the land trust capacity-building program and provide capital start-up funds so community land trusts can continue to offer gap financing, interest rate write-downs, predevelopment financing, and financial underwriting. The Legislature should also support efforts by the Minnesota Community Land Trust Coalition to develop property tax valuation to lower property taxes for sales-price-restricted properties enrolled in CLT programs.**

LE-17. Telecommunications and Information Technology

Issue: Telecommunications and information technology is essential public infrastructure for the efficient, equitable, and affordable delivery of local government services to residents and businesses.

Telecommunications includes voice, video, data, and services delivered over cable, telephone, fiber-optic, wireless, and all other platforms.

Response: **The League of Minnesota Cities supports a balanced approach to telecommunications policy that allows new technologies to flourish while preserving local regulatory authority. Regulations and oversight of telecommunications services are important prerogatives for local government to advance and balance community interests, including ensuring public safety, ensuring equitable access, maintaining high quality basic services that meet local needs, spurring economic development, and providing affordable rates to all consumers. Policies should strengthen and not diminish local authority to manage public rights-of-way including public and private infrastructure, to zone, to collect reimbursement of costs and reasonable compensation for the use of public assets, or to work cooperatively with the private sector. The League opposes the adoption of state and federal policies that restrict cities' ability to finance, construct, and operate telecommunications networks.**

LE-18. Broadband

Issue: High-speed Internet is essential infrastructure needed by cities to compete in a global economy. Yet many communities do not have access to broadband at

affordable prices. High fixed costs, low density, and short-term return-on-investment thresholds for private sector providers contribute to the lack of broadband across the state. Investing in universal broadband access has substantial local and regional economic benefits for communities of all sizes. Cities and other local units of government are facilitating the deployment of broadband services to increase connectivity, reliability, availability, and affordability for residents and businesses through a variety of models, including municipal broadband and public-private partnerships. However, attempts have been made to restrict cities from providing telecommunications services, particularly in unserved or underserved areas. Recent court cases have overturned interpretation by the Federal Communications Commission (FCC) that states may not limit the extension of municipal broadband services from one city to another.

Due to the high costs of broadband infrastructure, the state has expanded its role to identify and formulate tools to expand broadband access. The Office of Broadband Development within the Department of Employment and Economic Development (DEED) created in 2013 formally established a partnership between the state and local communities to deploy high-speed Internet in unserved and underserved areas. The Office supports broadband expansion through broadband mapping and managing the state's broadband grant program. Additional state action occurred during the 2016 legislative session when the legislature reestablished state speed and adoption goals under Minn. Stat. § 237.012. In addition to the state's focus on extending broadband to unserved areas, Minnesota must also be on the cutting edge for next-generation broadband investments.

Response: To promote economic development and achieve state broadband goals, the Legislature, Governor's office, and state agencies should:

- a) Identify and implement actions for the state to reach and maintain a position in the top five states for broadband speed that is universally accessible to residents and businesses;**
- b) Make significant investments to the Border-to-Border Broadband Grant Program and continue to encourage public/private sector collaboration including options that use technologies such as wireless that are scalable to meet statutory speed goals and are consistent with LE-19 to cost-effectively expand broadband service access;**
- c) Support measures to authorize and encourage cities and other local units of government to play a direct role in providing broadband infrastructure and/or services;**
- d) Remove barriers to the exercise of local authority to provide such services, including repeal of Minn. Stat. § 237.19, that requires a supermajority voter approval for the provision of local phone service by a local unit of government;**
- e) Offer incentives to private sector service providers to respond to local or regional needs and to collaborate with cities and other public entities to deploy broadband infrastructure capable of delivering sufficient bandwidth and capacity to meet immediate and future local needs;**
- f) Adopt policies which seek to position Minnesota as a state of choice for testing next-generation broadband technologies;**
- g) Affirm that cities have the authority to partner with private entities to finance**

broadband infrastructure using city bonding authority;

- h) Remove barriers, restrict anti-competitive practices, and prevent predatory action that prevent or impede cities, municipal utilities, schools, libraries, and other public sector entities from collaborating and deploying broadband infrastructure and services at the local and regional level;
- i) Continuously update and verify comprehensive statewide street-level mapping of broadband services to identify underserved areas and connectivity issues. Discuss how well the FCC and state broadband maps document actual broadband coverage across Minnesota including wireless options. These maps are used by funders to determine grant program eligibility so that overstatement of available services is highly consequential and negatively impacts rural places; and
- j) Recognize the crucial role of local government in the work of the Governor's Broadband Task Force and f Fund the Office of Broadband Development (OBD) through the base budget at levels sufficient for it to meet its statutory mandates.
- k) Support the creation of an OBD operating fund to advance and promote programs and projects that improve broadband adoption, achieve significantly higher broadband speeds, and support efforts to improve digital inclusion by ensuring that robust and affordable internet connectivity is widely available all Minnesotans.

On the federal level, the League urges Congress to adopt laws restoring the ability of municipalities to extend beyond

their borders to serve unserved and underserved areas.

LE-19. Competitive Cable Franchising Authority

Issue: Despite claims made by some in the cable industry, studies and evidence to date do not support that state franchising is the solution for competition, lower consumer rates, and improved customer service. Unlike the exercise of local franchising authority, state franchising models frequently make no provision for staffing at the state level or for effective resolution of consumer complaints.

Cable service provided by a cable communications system that uses infrastructure located in the public right-of-way to transmit video signals remains subject to local franchising authority. Maintaining local franchising most effectively creates and preserves agreements that guarantee broad access to services throughout the community, ensuring there is no digital divide for access to available additional services such as access to IP voice and high-speed Internet via infrastructure that also delivers video programming services.

Response: State policy should maintain local cable franchise authority and oversight of the public rights-of-way, as well as ensure franchise agreements reflect new technology, and are reasonably tailored to the technical and operational differences among providers and communities. Independent studies clearly demonstrate that statewide franchising does not increase direct competition to incumbent cable franchisees.

The Legislature, Federal Communications Commission (FCC), and

Congress should also continue to recognize, support and maintain the exercise of local franchising authority to encourage increased competition between incumbent cable system operators and new wireline competitive video service providers including:

- a) **Maintaining provisions in Minn. Stat. ch. 238 that establish and uphold local franchising authority, including the authority to receive a franchise fee based on gross revenues irrespective of any in-kind contributions;**
- b) **Refraining from adopting any FCC rule changes that would further restrict existing local authority to charge for and control access to public rights-of-way by all video and cable service providers;**
- c) **Maintaining local authority to charge fees on providers to ensure the provision of public, educational, and governmental (PEG) programming, to require the provision of video channels and video streaming for PEG programming with video and audio quality/channel location equivalent to that of the local broadcast stations, and ensuring programming is accessible and searchable by all residents of the local authority through detailed Electronic Programming Guide listings that are equivalent to that of local broadcast stations;**
- d) **Ensuring continued cost-effective local government access to capacity on institutional networks (I-Nets) provided by local cable system operators for public safety communications, libraries, schools, and other public institutions to use state-of-the-art network applications; and**

- e) **Strengthening local authority to enforce customer service standards and transparency in pricing.**

LE-20. Public Right-of-Way Management

Issue: Cities hold local rights-of-way in trust for the public as an increasingly scarce and valuable asset. As demand increases for use of public rights-of-way (PROW), cities must coordinate the use of this resource among competing uses and to manage the use of the PROW for delivery of essential municipal utility services. Cities continue to experience increased demand for space in the PROW including the siting of underground wired and overhead wireless facilities and sites for wireless communications. Additionally, technology located in the public right-of-way will continue to support the increase of new modes of mobility and delivery methods including Connected Autonomous Vehicles (CAV) that may also operate in the public right-of-way. While local management responsibilities vary and are site specific, the increased demand for utilizing space in the public right-of way underscores the necessity for maintaining local authority.

Minnesota's Telecommunications Right-of-Way User Law was amended during the 2017 Session with legislation creating a separate permitting system for placement of small wireless facilities on city-owned structures in the public right-of-way. The change in law clarified that wireless providers are telecommunications right-of-way users and maintained cities' right-of-way management authority, but limitations were imposed on cities' compensation through rent and timelines for processing small wireless facilities permits.

Response: Minn. Stat. §§ 237.162-.163 worked well for many years, but

Minnesota was a part of a nationwide effort by wireless providers to pass laws providing them with easier access to public rights-of-way and city-owned infrastructure. While Minnesota's law maintains more local control than those passed in many other states, the League of Minnesota Cities opposes efforts to further restrict local government authority over the public right-of-way. Furthermore, the Federal Communications Commission is undergoing review of Telecommunications Act rules and policies related to local government regulatory authority. State and federal policymakers and regulators should:

- a) Uphold local authority to manage and protect public rights-of-way, including reasonable zoning and subdivision regulation, reasonable regulations of structures in the public right-of-way, and the exercise of local police powers;
- b) Recognize that cities have a paramount role in developing, locating, siting, and enforcing utility construction and safety standards;
- c) Support local authority to require reimbursement and compensation from service providers for managing use of public rights-of-way;
- d) Maintain city authority to franchise gas, electric, open video systems and cable services, and expand city ability to collect compensation for other services utilizing the PROW including but not limited to telecommunications and broadband services, and all other wireline programming platforms and services to support maintenance and management of the traveled portion of the PROW and other public services of importance to communities;
- e) Encourage a collaborative process with stakeholders, including cities, to

determine any revised standards if needed;

- f) Recognize that as rights-of-way become more crowded, the costs of disrupting critical infrastructure become evident and the exercise of local authority to manage competing demands and ensure public safety in the PROWs becomes increasingly important;
- g) Ensure the removal of abandoned equipment and accompanying support structures by the service providers from the public right-of-way;
- h) Maintain the courts as the primary forum for resolving disputes over the exercise of such authority; and
- i) Maintain existing local authority to review and approve or deny plans for installation or relocation of additional wires or cables on in-place utility poles. In the alternative, cities should have broader authority to require the underground placement of new and/or existing services at the cost of the utility or telecommunications provider.
- j) Support the collaboration with local units of government as the state explores efforts to expand infrastructure in the public right-of-way to provide for increased connectivity for Connected Autonomous Vehicles (CAV).

LE-21. Wireless Infrastructure and Equipment Siting

Issue: Demand for wireless communication service has increased requests by private and public sector providers to site additional towers, antennas, small cells and other facilities in cities. It is anticipated that applications to install small cell wireless facilities and distributed antenna systems (DAS) will continue to grow as technology

evolves over time. Despite changes made to Minn. Stat. § 237.163 that created a special process for the siting of small wireless facilities, maintaining cities' local zoning authority and police power to manage and coordinate the siting of these facilities continue is necessary and appropriate.

***Response:* Cities must continue to exercise full authority to consider public health, safety, and welfare concerns in responding to requests to site, upgrade or alter wireless facilities. The Legislature, Federal Communications Commission (FCC), and Congress should not place further restrictions on city authority to manage the siting of wireless facilities in the public right-of-way nor enact compensation restrictions that would result in local government subsidization of wireless providers. Furthermore, cities must have recourse to require removal by the provider of equipment deemed abandoned.**

LE-22. County Economic Development Authorities

Issue: The 2005 Legislature authorized all counties outside the metropolitan area to establish county economic development authorities (EDAs). Minn. Stat. § 469.1082 provides specificity on certain process and limitations issues, including the ability of cities to prohibit the county EDA from operating within the city as well as within an agreed-upon urban service area or within a distance approved during the formation of the county EDA. County EDA activity in areas surrounding cities will directly impact the adjacent city in terms of service provision and taxes.

***Response:* The Legislature should require city approval for proposed county EDA activities within two miles of a city.**

LE-23. Local Appropriations to Economic Development Organizations

Issue: Cities and towns are allowed to appropriate up to \$50,000 per year from general fund revenue to an incorporated development society or organization for “promoting, advertising, improving, or developing the economic and agricultural resources” of the city or town. The \$50,000 cap has been in place since 1989 and places unnecessary restrictions on a city’s ability to work with non-profit development corporations. Local governments should have the flexibility to work with outside organizations if local elected officials believe it is in the best interest of their communities to do so. Such appropriations are subject to the same budgetary oversight as other government expenditures, and local elected officials are ultimately responsible to the voters for how local tax dollars are spent.

***Response:* The Legislature should amend Minn. Stat. § 469.191 to eliminate or increase the cap on appropriations to incorporated development societies or organizations.**

LE-24. Workforce Readiness

Issue: It is critical for the future of our economy to prepare for new demographic trends. While population rates among communities of color are projected to increase, the unemployment rate for communities of color exceed the unemployment rate for white Minnesotans. For example, data from the Bureau of Labor Statistics (BLS) indicate that black unemployment rates are consistently two to three times higher than the unemployment rates of white Minnesotans and studies indicate that hiring bias is a substantial

factor for this disparity in unemployment rates. In addition, while early work experience is a leading predictor of future success in a workplace, recent statistics from BLS show that the youth unemployment rate for 16-19 year olds is three times that of the unemployment rate for the state as a whole.

Incumbent worker training and education must be an important component of Minnesota's efforts to improve workforce readiness. By making firms and employees more competitive, incumbent worker training can increase wages, increase employment opportunities, fill skilled worker gaps, and keep jobs and employers in their communities. The Minnesota Job Skills Partnership is one proven tool that provides training to thousands of incumbent workers each year.

Response: The Legislature should:

- a) **Fully fund the Minnesota Job Skills Partnership and other workforce training programs administered by the Department of Employment and Economic Development, the Department of Human Services, and the various education agencies;**
- b) **Provide additional flexible funding to local workforce councils, including governments and educational facilities, for the purpose of upgrading the skills and productivity of the workforce, and pursue additional creative programming and funding to prepare and place underemployed and unemployed Minnesotans, as well as address the issue of those phasing out of the workplace and retiring;**
- c) **Provide additional funding for programs specifically designed to address youth employment such as career and workforce readiness programs, and employment disparities; and**

- d) **Continue to support cities that provide workforce programs that are coordinated with and complement state and regional efforts by seeking municipal approval before making any changes to those service areas.**

LE-25. Business Development Programs

Issue: Programs such as the Minnesota Investment Fund (MIF), the Job Creation Fund (JCF), the Redevelopment Program, and contaminated site clean-up grants provide funding opportunities for communities and businesses to develop their local and regional economies. These well-utilized programs create infrastructure, revitalize property, and help businesses generate and expand jobs. Cities are key facilitators in the implementation of economic development strategies through land use and other policies.

Response: The League of Minnesota Cities supports continued and sustainable funding for the Minnesota Investment Fund and the Job Creation Fund to assist local communities and businesses in creating, growing, and retaining jobs.

DEED should solicit input from cities about how best to implement the Fund, and make adjustments to the administration of the program as necessary. The League supports Department of Employment and Economic Development (DEED) studying and making recommendations on methods to improve the geographic balance of recipients, by allowing the use of additional evaluation criteria beyond the current job creation goal such as providing higher-wage jobs or achieving racial equity policy goals. that would allow all regions of the state to better prosper.

LE-26. Remediation and Redevelopment

Issue: Communities across Minnesota are faced with expensive barriers to re-using property. These roadblocks include deteriorating, obsolete, and vacant structures, and contaminated land.

Larger scale redevelopment projects often require the purchase and assembly of multiple, smaller parcels of land that are not suitable for development on their own. Cities and development authorities may need to purchase land over a period of years and hold them for later development, reducing the effectiveness of traditional financing tools that require immediate development.

Such barriers pose significant problems for cities seeking to re-use existing infrastructure, maintain and improve property tax base, provide jobs and housing opportunities, and preserve historic structures. Land remediation activities are particularly costly because significant remediation must occur before private-sector interest can be generated. Exacerbating this situation, the land remediation programs administered by the Department of Employment and Economic Development (DEED) and the Metropolitan Council programs continue to be underfunded.

***Response:* In recognition of the unique needs of land remediation projects statewide, the Legislature should increase funding for the statewide redevelopment account. The League of Minnesota Cities would also support the creation of a land assembly grant or loan program to assist cities and economic development authorities assemble small parcels for redevelopment. The League supports competitive programs administered by DEED with that distribute the funds**

equitably between greater Minnesota and the metro area. The Legislature should continue its support and increase funding levels for state and regional programs to assist in contamination cleanup and brownfields remediation efforts.

The State should recognize that the rehabilitation of land due to obsolescence or incompatible land uses is a component of redevelopment. The Legislature should amend the definition of redevelopment district in Minn. Stat. 469.174, subd. 10, to include the obsolescence and incompatible land uses included in a renewal and renovation district (Minn. Stat. § 469.174, subd. 10a), thereby providing cities with more flexible tools to address land remediation and redevelopment.

The Legislature should also revive a program similar to “This Old Shop” (Minn. Stat. § 273.11, subd. 19), which would allow cities greater flexibility in targeting commercial development and redevelopment. The Legislature should consider enacting authority that would provide a tax deferral on improvements to commercial buildings, including those located in designated rehabilitation or historic preservation districts. The program’s age limit qualifications under Minn. Stat 273.11, subd. 19, should be modified to include properties that are at least 30 years old.

LE-27. Development Authority Levy Limits

Issue: Under Minn. Stat. § 469.107, § 469.033, and § 469.053, Economic Development Authorities (EDAs), Housing and Redevelopment Authorities (HRAs) and port authority levies for economic development activities are capped. These

limits can hinder the planning of future development.

Response: The Legislature should increase or repeal levy limits or increase the levying authority for EDA, HRA, and port authority activities in Minn. Stat. ch. 469.

LE-28. Tax Increment Financing (TIF)

Issue: TIF is the most important tool available to fund community development and redevelopment efforts. Over time, the TIF law has become increasingly complex as the Legislature seeks to provide cities with the resources to grow the state's economy while maintaining limits on the use of property taxes. Cities need greater flexibility to use TIF for community and economic development that support a city's residents and businesses. Further restrictions of TIF would render the tool less effective and will hinder local efforts to support job creation, housing, redevelopment and remediation.

The need for flexibility has been accentuated due to the pandemic economic downturn which has dramatically slowed existing projects that must continue to comply with statutory timelines. Many projects will have difficulty meeting time-line requirements such as the five-year rule without special legislation authorization.

Further restrictions of TIF would render the tool less effective and will hinder local efforts to support job creation, housing, redevelopment and remediation.

Response: The Legislature should not enact future TIF law restrictions, rather the Legislature should:

- a) Amend Minn. Stat. § 469.1763, subd. 4, to clarify that tax increment pooling limitations are calculated on a cumulative basis.
- b) Modify Minn. Stat. 469.174, subd. 10, to allow a redevelopment district to be established where only 50 percent of the buildings are required to be structurally substandard to a degree requiring substantial renovation or clearance.
- c) Clarify that expenditures for the necessary maintenance of properties within TIF districts are an allowable use of tax increment under Minn. Stat. § 469.176, subd. 4;
- d) Allow term extensions for redevelopment districts which are taking longer to develop;
- e) Amend Minn. Stat. § 469.1763, subd. 3, to eliminate the "Five-year Rule" for districts that are taking longer to develop;
- f) Amend Minn. Stat. § 469.174, subd. 25, to provide time limits on the "deemed increment" created by land sales, leases and loans, and allow authorities greater flexibility in the use of lease revenues to fund ongoing operations;
- g) Expand the use of TIF to assist in the development of technological infrastructure and products, biotechnology, research, multi-modal transportation and transit-oriented development, restoration of designated historic structures, non-retail commercial projects, and non-wetland areas where unstable/non-buildable soils exist;
- h) Increase the ability of TIF to facilitate redevelopment and housing activities;
- i) Modify the housing district income qualification level requirements to allow the levels to vary according to individual communities;

- j) Encourage compact development and consider reauthorization of compact development TIF districts with modifications to increase their effectiveness;**
- k) Discourage any statutory mechanisms that directly or indirectly decrease the impact of city redevelopment and economic development projects;**
- l) Simplify the substandard building test to resolve ambiguities and reduce the continued threats of litigation;**
- m) Create an exception to the interfund loan resolution requirement in Minn. Stat. 469.178, subd. 7, to authorize the development authority to delegate to a staff person the ability to set the terms and conditions of an interfund loan.**
- n) Amend the definition of redevelopment district under the TIF Act to include the obsolescence and incompatible land uses included in a renewal and renovation district, thereby providing cities with more flexible tools to address land remediation and redevelopment.**
- o) Amend Minn. Stat. 469.1763 subd. 2 to provide development authorities greater flexibility to address local housing needs by removing section 42 requirement for housing projects outside the district.**

LE-29. Property Tax Abatement Authority

Issue: In an effort to increase the number of development tools available, the 1997 Legislature authorized local units of government to grant property tax abatements. Although tax increment financing (TIF) continues to be the primary financing mechanism for local development projects, tax abatements provide cities with an important, additional economic development tool. Recognizing the need for

municipal development tools, the 2008 Legislature expanded the abatement authority by converting the limit on abatements from ten percent of the current tax levy to ten percent of net tax capacity. In order to provide maximum benefits and recognize local decision-making, tax abatements should have less restrictive funding caps, financing terms, and authorized uses.

The tax abatement law requires that a political subdivision may only approve an abatement after holding a public meeting with a minimum of 10 days published public notice. When more than one political subdivision abates property taxes for a development project, there must be separate notices and hearings for each subdivision. This requirement can be particularly burdensome for programs designed to develop multiple properties over an extended period of time. If one political subdivision could be designated as the lead entity for purposes of the notice and hearing requirements, such projects could be made more efficient without sacrificing public transparency.

Property tax abatements should not be considered a replacement for TIF.

***Response:* In light of current economic conditions existing property tax abatement authority should be strengthened. The Legislature should:**

- a) Expand the abatement authority to allow abatement revenues to be used for economic development activities such as workforce readiness and assistance programs, and technology infrastructure improvements;**
- b) Develop a state fund to facilitate state participation in abatement projects by**

allowing the state property tax to be abated;

- c) Increase funding caps under Minn. Stat. § 469.1813, subd. 8 and duration limits under Minn. Stat. § 469.1813, subd. 6; and**
- d) Amend Minn. Stat. § 469.1813, subd. 5, to create a streamlined notice and hearing requirement for multi-jurisdictional tax abatement projects.**

LE-30. Opportunity Zones

Issue: The Opportunity Zones program is a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones as designated by the chief executives of every state and territory in the United States. The tax incentive is available for up to ten years.

As the chief executive of the state of Minnesota, Governor Mark Dayton designated 128 census tracts across the state as Opportunity Zones, but beyond the responsibility for this designation the state does not have an additional role in the implementation of the Act. The United States Treasury released rules on April 17, 2019 which provide guidance and clarification for investors and fund managers. It is anticipated that the Act may be a useful tool in spurring development in low-income communities and could help with business development and jobs; there are also questions about what impact the Act will have on the residents that live and businesses that operate, in these communities today. For example, while development may have positive impacts

such as increasing tax base or job opportunities, robust development could have unintended consequences such as displacement of current residents and businesses.

Response: The League of Minnesota Cities urges the federal government to seek regular input from communities that are designated as Opportunity Zones regarding how the tool is being used, whether the tool is encouraging new development opportunities, and how community members who live in the Zones are impacted, such as through a local advisory board made up of residents, businesses, and other stakeholders located in the designated census tracts. The Federal Government should seek input from local communities throughout the implementation of the rules and regulations and consider necessary amendments and adjustments as needed in response to potential questions or concerns raised by the communities whose residents, workers, and businesses will be experiencing the changes that ensue in the Zones.

The State of Minnesota should utilize community development resources to stimulate investment in Opportunity Zones and adopt policies that ensure that local residents, workers and businesses benefit from the investments.

LE-31. Revisions to the OSA Audit Function

Issue: Pursuant to Minn. Stat. § 469.1771, the Office of the State Auditor (OSA) is responsible for tax increment financing (TIF) oversight. As part of its review of TIF districts, the OSA identifies alleged violations of the TIF laws and issues noncompliance notices to TIF authorities. In recent years, a number of cities have

received letters of inquiry from the OSA that raise questions about practices long accepted by the OSA or limit statutory definitions that have not been amended by the legislature for over a decade. The audit power in Minn. Stat. § 469.1771 is necessary to ensure that individual cities comply with the TIF statutes, but is not effective in clarifying the legislative intent of the TIF statutes.

In addition, the TIF statute requires that authorities respond to noncompliance notices within 60-days of receiving the notification. There is no deadline for the OSA to respond, and authorities often do not receive timely responses on the matter from the OSA. Government agencies typically have response-time deadlines, and it is appropriate for the OSA to respond by a time certain to provide finality to the audit process. Any final disposition notice must be clear about the final disposition of the matter.

Finally, the statutory audit enforcement process does not create an environment where these policy questions can be fairly and sufficiently resolved. County attorneys lack the resources to prioritize TIF disputes and lack the subject matter expertise needed to analyze the merits of the OSA's audit findings. This results in excessive deference granted to the OSA's original audit findings. Faced with the potential loss of increment, payment of attorney fees, and small likelihood of success on the merits, cities often acquiesce to the OSA to save time and money.

***Response:* The League of Minnesota Cities believes there should be a more defined process to establish rules or guidelines for TIF authorities with adequate input from local government officials and public finance professionals prior to their adoption.**

In the event that the OSA determines to issue a final noncompliance notice to a TIF authority, the Legislature should require the OSA to issue the notice within 60 days of receiving the authority's response. Any final noncompliance notice should contain the OSA's final position on the matter, the date upon which it forwarded the matter to the county attorney, and the next steps that are required to be taken according to state law. Upon expiration of the 60-day period, the authority should be deemed to be in compliance with the TIF laws if no final noncompliance notice is received.

In order to ensure a fair process to resolve disputes over TIF findings of the OSA, the Legislature should consider whether the authority to resolve such disputes should be shifted from county attorneys to the Office of Administrative Hearings.

LE-32. OSA Time Limitations

Issue: The Office of the State Auditor (OSA) has the authority to issue noncompliance notices for every existing tax increment financing (TIF) district in the state for alleged violations of the TIF laws. This authority extends retroactively to the inception of the district. Accordingly, TIF authorities can receive noncompliance notices for alleged violations that occurred 20 or more years ago. Often, staff and record-keeping procedures have changed, and TIF authorities find it difficult to reconstruct the past in order to identify and remedy these situations. Similarly, the OSA claims the authority, based on the state's records retention schedule, to audit TIF districts for up to 10 years after decertification, which requires cities to expend staff resources to maintain files and a working knowledge of old districts for an unreasonable period of time.

Response: A reasonable timeframe within which alleged violations are identified should be established. The Legislature should reasonably restrict the OSA's ability to issue noncompliance notices to the six-year period prior to the notice's issuance date. The Legislature should also require the OSA to conduct any audits on decertified districts within one year of decertification.

LE-33. Workforce Housing

Issue: Job creation is one of the fundamental goals of economic development. When employers create new jobs through expansion or relocation there must be sufficient housing in the host community for the new workers and their families to live. In rural communities, a lack of housing stock for new workers can prevent a planned expansion or relocation, hampering job growth and economic development. The economics of building a housing development in greater Minnesota communities makes private development difficult, and workers with higher paying jobs do not qualify for traditional affordable housing. This housing gap can bring development and job growth in a community to a halt.

In 2014, at the urging of cities through Minnesota, the Legislature created a workforce housing pilot program for three cities in Roseau and Pennington Counties. In 2015 the Legislature passed League-sponsored legislation that created the workforce housing development program and appropriated \$4 million to the Department of Employment and Economic Development (DEED) to administer the program. Once grant awards from DEED were made, prevailing wage requirements, construction costs, and land prices have shown to lessen the effectiveness of creating more workforce housing units. It is

important to ensure the appropriate resources and process exist for the Department of Labor and Industry (DLI) to determine representative and accurate prevailing wage amounts in different areas across the state.

The 2017 Legislature approved funding for the Workforce Housing Grant Program at \$2 million each year. The program was moved from DEED to be administered by MN Housing Finance Agency (MHFA) in Minn. Stat. 469A.39 with a change in qualifications that gives preference to cities under 30,000 population (rather than 18,000 previously).

The 2017 Legislature also approved a new use of TIF authority for workforce housing (Minn. Stat. § 469.174-176). In addition to requirements under Minn. State. 469.175, subd. 3, county and school boards must approve the TIF plan before it is enacted and the authority sunsets in 2027. These additional requirements specific to workforce housing TIF districts put additional barriers on workforce housing development and does not fully recognize the role of cities as the typical lead government entity on housing projects. Minn. Stat. § 469.175, subd. 2, currently requires cities to provide the county auditor and clerk of the school board with the proposed TIF plan and an estimate of the fiscal and economic implications of the proposed TIF district at least 30 days before the public hearing required by Minn. Stat. § 469.175, subd. 3. The county auditor and school board shall provide copies of these TIF plan materials to members of their boards. These current requirements provide sufficient notice to taxpayers and other government entities about proposed TIF districts.

Response: The League of Minnesota Cities supports additional tools for local

communities to develop workforce housing:

- a) **MHFA should solicit input from local communities to ensure that the goals of the Workforce Housing Grant program are met, and MHFA should award funds to eligible projects as quickly and efficiently as possible;**
- b) **The Legislature should increase funding to the Housing and Job Growth Initiative to aid housing in support of job growth, and amend Minn. Stat. § 462A.33 to eliminate or increase the maximum income levels for participation in the program; and**
- c) **The Minnesota Housing Finance Agency should make administrative changes to the Housing Challenge Grant program to streamline the application process, reduce the per-unit cost of constructing affordable housing, and increase the construction of affordable rental units at 80% of median income and owner-occupied units at 115% of median income, as currently allowed by state and federal law; and**
- d) **The Legislature should pass legislation creating a workforce housing tax credit to spur development of workforce housing.**
- e) **The Legislature should scale the workforce housing grant program to account for the additional cost associated with the prevailing wage requirements.**
- f) **The Legislature should eliminate the provision in Minn. Stat. § 469.175, subd. 3, that requires the county board and school board to approve a workforce housing TIF plan before it is enacted and the Legislature should also eliminate the sunset of the workforce housing TIF authority.**

LE-34. Development Along Transit Corridors

Issue: While the establishment of transit lines and corridors provide the impetus for economic development, there are limits to existing development tools that hinder full development of transit corridors. For example, acquisition of land outside of the line but within the corridor can be difficult, and current tools are not well-suited for the creation of public spaces, enhancement of infrastructure, and investments such as parking ramps that are necessary components of a transit-oriented development plan.

In 2008 the Department of Employment and Economic Development (DEED) was authorized to establish Transit Improvement Areas, which should complement long-term transportation planning initiatives such as MAP-21 and Minnesota GO. Transit Improvement Areas include parcels of land that are located in part within one-half mile of a transit station. A transit station is defined as a physical structure or designated area which supports the interconnection of various transportation modes, including light rail, commuter rail and bus rapid transit, and which promotes and achieves the loading, discharging and transporting of people. The commissioner of DEED may designate a Transit Improvement Area if it will increase the effectiveness of a mass transit project by incorporating one or more modes of public transportation with commercial and housing development, as well as providing a clean and pleasant place for pedestrian use. DEED has designated over 50 Transit Improvement Areas; all but two are located in the seven-county metropolitan area. Although the language passed and was signed into law by the governor (Minn. Stat. § 469.35), there was no funding put into place to implement the new program.

***Response:* The League of Minnesota Cities urges the Legislature to increase the ability of traditional economic development tools, including tax increment financing, tax abatement, and special service districts, to address the needs of transit-oriented development. The League encourages the Legislature to appropriate bonding and general fund dollars for revolving loans and grants to fund the TIA program. Additionally, the Legislature should consider adding park and ride facilities to the list of qualifying transportation modes, as defined in Minn. Stat. § 469.351. Because the majority of the DEED-designated Transit Improvement Areas are currently located in the seven-county metropolitan area, increased funding for this program will not be balanced between greater Minnesota and the metro area. Additional funding for this program should not change the overall balance of state funding between greater Minnesota and the seven-county metropolitan area.**

LE-35. Public Infrastructure Utilities

Issue: Successful economic development efforts and community stability are dependent upon a city's ability to make infrastructure investments. Current infrastructure funding options available to cities are inadequate and unsustainable. Funding pressures have been exacerbated by levy limits, unallotment and reductions in the local government aid and market value homestead credit programs. The existing special assessment law, Minn. Stat. ch. 429, does not meet cities' financing needs because of the special benefit requirement. The law also requires a bond election unless a minimum of 20 percent of such a project can be specially assessed against affected properties due to the increase in fair market

value or "benefit" from the project. In practice, however, proof of increased property value to this degree of benefit can rarely be proven from regular repair or replacement of existing infrastructure such as streets or sidewalks. Alternatives to the Minn. Stat. ch. 429 methods for financing infrastructure improvements are nearly nonexistent.

The Legislature has given cities the authority to operate utilities for waterworks, sanitary sewers, and storm sewers. The storm sewer authority, established in 1983, set the precedent for a workable process of charging a use fee on a utility bill for a city service infrastructure that is of value to everyone in a city. Similar to the storm sewer authority, a transportation or sidewalk utility would use technical, well-founded measurements and would equitably distribute the costs of local infrastructure services.

***Response:* The Legislature should authorize cities to create, as a local option, additional utilities such as a transportation or sidewalk utility, that ensure funding for the maintenance of these public amenities. Additionally, whether established as a new chapter of law or added to the list of service charges in Minn. Stat. § 429.101, cities should be able to impose service charges against property to ensure the maintenance and safety of the right of way for all Minnesotans without having to prove an increase in fair market value or having to determine whether those contributing to the utility fund are taxable or tax-exempt. Such authority would acknowledge the effects of repeated levy limits and the general funding shift from the state to local governments for building and maintaining necessary infrastructure; the benefits to all taxpayers of a properly maintained public infrastructure; and,**

the limitations of existing special assessment authority.

LE-36. Adequate Funding for Transportation

Issue: A well-coordinated state transportation policy utilizing all modes of transportation in moving passengers and freight will enhance the state economic development of new and expanding business as well as foster additional tourism opportunities.

Response: More resources must be dedicated to all components of the state's transportation system, and local units of government must have access to resources and funding tools to meet growing needs. The League of Minnesota Cities supports:

- a) **Development of a comprehensive state transportation policy which provides an environment where all modes of transportation (motor, rail, air, water and pipeline) complement each other in moving passengers and freight within the state.**
- b) **A dedicated and sustainable state revenue source for non-municipal state aid city streets.**
- c) **The Statewide Transportation Plan 2009-2028 developed by the Minnesota Department of Transportation (MnDOT).**
- d) **MVST distribution of 60 percent for roads and bridges and 40 percent for transit.**
- e) **A permanent increase in the gas tax.**
- f) **Indexing of the gas tax, provided there is a limit on how much the tax can be increased for inflation in a given amount of time.**
- g) **Increases in vehicle registration taxes (tab fees).**
- h) **Trunk highway bonding provided the Legislature implements reasonable restrictions on the amount of debt service the state will incur, and provided the Legislature appropriates funding to assist with local costs related to projects funded with trunk highway bonds.**
- i) **General obligation bonding for local roads and bridges, particularly for routes of regional significance.**
- j) **A sales tax increase dedicated to transportation.**
- k) **Funding to assist cities burdened by cost participation responsibilities imposed by improvement projects on the state's principal arterial system and on the county state aid highway (CSAH) system.**
- l) **Funding for transportation components of economic development and redevelopment projects.**
- m) **Full funding for all components of state highway projects, including related stormwater management systems, through state sources.**
- n) **Establishment of a "Mainstreets Fund" to assist cities with non-transportation related components of trunk highway projects such as utility upgrades and improvements that contribute to economic development.**
- o) **Funding to build roads to standards that can accommodate the year-round transport of heavy loads.**
- p) **A sales tax exemption for materials purchased for state and local road, bridge, sidewalk, trail and transit construction projects.**
- q) **Authority for cities to impose development impact fees for transportation infrastructure.**
- r) **Local funding options that would allow cities to raise revenues for roads, bridges, sidewalks, trails, and transit.**
- s) **Expanded use of alternative revenue sources such as MnPASS and other**

tolling mechanisms for funding of maintenance and construction (where feasibility studies indicate the program is appropriate).

LE-37. Turnbacks of County and State Roads

Issue: As road funding becomes increasingly inadequate, more roads are being “turned back” to cities from counties and the state.

***Response:* Turnbacks should not occur without direct funding or transfer of a funding source. A process of negotiation and mediation should govern the timing, funding, and condition of turned-back roads. Agreements should be negotiated and finalized before work on a project requiring a turnback begins. City taxpayers should receive the same treatment as township taxpayers. The requirement for a public hearing, standards about the conditions of turnbacks, and temporary maintenance funding should also apply to county turnbacks to cities. At a minimum, roads that are proposed to be turned back to a city government should be brought up to the standards of the receiving government, or that city should be compensated with a direct payment. Direct funding should be provided for smaller cities that are not provided with turnback financing through the municipal state aid system.**

LE-38. MnDOT Rights-of-Way Maintenance

Issue: Maintenance of property, including government property and facilities, is important to public safety and to the image of Minnesota cities. Cities are acutely aware of the responsibility they have for enforcing

property maintenance codes pertaining to grass mowing, noxious weed abatement, the placement of trash in yards and fence maintenance.

Minnesota has many miles of highways that run through cities. In recent years, the Minnesota Department of Transportation (MnDOT) has cut a substantial percentage of its rights-of-way management staff. The cuts have resulted in reduced maintenance along some corridors and on parcels acquired by MnDOT for transportation purposes. Specifically, MnDOT has reduced the frequency of mowing, litter collection, noxious weed abatement, graffiti abatement and repair of fences and guard rails. This maintenance reduction has created public safety concerns, undermined efforts to keep corridors attractive and presented challenges for communities working to promote economic development.

***Response:* MnDOT must maintain state rights-of-way and parcels acquired by MnDOT for transportation purposes located within city limits in a manner consistent with local ordinances governing the upkeep of private property when requested by the city. Alternatively, MnDOT should reimburse Minnesota cities for the labor, supplies, and equipment necessary to maintain state rights-of-way to meet city standards and/or minimize public safety hazards. The Legislature must provide MnDOT with adequate funds to maintain state rights-of-way.**

LE-39. Funding for Non-Municipal State Aid City Streets

Issue: Minnesota has over 141,000 miles of roadway, and more than 22,500 miles—or 16 percent—are owned and maintained by Minnesota’s 853 cities.

The Minnesota Constitution limits eligibility for dedicated Highway User Tax Distribution Fund dollars to up to twenty percent of streets in cities with populations over 5,000 (147 of 853 cities). This means almost 85 percent of municipal streets are ineligible for municipal state aid (MSA) funds and must be paid for with property taxes and special assessments. Funding challenges are compounded by city cost participation requirements in state and county highway projects, which divert resources from city-owned streets.

Recognizing the unique street funding needs in cities under 5,000 population, the 2015 legislature created the Small Cities Assistance Account (Minn. Stat. § 162.145). Funds in the account are distributed through a formula to all cities under 5,000 population for street maintenance and reconstruction. Unfortunately, funding for the account has only been provided for three times. Because Small Cities Assistance funding has been provided so inconsistently, small cities have had difficulty using the revenue stream as a tool to maximize pavement management and street improvement planning.

Maintenance costs increase as road systems age, and no city--large or small—is spending enough on roadway capital improvements to maintain a 50-year lifecycle. For every one dollar spent on maintenance, a road authority--and therefore taxpayers--save seven dollars in repairs. According to a report released in late 2012 by the governor’s Transportation Finance Advisory Committee, cities collectively need an additional \$400 million per year to bring city streets up to an economically competitive standard.

***Response:* City streets are a separate but integral piece of the network of roads supporting movement of people and**

goods. Cities need greater resources and flexible policies in order to meet growing demands for street improvements and maintenance. The League of Minnesota Cities supports:

- a) **A dedicated and sustainable state funding source for non-MSA city streets in large and small cities statewide;**
- b) **enabling legislation that would allow cities to create street improvement districts (similar to sidewalk improvement districts already allowed under Minn. Stat. § 435.44); and**
- c) **the creation of a new fund within the Local Road Improvement Program that would provide grants to cities burdened by cost participation requirements related to trunk highway and county state-aid projects.**

LE-40. Authority to Allow Amenities in MnDOT Rights-of-Way

Issue: Cities served by the state’s trunk highway system frequently request features on the highway right-of-way (ROW) that would improve the aesthetics of the highway or provide public amenities exceeding components the Minnesota Dept. of Transportation (MnDOT) may include. Minn. Stat. §161.20, Subd. 2(b), gives the MnDOT commissioner authority to make agreements with and cooperate with any governmental authority relating to trunk highway construction and improvements; however, Minn. Stat. §161.434 provides that arrangements and agreements must be “for highway purposes”.

These restrictions are problematic in cities where a downtown commercial area exists along a trunk highway. Some of these cities desire amenities that would make

commercial areas adjacent to trunk highways more vibrant by allowing outdoor dining, landscaping, decorative lighting or other aesthetic improvements that do not serve a highway purpose. Under current law, the city cannot approve amenities that encroach on the ROW.

***Response:* The League of Minnesota Cities supports authorizing cities, by ordinance, to allow amenities that do not serve highway purposes on trunk highway ROW within their jurisdictions. The League also supports a requirement that MnDOT develop and approve rules related to local ordinances.**

LE-41. Complete Streets

Issue: There is increasing public support for the reform of local street design policies to make streets safer for pedestrians, cyclists and neighborhood residents.

***Response:* The League of Minnesota Cities supports reforms in state design guidelines for local streets that would give cities greater flexibility to safely accommodate all modes of travel, including walking and biking. The state should also provide incentives such as grants to local units of government working to advance complete street projects. Crosswalks and Safe Routes to School projects should be eligible for incentives.**

The League opposes state imposed unfunded mandates that would increase the costs of building streets in contexts where facilities for cyclists and pedestrians are unnecessary or inappropriate.

LE-42. Infrastructure Fees

Issue: New development and the resulting growth create an increased demand for public infrastructure and other public facilities. Severe constraints on local fiscal resources and dramatic forecasts for population growth have prompted cities to reconsider ways to pay for the inevitable costs associated with new development.

Traditional financing methods tend to subsidize new development at the expense of the existing community, discourage sound land-use planning, place inefficient pressures on public facilities, and allow under-utilization of existing infrastructure. Consequently, local communities are exploring methods to ensure new development pays its fair share of the true costs of growth.

In *Harstad v. City of Woodbury*, 916 N.W.2d 540 (Minn. 2018), the Minnesota Supreme Court recently clarified that state statute does not provide the authority for cities to impose infrastructure fees to fund future road improvements when approving subdivision applications under Minn. Stat. § 462.358, subd. 2a. Given the existing authorization to impose fees on new development of other infrastructure, such as water, sanitary and storm sewer, and for park purposes, it is reasonable to extend the concept to additional public infrastructure and facilities improvement also necessitated by new development.

***Response:* The Legislature should authorize local units of government to impose infrastructure fees so new development pays its fair share of the off-site, as well as the on-site, costs of public infrastructure and other public facilities needed to adequately serve new development.**

LE-43. Safe Routes to School Grants Management

Issue: The Safe Routes to School (SRTS) Program provides funding support for capital projects that promote and encourage more students to walk or bicycle to school by making the school routes safer and more accessible.

The following are some types of SRTS infrastructure improvement grants that are provided by the state and offered through the Minnesota Dept. of Transportation (MnDOT):

- a) School site improvements: secure bicycle parking facilities, traffic diversion improvements, and Americans with Disabilities Act (ADA) improvements;
- b) Pedestrian facilities: new sidewalk, sidewalk gap closures, and related ADA improvements;
- c) Bicycle facilities: bicycle trails, separated multi-use or shared paths and related ADA improvements; and
- d) Traffic calming and crossing improvements: curb extensions, speed humps, median refuges, enhanced crosswalk markings, timed on/off beacons, vehicle feedback signs (dynamic speed signs), and other traffic control devices.

Cities that receive municipal state aid (MSA)--those with populations above 5,000--may apply for and administer their own SRTS grants. Non-MSA cities, even those with a city engineer on staff or contract, must rely on the county to manage any grant funds secured as well as to approve the project design. In some cities, this requirement has led to project delays and disputes with counties over project design and delivery.

Response: The League of Minnesota Cities supports changes to MnDOT rules to allow small cities that have the capacity to manage SRTS grants and projects to do so without county approval.

LE-44. Railroads

Issue: Railroads impose far-reaching and long-term impacts on communities. The impact of railroads on communities has become more pronounced in Minnesota as the number and length of trains have increased due to frac sand and crude oil entering the state by rail to and from North Dakota. While railroads often support economic activity and can relieve pressure on roadway and bridge infrastructure, they also bring noise, environmental impacts and safety challenges. Below are some of the concerns cities have raised about railroads:

- a) Local public safety personnel are underequipped to respond to a potential derailment of a train carrying hazardous materials such as crude oil or nuclear products.
- b) The cost-share ratio related to roadway crossing improvements is borne disproportionately by the public sector. Some estimates are 80 percent public to 20 percent private funding, regardless of the public entity's ability to pay or whether service is provided within the community. Funding has not kept pace with the growing need for grade separations.
- c) Legislation brought by the railroad industry that would exempt railroads from stormwater fees and assessments and shift the cost of complying with stormwater management to other property owners.
- d) The financial burden is faced by the public sector to deal with mitigation improvements, a cost that the Surface

- Transportation Board (STB) is not requiring the private sector to pay.
- e) At-grade crossings are blocked by both long moving trains and by trains that stop and remain stopped, sometimes for hours at a time. Blocked crossings delay motorists and sometimes prevent passage of emergency vehicles.
 - f) Difficulty and expense of imposing and enforcing whistleblowing ordinances.
 - g) Unabated graffiti on railroad cars and structures.
 - h) Negative impacts of long- and short-term storage of rail cars on adjacent properties.
 - i) Pre-emption of local and state authority to regulate railroad activities.

Response: The League of Minnesota Cities opposes legislation and policies that disproportionately shift authority, costs and/or liability away from railroad companies and onto other entities. The railroad industry, along with state and federal government, must:

- a) Adequately mitigate the negative impacts of railroads on communities;
- b) Allow local governments to enforce the existing state and federal laws regarding the maximum time a crossing may be blocked, and provide a mechanism to do so;
- c) Provide that timely notice to the impacted municipality is required in advance when a crossing or crossings will be blocked by a stopped train;
- d) Require railroad companies to provide a direct emergency response telephone number for city first responders (police, fire, ambulance or other designated official) to call when an at-grade crossing is blocked, and the emergency services need this crossing immediately unblocked to continue their response;

- e) Allow local governments to enforce whistle-free zones;
- f) Impose and implement safety standards that are in the best interest of the public, including requiring every train that is carrying freight to be operated with a crew of at least two crewmembers;
- g) Equip and train local public safety officials to respond to potential catastrophic rail incidents;
- h) Develop plans and identify funding sources for more grade separations between railways and roadways; and
- i) Fund and implement improvements to rail car storage facilities.

The public sector should not incur the costs of improvements sought by the private sector, and cities should not be required to fund most of the cost of crossing repairs or improvements. The federal government must exercise greater oversight of the STB to ensure fair and equitable solutions are reached when dealing with cities in Minnesota. Finally, the Minnesota Department of Transportation's (MnDOT's) Office of Freight and Passenger Rail should advocate on behalf of local communities when conflicts between cities and railroad entities arise.

LE-45. Airport Planning and Funding

Issue: Airports are an essential component of Minnesota's transportation infrastructure. Airports in the State of Minnesota serve important gateway to the region, the nation, and global markets. They serve as a primary access point to our national airport system. The Minneapolis St. Paul International Airport (MSP) is critical to the movement of people and goods in and out of the state and even with all the planned improvements, it

will eventually reach its capacity. The state needs to implement a long-term strategy to make better use of other airport facilities and existing resources, reduce environmental impacts, and achieve sound and sustainable economic growth throughout the state.

Aviation planning is a multi-layered effort with different levels of responsibilities. Currently, the State Airports System Plan is put together by MnDOT with individual pieces developed by the Federal Aviation Agency (FAA), Metropolitan Council (MC), and Metropolitan Airports Commission (MAC). Aviation planning could be improved by a more unified statewide effort and coordination of the various aviation strategies through creation of an oversight body.

Minn. Stat. § 360.017 establishes the State Airport Fund and authorizes the Minnesota Department of Transportation (MnDOT) Office of Aeronautics to support cities, counties and townships in the planning, development, maintenance and safe operation of public airports. In recent years, in order to help balance the state's budget, the Legislature transferred funds from the State Airport Fund to the General Fund. Although the borrowed funds were eventually repaid in full, efforts to preserve and improve the quality of airports throughout the state were hindered by the unavailability of these revenues.

The Minnesota Council of Airports (MCOA), a membership organization for airport authorities and municipal entities who own airports, has led efforts to bring stakeholders together. Most recently, the MCOA established the State Airports Fund Committee to work with the MnDOT Office of Aeronautics to discuss and advise future management practices of the State Airport Fund.

Response: The state needs a higher degree of integration of agencies (FAA, MnDOT, MC, and MAC) and communities related to aviation planning. The League of Minnesota Cities supports the collaborative efforts initiated by the MCOA and supports the development of a statewide airport advisory board, which could provide input, review and make recommendations to assist in development of a comprehensive statewide State Airports System Plan.

The state needs to make planning and investment decisions that will maximize the potential for airports to become economic development centers that provide access to domestic and global marketplaces. Investments in airports allow existing businesses to remain and grow, help attract new businesses, increase employment, and lower product and service costs for the benefit of the region.

Finally, the Legislature should not authorize shifting of dedicated State Airports Fund dollars to resolve general fund deficits.

LE-46. Airport Safety Zones

Issue: The field of aeronautics is regulated generally by Minn. Stat. ch. 360 and Chapter 8800 of the Minnesota Rules. Land use safety zones and other public airport zoning standards are established in Minnesota Rules Chapter 8800.2400, and are adopted by local airport zoning regulations that are submitted to the Minnesota Department of Transportation (MnDOT) commissioner for review and approval before adoption. Airport safety zones are intended to restrict land uses that may be hazardous to the operational safety of aircraft using the public airport, and to protect the safety and

property of people on the ground in the area near the public airport.

While some of the provisions included in the Minnesota Rules are required by the Federal Aviation Administration (FAA), other provisions go well beyond the federal requirements. In some cases, the Minnesota Rules do not make sense for the community served by a public airport.

Finally, in some cases airports cross multiple municipal jurisdictions. Neither state law nor Minnesota Rules provide powers for joint airport zoning boards. These boards could be useful in resolving interjurisdictional issues involving airport planning, development, funding and zoning.

***Response:* The League of Minnesota Cities supports efforts to protect the safety and property of people living and working near public airports. The League also recognizes that the Minnesota Rules related to public airport zoning standards exceed the FAA's and other states' standards and, thus, needlessly infringe on local control. The League supports changes to Minnesota Rules pertaining to airport zoning standards that will more closely align Minnesota's Rules with those in other states, while at the same time retaining local authority to be more restrictive than the Minnesota Rules. The League also supports changes to Minnesota Statutes and Minnesota Rules that would authorize powers for joint airport zoning boards so issues related to funding, staffing, and authority to enforce ordinances can be resolved at the local level.**

LE-47. Development Responses to the Pandemic

Issue: The economic fallout of the pandemic has dramatically slowed development projects across the state. The tax increment financing tool includes many rigid timeline restrictions that do not anticipate the effects of severe economic disruptions.

***Response:* The League of Minnesota Cities supports:**

- a) **A universal extension of the five-year rule to accommodate the impacts of the pandemic economic recession similar to the temporary authorization enacted during the Great Recession;**
- b) **Amending MS469.174 subd 10 (d) to extend the three-year deadline for parcels formerly occupied by substandard buildings to be included in a redevelopment TIF district.**
- c) **Providing tools for development authorities to offset losses in increment revenues caused by the unanticipated economic disruptions of the pandemic.**
- d) **Providing tools for development authorities to assist with costs associated with pandemic-necessitated improvements.**
- e) **Clearly authorize cities to use federal funds from the Coronavirus Relief Fund to provide assistance grants to individual persons, private businesses, non-profit entities and any other entity authorized under Public Law 116-136.**

HUMAN RESOURCES & DATA PRACTICES

HR-1. Personnel Mandates and Limits on Local Control

Issue: Many state laws increase the cost of providing city services to residents by requiring city governments to provide certain levels of compensation or benefits to public employees, by specifying certain working conditions, or by limiting city governments' ability to effectively manage their personnel resources. For instance, existing state laws limit governments' ability to effectively address incompetence or misconduct of city employees by specifying certain procedures or standards of conduct that cities must follow. Several laws are potentially contradictory and force local governments to choose which one to follow.

Response: Any new legislation and changes to existing legislation should meet the following goals:

- a) **Recognize the need for local decision-making authority by local elected officials with regard to the terms and conditions of employment for local government employees (e.g., allow local elected officials to determine employee compensation, employee recognition, and to make employee benefit decisions.**
- b) **Provide funding that pays the full costs of any mandated employment-related expenditures.**
- c) **Avoid and eliminate expensive and time-consuming duplicative legal protections and processes for public employees.**
- d) **Eliminate contradictory existing laws regarding public employment.**
- e) **Eliminate mandates for local government employers that are not**

imposed upon the state as an employer.

- f) **Use the collective bargaining process established by state law, rather than legal mandates, to determine benefits for employees covered by collective bargaining agreements.**

HR-2. Earned Sick and Safe Time

Issue: In recent years, there have been legislative proposals to require employers to provide "earned sick and safe time" affording employees one hour of sick and safe time for every 30 hours worked. Cities recognize their employees for their dedication to public service and currently provide a wide variety of excellent benefits to their employees and prioritize the health and well-being of staff. Benefits include paid time off for most staff who are required to be enrolled in the Public Employee Retirement Association (PERA) (Minn. Stat. § 353.01, subds. 2a, 2b). In developing leave and benefit policies, cities must be mindful of the cost to citizens for programs, much of which are driven by staff compensation and benefits.

Response: To avoid significant cost increases and to provide clarity, the Legislature should use the same eligibility requirements for public employees outlined in state statute for PERA participation if a mandatory sick and safe time program is enacted by the Legislature.

HR-3. Pay Equity Compliance

Issue: In 1984, the Legislature passed the Local Government Pay Equity Act to eliminate sex-based wage disparities in public employment. The Act requires each

local government to submit reports of its pay structure to the state's Pay Equity Compliance Coordinator within the Department of Management and Budget. The data is then subject to analysis to determine if there are inequities in the city's pay structure. Since its passage, the administrative rules implementing the Act have not substantively changed.

***Response:* The League of Minnesota Cities supports the Local Government Pay Equity Act, and seeks to partner with the Legislature and the state's Pay Equity Compliance Coordinator to update and improve the current system so that cities can more efficiently and effectively fulfill the mandated reporting requirements. Local governments and the state should:**

- a) **Explore and document problems individual local governments are experiencing, and evaluate whether the problems are widespread and if they can be resolved administratively;**
- b) **Evaluate the reporting process, and make recommendations for improvement as needed;**
- c) **Review the methodology for analyzing pay equity data; and**
- d) **Evaluate the process by which cities receive notification of reporting requirements and compliance issues and make recommendations for improvement as needed.**

HR-4. Public Employment Labor Relations Act (PELRA)

Issue: The League of Minnesota Cities supports the purpose of the Public Employment Labor Relations Act (PELRA) to balance the rights and interests of public employees, public employers, and the general public. However, certain changes are necessary to assist public employers in implementing this law. For example, current

definitions of "public employee" are confusing and difficult to manage. In addition, the arbitration process has produced decisions that are contrary to the interests of the public, and the legal standard for overturning arbitration decisions is very difficult to meet. Also, recent interpretations of Minn. Stat. § 179A.25 (independent review of non-union employee grievances) has created uncertainty and confusion in the longstanding judicial process used by courts to review city council administrative decisions, particularly employment termination decisions of non-union employees.

***Response:* Minn. Stat. ch. 179A should be modified to:**

- a) **Change the definition of "public employee" under PELRA by removing the existing 14-hour/67-day requirement and replace it with a definition in which employees must work an annual average of 20 hours or more per week.**
- b) **Exclude temporary or seasonal employees, as well as unpaid volunteers, from the PELRA definition of public employee in Minn. Stat. ch. 179A.**
- c) **Provide different options for accessing arbitrators and utilizing the arbitration process in order to "address inequities" between union and management representatives.**
- d) **Allow public employers to bypass mandatory arbitration required under PELRA and directly access the district court or Office of Administrative Hearings system in situations where an employee is being terminated for gross misconduct (e.g., excessive use of force, sexual harassment, sexual abuse, theft or a felony conviction) that is related to the employee's position with the public**

employer, including establishment of a standard that defers to the public employer’s decision on termination if it has met a standard of reasonableness.

- e) **Repeal Minn. Stat. § 179A.25 or, in lieu of repeal, exclude employment terminations from Minn. Stat. § 179A.25; require a 60-day timeframe for filing a petition for review of a grievance under Minn. Stat. § 179A.25; and clarify that decisions of Bureau of Mediation Services (BMS) under this section are non-binding and merely advisory.**

HR-5. Implications of Janus v. AFSCME

Issue: Historically, both members and non-members of public sector unions could opt out of paying the portion of dues that explicitly go to the union’s political activities. But, until recently, non-members were still required to pay what was called a “fair share” fee, allegedly because even non-members receive the benefits of union representation. Union dues are deducted from employee paychecks by employers based on notification of membership provided by labor unions.

Overruling decades of precedent, in June 2018, the U.S. Supreme Court ruled it is unconstitutional for public employees who object to belonging to a union to be required to pay a fair share fee. (*Janus v. AFSCME*). Specifically, the Supreme Court held that laws compelling fair share dues from unwilling members violated the First Amendment by requiring these employees to, in effect, pay for speech with which they do not agree, and that affirmative, voluntary consent is required for dues deduction. Given the degree of uncertainty about the implications of the ruling, public employees

are seeking information about their constitutional rights regarding labor union membership and associated dues. The Minnesota Public Employment Labor Relations Act defines unfair labor practices (“ULPs”) to include dominating or interfering with the formation, existence, or administration of union membership. To avoid a potential allegation that they have engaged in unfair labor practices, if employees seek information about union membership from their employers, employers often refer their employees to union representatives for additional information. The Minnesota Bureau of Mediation Services (BMS) is the state agency charged with providing technical training and information on collective bargaining for the public sector in Minnesota. BMS would be an ideal resource for employees to find critical information about labor union membership, particularly in the wake of the recent Supreme Court ruling.

Additionally, as public sector unions are examining methods to compensate for fair share revenue that may now be lost, laws have been proposed in states outside of Minnesota, which preempt the bargaining process and impose new requirements on public employers. Some of the proposed requirements are designed to help unions market their services to their members or to require the public employers to pay the costs of collective bargaining.

***Response:* To ensure that both public employers and public employees successfully navigate the current unknowns following the Janus decision, the League of Minnesota Cities urges BMS to provide and disseminate information to employees about union membership across the state. The League also urges the Legislature to act to protect public employers against:**

- a) ULP charges when providing factual information to employees about union membership;
- b) ULP charges when requiring unions to provide original documentation of voluntary consent to dues deduction; and
- c) being forced to pay the direct cost of employee representation by unions.

HR-6. Public Employment Relations Board

Issue: Dating back to the 1970's, Minnesota had a Public Employment Relations Board (PERB) in place, but over time, its responsibilities were changed and reassigned to another bureau. Until the reemergence of the PERB in 2014, unfair labor practices (ULPs) actions could be brought in Minnesota District Courts through injunctive relief. In 2014, the Legislature recreated PERB to hear ULPs filed by employees, employers and labor unions under the Public Employment Labor Relations Act (PELRA). The board was created in Minn. Stat. ch. 179A and after receiving initial funding, the board has yet to be fully funded or operational. Much of the current statutory language regarding implementation should be amended to ensure the PERB operates successfully and efficiently for both public employees and employers.

Response: **The League of Minnesota Cities supports the structure and process to address ULPs that was utilized before the reestablishment of the PERB in 2014. If the PERB is implemented fully and funded sufficiently, the League of Minnesota Cities encourages the Legislature to make the following changes:**

- a) **Create statutory authority for the PERB to establish a fee-based structure for filing ULPs and to pay**

for hearing officers, with costs to be shared by employers and authorized representatives;

- b) **Allow the PERB to defer to the decisions made by an arbitrator to prevent duplicative litigation on the same issue; and**
- c) **Amend the Minnesota Government Data Practices Act and the Open Meeting Law to properly maintain the integrity of the hearing process.**

HR-7. Payment of Arbitration Fees

Issue: Like other employers, cities must sometimes make difficult employment decisions and uphold certain principles in order to best serve the public. In a union environment, grievance arbitration is generally used as a “last-resort” remedy when a difficult employment decision must be made or to uphold an important principle. Legislation has been introduced in the past that would require a city or the union to pay arbitration fees if a reasonable settlement is offered and refused in a grievance situation, and the arbitrator ultimately decides on a less favorable remedy. The legislation would have the impact of discouraging cities from using the grievance arbitration process in a manner that best serves the public good.

Response: **The League of Minnesota Cities opposes legislation that would undermine the grievance arbitration process and discourage cities from using the process in the manner intended. Specifically, the League opposes any legislation that proposes payment of grievance arbitration fees when a settlement is offered and declined.**

HR-8. Essential Employees

Issue: Cities must balance the health, welfare, and safety of the public with the costs to taxpayers. Essential employee status

removes the right to strike, but gives the right to mandatory binding arbitration. This status can result in arbitration awards that exceed the city's budget or conflict with the city's compensation policy.

***Response:* The Legislature should carefully examine requests from interest groups seeking essential employee status under Minn. Stat. ch. 179A (PELRA). The League of Minnesota Cities opposes legislation that mandates arbitration that increases costs and removes local decision-making authority.**

The League supports a mandate for Final Offer/Total Package arbitration for all essential groups on a trial basis. The League also supports a change in the PELRA law that would strengthen existing language (Minn. Stat. § 179A.16, subd. 7) requiring arbitrators to consider a public employer's obligation to efficiently manage their operations. Specifically, the statute should be amended to require arbitrators to take into consideration any wage adjustments already given to or negotiated with other groups – both union and non-union for the same employer in the same contract year.

HR-9. Re-employment Benefits

Issue: Cities are often required to help pay the benefits of workers who have initially been denied benefits through their employment with the city but later been re-employed by a different employer; sometimes this occurs when the employee has been found to have committed gross misconduct while employed by the city.

Additionally, employers are prohibited from entering into agreements with employees not to contest or appeal payment of unemployment benefits as part of a

settlement agreement at termination of employment. Because most cities are "reimbursement employers," the majority of the cost of benefits paid to the employee are at the direct expense of the city. The ability to enter into such an agreement can greatly aid a city in reaching a settlement at a relatively low-cost to the city's taxpayers.

***Response:* Cities should not be forced to pay benefits as base wage employers if the employee is determined to have committed gross misconduct during their employment with the city, even if the employee voluntarily resigns. In addition, cities (as reimbursement employers) should be allowed to enter into agreements with employees to not contest a determination of eligibility for unemployment benefits where the employer and employee mutually agree to this as a term of separation.**

HR-10. Public Employee Defined Benefit Pension Plans

Issue: Public pensions are an important employee benefit that can help cities attract and retain employees. However, unlike salary and other employee benefits that are established by each city, the pension contribution rates and benefit levels are set by the state legislature. Benefit levels and plan costs must be carefully balanced to assure long-term sustainability of the pension plans and affordability to employers and employees. Despite ongoing funding issues, the Legislature and Governor had been unable to reach agreement on sustainability changes to the Public Employees Retirement Association plans.

In 2018, the Legislature enacted a major pension reform package to improve the long-term financial status of the PERA pension plans. The legislation included benefit reductions for active employees,

contribution increases for Police and Fire Plan employers and active employees and a modified cost of living adjustment (COLA) for retirees.

Recent adjustments to balance PERA plan costs have largely focused on contribution increases rather than benefit adjustments. On January 1, 2015, the employer and employee contribution rates for the PERA General Plan each increased by 0.25% of salary, resulting in the current employer rate of 7.5 percent of salary and an employee rate of 6.5 percent of salary. For PERA Police and Fire (P&F) employees, the employer contribution was increased to 16.95% and the employee contribution was increased to 11.3% beginning January 1, 2019 and then the employer contribution was increased to 17.7% and the employee contribution was increased to 11.8% beginning January 1, 2020.

For the PERA General Plan, an additional one percent employer contribution is required under Minn. Stat. § 353.27, subd. 3a, which will continue until the actuarial value of the plan assets equal or exceed the liabilities. Employees do not have a similar obligation to help the General Plan reach full funding. When the additional employer contribution was increased to 0.43 percent in 1997, the state instituted a PERA aid program (Minn. Stat. § 273.1385) for employers to partially offset the cost of increased employer contributions. However, the PERA aid payment rate is frozen at 1999 levels, while the additional employer contribution has since increased from .43% to 1.0%.

Response: The League of Minnesota Cities supports the sustainability modifications enacted by the legislature in 2018 and continues to oppose any benefit improvements for retirees or active employees until the financial health of the

General Plan and the Police and Fire Plan is restored.

For the PERA General Plan, any further increases in employer contributions should only be considered by the Legislature after other measures have been considered, including:

- a) An increase in employee contributions so that employees and employers truly bear the same responsibility to bring the pension plans to full funding; or**
- b) The removal of the cap on PERA Pension Aid payments under Minn. Stat. § 273.1385 and the extension of the aid program after FY2020, so the state equalizes the contributions of employees and employers.**

The League also supports:

- a) Modifications to the PERA eligibility guidelines to take into account temporary, seasonal, unique part-time, and student employment situations in cities, particularly in recreational operations. These modifications should include the use of pro-rated service credit, which would make PERA consistent with the other major Minnesota pension plans.**
- b) A comprehensive review of exclusions from pension participation with the goal of simplifying current eligibility guidelines. Such a review should also include a possible revision of current penalties for employers that fail to report covered employees to ensure that these penalties are not overly harsh and punitive.**
- c) The transfer of all school district employees out of the PERA General Plan and into another fund that is more appropriate for school district employees as long as the change would**

not negatively impact the financial health of the pension funds nor result in employer contribution increases. The continued authority of cities to effectively use retirees in reemployment situations. The League supports policy changes which would include an increase in the earnings threshold for such retirees and supports keeping the required break in service at 30 days and opposes suspending payments to retirees.

For PERA Police and Fire, any further increases in employer contributions should only be considered by the Legislature after other measures have been considered, including:

- a) An initial increase in the employee contribution of at least 1.0% of salary with subsequent increases split evenly between employee and employer so that the contribution ratio moves toward a more equitable split between employees and employers; or**
- b) An additional state general fund appropriation to fund the deficiency in police and fire pension aid payments so that the state equalizes the contributions of employers and employees.**
- c) Increasing the minimum and full retirement ages for new PERA Police and Fire plan participants.**
- d) Implementing a contribution-based benefit formula that would align benefits payable with contributions made on behalf of an employee in order to address high-five spiking issues.**

The League also supports:

- a) Maintaining the statutory changes made to Minn. Stat. § 353.01 in 2007 that separate injuries resulting from**

“hazardous duties” from injuries resulting from “non-hazardous duties” for purposes of police and fire disability retirement benefits.

- b) A thorough study by PERA of the current effects of overtime accumulation and outside employment compensation on individual pension benefits and the overall funding of the plan. The study should also include recommendations on whether the overtime or outside employment should be factored into or excluded from high five average wage calculations.**
- c) Allowing cities, including cities with combination (full-time and paid-on call staff) fire departments, to work with their fire relief associations to determine the best application of fire state aid.**

For PERA Corrections Plan the League supports:

- a) Maintaining the current definition of covered employees for the PERA corrections plan, which does not include dispatchers due to the substantial differences between the dispatchers and the existing corrections positions covered by this plan.**

For all PERA defined benefit plans the League supports:

- a) Adjustments to the benefits for active members and retirees to reduce the cost of the plans.**
- b) Requiring special legislation for individual employee pension benefit increases be initiated or approved by the city council of the impacted city unless the cost of the benefit increase is fully covered by the individual or**

the legislation addresses a clerical or administrative error.

- c) **Requiring PERA to collect and consider all employer-provided information, including independent medical examinations and other relevant personnel data and to broaden the basis for appealing disability determination decisions.**

HR-11. State Paid Police and Fire Medical Insurance

Issue: Minn. Stat. § 299A.465 requires public employers to continue health insurance benefits for firefighters and peace officers injured in the line of duty. When the law was enacted in 1997, it contained a provision requiring the Department of Public Safety (DPS) to reimburse employers for the full amount of administering this benefit.

By 2002, the fund created to provide this benefit became deficient. Instead of increasing the fund, the 2003 Legislature amended the law to pro-rate reimbursements to cities based on the amount available and the number of eligible applicants. The 2003 law change triggered a significant and unanticipated cost to cities. The cost has increased every year for cities, and the funding for the account has never been increased. Even if the health insurance benefit was discontinued entirely, the costs for existing recipients will substantially increase well into the future due to the growing cost of health insurance.

In 2015, the Legislature expanded the health insurance benefit to include survivors of volunteer firefighters who die in the line of duty. This change increased the number of firefighters eligible for this benefit from 2,000 to 20,000—without increasing funding for the reimbursement account.

Response: The League of Minnesota Cities supports the following legislative actions to address the funding deficiency in this program:

- a) **The state must fully fund programs that pay for health insurance for police and fire employees injured in the line of duty and dependents of police and fire employees killed in the line of duty as originally required under Minn. Stat. § 299A.465.**
- b) **The Legislature must avoid further expansion of eligibility for benefits under Minn. Stat. § 299A.465 unless 1) full funding for benefits is provided by the state; and 2) beneficiaries can be enrolled in a state health insurance plan such as the Public Employees Insurance Program (PEIP).**
- c) **Cumulative injuries that occur over time in the job should not qualify a police officer or firefighter for benefits under Minn. Stat. § 299A.465 since these types of cumulative injuries are not unique to the dangers of police officer and firefighter duties.**
- d) **The Legislature must clarify that the amount of an employer's contribution under Minn. Stat. § 299A.465 is no greater than that given to active employees in the same job class.**
- e) **The Legislature must establish the minimum criteria used to determine ability to work, and set a percentage threshold of disability for eligibility into this program. At a minimum, the Legislature must identify that a workers' compensation determination as to whether the injury is work-related is necessary in order to receive the**

benefits under Minn. Stat. § 299A.465.

- f) Employees who receive a police and fire disability retirement benefit and accept another job that offers them group health benefits should be required to pay for their group health benefits with the city should they decide to continue them. The Legislature must amend Minn. Stat. § 299A.465 to reflect that employees are required to inform the city when they become eligible for coverage under another group plan and that failure to do so is grounds for termination from the benefits granted under Minn. Stat. § 299A.465.
- g) The legislature should establish a task force to study the long-term costs of this program, including funding for an actuarial consultant, and make recommendations on changes to make it more financially feasible for Minnesota taxpayers.

HR-12. Health Care Insurance Programs

Issue: Cities, like other employers in the state, are struggling with the rising costs of health care insurance for their employees. In addition, cities must cope with unfunded mandates imposed on them by the Legislature such as the requirement to pool early retirees with active employees and the requirement to bargain over changes in the “aggregate value” of benefits, even when the city’s contribution has not changed.

Response: The League of Minnesota Cities supports legislative efforts to control health insurance costs while maintaining quality health care services. However, cities have differing local needs and circumstances and must retain the

flexibility to provide unique and creative solutions to the rising costs of health care insurance for their employees. The League:

- a) Opposes legislative action that undermines local flexibility to manage rising health care costs.
- b) Encourages the Legislature to carefully examine the costs and administrative impacts of any new, mandated insurance-related benefit before imposing it upon city employers.
- c) Supports changes to Minn. Stat. § 471.6161, subd. 5, that would clarify the intent of the subdivision is to address changes in cost vs. changes in value (e.g., changes in provider networks, changes in benefit levels required by an incumbent insurance carrier, changes required for compliance with state and federal laws, including those needed to avoid incurring the federal excise tax known as the “Cadillac Tax”).
- d) Supports changes to Minn. Stat. § 471.61 so that the requirement for cities to offer retiree coverage begins on the date the retiree and/or dependents become eligible for federal Medicare coverage.
- e) Supports a clarification to Minn. Stat. § 471.61 and to Minn. Stat. § 471.617 to explicitly alleviate a city’s responsibility to comply with group health benefits mandated by state law when the city’s employees are covered under a union plan authorized by federal statutes.
- f) Supports statutory authorization for cities to collect up to a two percent administrative fee from retirees receiving post-retirement health insurance benefits.

- g) Opposes any mandatory, centralized, statewide health insurance option for active or retired city employees.**
- h) Supports changing Minn. Stat. § 62A.21 to place reasonable limits on health care continuation for former spouses, similar to the Federal COBRA law.**

HR-13. Workers' Compensation

Issue: Rising medical costs are an increasingly serious problem for all employers and insurers, and now represent over half of all loss costs within the workers' compensation system. Medical costs will be a major driver of future workers' compensation premium increases. In addition, the 2013 legislature added post-traumatic stress disorder (PTSD) as a compensable injury and in 2014, a Minnesota Supreme Court decision found that provisions in the Workers' Compensation statute which allow workers compensation benefits for permanent and total disabilities to be offset by disability benefits and pension benefits such as Social Security does not apply to retirement benefits of the Public Employees Retirement Association. In 2018, the Legislature modified Minn. Stat. § 176.011 subd. 15, which defines an occupational disease to add a rebuttable presumption to a diagnosis of PTSD in certain public safety and related personnel. In 2020, the legislature modified Minn. Stat. § 176.011, subd. 15 to temporarily add a diagnosis of COVID-19 for peace officers, firefighters, paramedics and other defined employee classes as a presumed occupational disease covered by the workers' compensation system. The Minnesota Legislature also regularly considered proposals to expand the heart, lung and infectious disease presumptions for public safety workers, and to make the presumptions more conclusive and difficult

to rebut. These types of benefit expansions would further increase municipal workers' compensation costs.

Response: Legislative action is necessary to address increasing workers' compensation costs, particularly rising medical costs. The League of Minnesota Cities supports:

- a) Use of the Workers Compensation Advisory Council (WCAC) system to consider proposals for changes to the workers' compensation law, and urges the WCAC and the Legislature to approve medical cost containment reforms.**
- b) Filling an existing WCAC employer vacancy with a public-sector employer representative or adding a designated public-sector employer representative to the WCAC.**
- c) Continuing the WCRA as the mandatory workers' compensation reinsurer for insurers and self-insurers in Minnesota and supports modifying state statutes to treat PTSD events involving several affected parties as one occurrence for retention purposes, thereby reducing the exposure of self-insured entities and the statewide insurance pools. Such a change would not have any effect on the benefit an individual employee would receive.**
- d) Legislation that would disallow the "stacking" of PERA retirement benefits and Workers Compensation benefits due to the fact that some injured employees could receive total compensation from workers' compensation and PERA retirement benefits that would be well above the salary that they had been earning and the fact that the costs would ultimately be passed on to cities and their taxpayers.**

- e) **Extending the time limit on denials of liability for PTSD injuries from the current 14 days days in order to allow diagnosis in accordance with the requirements contained in the Diagnostic and Statistical Manual of Mental Disorders (DSM) which guides the diagnosis of PTSD under Minnesota Law (Minn. Stat. §176.011, subd. 15).**
- f) **Policies that provide opportunities for employees diagnosed with PTSD to receive treatment for PTSD that could result in continued employment with the local government.**
- g) **State funding to assist with the potential extraordinary costs of the COVID-19 workers' compensation occupational disease presumption enacted in Session Laws 2020, Regular Session Chapter 72**

The League opposes expansion of workers' compensation and related health insurance benefits because of the potential for dramatically increasing costs to cities. Specifically, the League opposes expansion of the heart, lung and infectious disease and PTSD presumptions as well as any expansion of the law that would require payment of health insurance premiums.

HR-14. Drug and Alcohol Testing in the Workplace

Issue: Employer testing of job applicants is governed by Minn. Stat. § 181.950 – 181.957 and is known as the Drug and Alcohol Testing in the Workplace Act (DATWA). It applies to all employers with one or more employees, including cities. The DATWA has not been amended for many years to reflect various and significant changes in drug-testing technology nor policy changes at the federal level.

The DATWA prohibits an employer from terminating an employee for a positive controlled substance test without first providing the employee a chance for rehabilitation and treatment. This law applies to probationary employees as well as those who have completed probation.

Currently, breathalyzer use and saliva swabs are permitted for alcohol testing under federal commercial driver testing laws though Minnesota does not allow for the use of breathalyzers in testing. Use of breathalyzers for employee alcohol testing is a less invasive, less expensive method. In addition, federal commercial driver testing laws address a number of outcomes other than a positive test result, including but not limited to tampering with a sample, providing a substitute sample, providing a sample that is not human urine, providing a sample that is not capable of being tested, etc. State law is silent on these outcomes.

***Response:* The League of Minnesota Cities supports the following changes to the DATWA:**

- a) **Updates to reflect new issues, such as adding new definitions as needed to reflect current practices;**
- b) **Clarification that a positive controlled substance test during probation does not require the employer to provide an employee who has not completed probation a chance for rehabilitation and treatment; and**
- c) **Permitting the use of breathalyzers and saliva swabs as acceptable technology for determining alcohol use.**

HR-15. Veterans Preference

Issue: Cities have a long history of recruiting and hiring veterans as they are a

natural fit in city government. Across the state, cities are partners in working with and ensuring veterans have a variety of opportunities afforded to them given their sacrifice and service. The purpose of the Minnesota Veteran's Preference Act (VPA) is to facilitate the transition of veterans from the military to civilian life and to help compensate veterans for their sacrifices of health and time to the community, state and nation. The VPA grants veterans limited preference over nonveterans in hiring and promotion for most state and local government employment to recognize the training and experience they received as a result of serving in the military. It also provides local government employees who are veterans some protection against unfair demotions and dismissals. These preferences and protections are commonly referred to as "veteran's preference" and are codified in Minn. Stat. §§ 43A.11, 197.455, 197.46, 197.48, and 197.481.

Once a veteran has completed an initial probationary period upon hire, they cannot be removed from their position or employment, except for incompetency or misconduct shown after a properly noticed hearing. Currently, a veteran can only be placed on probation upon hire but not following a promotion. It is common practice to place employees on probation following employee promotion making this restriction inconsistent with current practice and procedure.

Termination hearings are held before the local civil service commission or before an arbitrator and Minn. Stat. § 197.46 allows a veteran to choose a hearing before the local civil service commission, or an arbitrator. Members of civil service commissions are chosen for their expertise and experience with employment law. Hiring an arbitrator for a hearing instead of utilizing an

established civil service commission is inefficient.

Response: The League of Minnesota Cities recognizes the important contributions veterans have made and supports giving veterans limited preference in employment. To strengthen and improve the VPA, the legislature should:

- a) **Allow cities to place veterans on probationary periods upon promotion as they do with other employees; and**
- b) **Restore the language in Minn. Stat. § 197.46 requiring a hearing to be held before a local civil service commission where one exists.**

HR-16. Military Leave Reimbursement

Issue: Minn. Stat. § 192.26 subd. 1, requires local units of government to provide 15 days of compensation per year to employees who are members of the military for military leave. State laws give preference to hiring veterans for public sector jobs, and, citizen soldiers are a natural fit to also serve as public safety personnel. As such, many public safety personnel are often also members of the military and are required to conduct training and military duties throughout the year.

In addition to providing compensation for mandatory military leave, cities must also ensure that these temporary vacancies are adequately filled by public safety personnel whose training and qualifications are unique to providing public safety. This can result in added overtime costs and may impact public safety service levels.

Government employers honor and recognize the importance of ensuring members of the military are able to fulfill their duties and

participate in mandatory training, while also aiming to ensure that public safety service in their community is efficient, seamless, and cost-effective. In response to this issue, there have been recent legislative proposals to reimburse local units of government for military leave paid to public safety personnel.

***Response:* The League of Minnesota Cities supports state funding to ensure that local units of government can maintain quality and cost-effective public safety services in their communities and for their taxpayers while also offering full support for employees who are members of the military. Such state funding could include reimbursement of costs incurred to local units of government related to compensating personnel on military leave as well as reimbursement for costs related to ensuring these temporary vacancies are adequately filled.**

HR-17. Background Checks

Issue: Current law allows criminal justice background checks on active employees (as opposed to applicants for employment) only when such employees are firefighters or work with children. The law governing criminal history background checks on police and other city employees does not specifically allow such checks on active employees. Cities need the ability to be able to conduct criminal history background checks on active employees as well as applicants for employment using the BCA or the BCA database access.

***Response:* Cities should be able to conduct, but not be required to conduct, criminal history background checks on active employees using the BCA database. The laws governing background checks for all city employees should be amended to allow for this practice. For those cities**

that choose to use the BCA to run the criminal history employment background check for them, the fee should be the same as that charged to non-profit organizations.

HR-18. Tele-health Exams

Issue: Technology improvements are creating new ways to approach many city functions. Specifically, the increased acceptance of the use of tele-health (audio and video, web-based) exams creates an opportunity for cities to access and use psychologists with specific expertise in public safety as part of the hiring process for police officers. However, the Peace Officers Standards and Training (POST) Board has adopted a position prohibiting the use of tele-health exams for the required psychological oral interview/evaluation prior to hiring.

***Response:* The League of Minnesota Cities supports the use of tele-health (audio and video, web-based) exams to meet the requirements of the POST Board for a psychological oral interview/evaluation prior to hiring a police officer candidate.**

Data Practices

DP-1. Data Practices Compliance Costs

Issue: The purpose of the Minnesota Government Data Practices Act (MGDPA) is to protect personal information from indiscriminate disclosure while balancing the right of the public to know what the government is doing. The Act also attempts to balance these rights within a context of effective government operation. The League of Minnesota Cities supports the public policy behind the MGDPA while acknowledging that compliance with the law

imposes costs on local taxpayers. Smaller cities struggle with limited staff and resources while larger cities struggle with larger complex databases. The MGDPA must balance the right of citizens to access public data with the cost to municipalities of complying with certain types of data requests.

In 2014, the Legislature imposed additional security requirements on political subdivisions in an attempt to prevent unauthorized individuals from accessing private data. Adequate security measures are important, but they make compliance with the MGDPA more difficult and costly. Although the Legislature has made compliance with the MGDPA a priority, funding for the Data Practices Office of the Department of Administration, the department charged with overseeing the MGDPA, does not reflect the increased need for local government assistance.

Cities continue to receive repetitive, overly broad and far-reaching data requests that require significant staff time to locate government records, redact private data or data unrelated to the request, and assemble documents to be provided in order to comply with requirements to provide access to public government data. Cities are experiencing significant increases in wide-ranging data requests, often utilizing specific word searches through multiple databases. “Word search” requests typically result in a voluminous quantity of data that must be reviewed and redacted, with significant staff cost. Because word searches retrieve even incidental references to the searched term, the search results often contain a significant volume of data that has little informational value. If the requestor does not request copies, the search costs cannot be recovered – even though the requestor dictated the specifics of the search.

Furthermore, in some situations, as with overly broad data requests related to “applicant” lists, staff time and costs are significantly increased and not recoverable for very limited public benefit. The MGDPA also limits the ability of cities to be reimbursed for responding to requests.

Cities are limited to charging only 25-cents per page for copies of police motor vehicle incident reports, which does not cover the city cost for copying, while the Commissioner of Public Safety is exempt from this restriction—thereby permitting the Department of Public Safety to continue to charge \$5 for incident reports that cities are required to submit to the department.

Response: As the cost of complying with the MGDPA increases, the League supports:

- a) Providing additional state funding to assist political subdivisions with meeting the increasing complexity of managing government data.**
- b) Providing state funding for statewide data practices training.**
- c) Allowing political subdivisions to charge for the staff time that is required to comply with wide-ranging data requests regardless of whether copies of the data are requested or allowing political subdivisions to charge for actual costs for collection of data when the requestor makes his or her own copy of the data by taking a photo, bringing a copy device, etc.**
- d) Providing a mechanism that would permit cities to challenge whether a data request is reasonable and made in good faith.**
- e) Creating and funding an ombudsperson position in the Data Practices Office to determine reasonableness and proportionality of data practices requests.**

- f) **Providing funding and authority to the Data Practices Office to engage in the rulemaking process to establish standards and procedures related to requests and responses to data practices requests that impose significant burdens on government entities.**
- g) **Amending the MGDPA to limit what is considered public applicant data to better balance the value of public data with the cost related to data practices compliance.**
- h) **Allowing political subdivisions to charge the same amount for copies of motor vehicle incident reports issued by local police and fire departments as the commissioner of public safety.**

The League of Minnesota Cities opposes:

- a) **Further increasing the maximum exemplary damages that courts may impose against government entities, including cities, found to have violated the MGDPA; further increasing the maximum civil penalty that may be imposed when a court order is issued to compel a government entity to comply with MGDPA; or any statutory change that would make it a mandatory civil penalty to compel compliance under the MGDPA.**
- b) **Repealing of the administrative remedies provisions adopted by the 2010 Legislature to address disputes regarding MGDPA compliance issues.**

DP-2. Records Retention Compliance Costs

Issue: The Official Records Act requires government entities to “make and preserve all records necessary to a full and accurate knowledge of their official activities.” In accordance, cities must establish a records

retention schedule, and maintain and destroy official records according to this schedule. There are rigorous requirements for any changes to a city’s records retention schedule, including getting approval from the statutorily-created Records Disposition Panel, which strikes an appropriate balance between the government entity’s decision-making role in determining retention and disposition of official records with the public’s right to know the government entity’s official activities.

Response: **As the cost of complying with the records management laws increases, the League supports providing additional state funding to assist political subdivisions with meeting the increasing complexity of managing government records.**

The League of Minnesota Cities opposes changing the current record management requirements and statutory definitions. If changes are needed, subject matter experts should make recommendations through the records retention schedule process.

DP-3. Updating the Minnesota Government Data Practices Act

Issue: The Minnesota Government Data Practices Act (MGDPA) was first enacted in 1979. Almost 40 years later, times have changed dramatically. In particular, there has been exponential change in technology. In 1979, cities were largely maintaining data in paper form, computers had just become viable for home users, word processing had just become a reality, the first point-and-shoot, autofocus camera came on the market, and the internet was still about a decade on the horizon.

While the MGDPA was originally drafted to be future thinking by contemplating the

various forms data could be held – including the concept of storage media – the legislators of the time could not have imagined where technology would be today. For example, the originally-drafted MGDPA made reference to photostatic, microphotographic, or microfilmed records. Minn. Stat. § 13.03, subd. 1. The current law still refers to these same mediums of data, despite few cities maintaining data in this manner.

Technology has exploded, and the type of data collected by this new technology has multiplied. In our current reality, the public and government have been frustrated by how best to access government data. In *Webster v. Hennepin County*, 910 N.W. 2d 420 (Minn. 2018), the County was asked to conduct a computer-aided search of all its email accounts over multiple years for 20 separate search terms related to biometrics and facial recognition. The Minnesota Supreme Court found that the County failed to establish procedures to ensure appropriate and prompt compliance with data requests but did not find that the County failed to keep its records in an arrangement and condition to make them easily accessible for convenient use. The Court also did not address if a term search was a valid data practices request or if a request could be unduly burdensome. The lack of direction from the Court on these issues leaves a void.

There are also other advances in technology that are not comprehensively addressed by the MGDPA. While the Legislature has attempted to address technological advancements as they come, it has been in piecemeal ways.

***Response:* The Legislature should update the MGDPA to comprehensively address technological changes since the Act was first enacted. Because the MGDPA is a complicated area of law, the Legislature**

should make changes based on the recommendations from subject matter experts from all levels of government and interested stakeholders, including recommendations on what constitutes reasonable data practices request and when a data practices request is unduly burdensome.

DP-4. Maintaining Government Data in Large Databases

Issue: The Minnesota Department of Administration Advisory Opinion 10-016 issued in June 2010 maintains that the Minnesota Government Data Practices Act (MGDPA) requires cities to keep records containing public government data so that they can be easily accessible and convenient to use, regardless of how they are kept. Cities maintain that the application of this advisory opinion to large databases in which records are kept in an electronic format forces cities to risk the daily threat of allegations of noncompliance or leaves local government officials confused regarding how to apply the requirement for access to data in circumstances where information technology is utilized to facilitate the management and organization of records and information which often includes public, private, and nonpublic data within individual data sets.

In addition, large databases today contain different forms of data, including video, audio, images, and social media. In responding to data practices requests, responsive data could be stored in multiple data bases. Further, with the advent of cloud-based information systems provided by the private sector, newer databases are not typically designed to be controlled by cities to easily separate public from non-public data.

***Response:* The state of current technology requires cities to maintain large databases that are designed to provide secure data storage and maintenance. Those databases are already burdensome and expensive for cities to maintain, but are not available in a form in which public and private data can be easily separated. Requiring cities to design such databases to accommodate extensive data requests under MGDPA is both financially and technologically challenging to achieve.**

The Legislature should address the growing and costly impact on cities of providing access to specific public data housed in large electronic databases. Cities also require discretion in determining that the release of certain incident data could identify an individual whose identity must be protected.

DP-5. Sharing of Student Data with Local Law Enforcement in Emergencies

Issue: Minn. Stat. § 13.32, subd. 3(1), defines education data as private data that must not be disclosed except to the juvenile justice system in cases where information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals. In addition, the federal Family Education Rights & Privacy Act (FERPA) bars schools from disclosing information on student educational records that contains personally identifiable information without consent of a parent or eligible student, with only limited exceptions.

Minn. Stat. § 13.32 does not adequately define who is responsible for making the determination that an emergency or risk of

harm exists. As a result, school district officials have interpreted the statute in conjunction with the restrictions in FERPA to require that the determination be made solely by school officials.

Local police officials are often frustrated in their efforts to investigate allegations of criminal or other illegal activity when school officials refuse, under Minn. Stat. § 13.32, subd. 3(1), and FERPA, to provide information to follow up such complaints or to assist local police in solving crimes that have already taken place.

School boards are responsible to have policies in place that require school officials to report a student who possesses an unlawful firearm to law enforcement or the juvenile justice system. But schools are not allowed to release the name of a student in dangerous weapon reports involving use or possession of such weapons that are made to the Minnesota Department of Education.

***Response:* Minn. Stat. § 13.32 should be clarified to allow local law enforcement agencies to work with school officials to jointly make the determination that an emergency or risk of harm exists in order to enable police enforcement actions to be taken in a timely manner.**

DP-6. Disclosure of Victim Data

Issue: Under the Minnesota Government Data Practices Act (MGDPA), the name and address of a victim or casualty of an accident or incident to which a law enforcement agency responds is public government data. In addition, the name and location of the health care facility to which victims or casualties are taken is public government data. The MGDPA allows a victim or witness to prevent the disclosure of public data unless the law enforcement agency determines that revealing the identity

will not threaten the victim or witness's personal safety or property. However, victims and their families can be traumatized by the events that caused their injuries, even when their safety or property is not threatened. Publicly disclosing their identities and the location where they are receiving medical care places a burden on families and victims who may be questioned by reporters, solicited by lawyers, and contacted by other members of the community. While there are legitimate public policy reasons to make this information public, the MGDPA provides no discretion for city officials and law enforcement to temporarily withhold victim data when releasing it is not in the best interest of the victims. This not only makes the initial period of recovery more difficult for victims, but erodes the trust between victims and state and local government.

Response: The Legislature should amend Minn. Stat. § 13.82 to allow law enforcement agencies to temporarily withhold the disclosure of data that identifies victims and casualties and the medical facilities to which they are taken if the agency reasonably determines that access to the data would cause emotional harm to the individual or otherwise impede the individual's recovery. The Legislature should also amend Minn. Stat. 13.82 to clearly and permanently prohibit the disclosure of traffic accident victim identity, similar to the protections for crime victims.

DP-7. Challenges to the Accuracy of Data

Issue: The Minnesota Government Data Practices Act (MGDPA) allows the subject of government data to challenge the accuracy or completeness of data maintained by the government entity. If the government entity denies the challenge, the Act allows

the data subject to appeal that determination through a contested case proceeding under the Administrative Procedures Act (APA).

In the human resources context, a performance evaluation is a tool used to document and evaluate employee job performance. Performance evaluations are not discipline; however, some jurisdictions and some union contracts have appeal processes to challenge a performance evaluation. Performance evaluations are normally conducted once a year.

The Minnesota Supreme Court has held that a public employee could use the MGDPA to challenge the accuracy of certain information contained in the employee's performance evaluation. *Schwanke v. Minn. Dept. of Admin.*, 851 N.W. 2d 591 (Minn. 2014). While the Court held that "dissatisfaction with a subjective judgment or opinion cannot support a challenge under the [MGDPA]," a data subject can still challenge data that supports the subjective judgment. There is currently no limitation on when a performance evaluation challenge may be brought. Often there is no retention period for the underlying data because it is rarely an official record. Furthermore, the more time that passes, the less likely those with the knowledge of a given performance evaluation may be still employed by the city. It is to everyone's benefit to have the challenge to accuracy of data conducted as soon as possible.

Under *Schwanke*, an invalid challenge to a subjective opinion can no longer be dismissed by the Department of Administration; it can only be dismissed in a contested-case proceeding. In even a frivolous challenge the data subject will have the right to submit evidence and call witnesses at taxpayer expense.

This right of review is in addition to any union grievance process, and can be exercised by an employee before or after such a grievance is undertaken. This process can result in conflicting decisions and has the potential to create a heavy burden on all levels of government, and impose significant costs on taxpayers.

***Response:* In light of the *Schwanke* decision, the Legislature should modify the data challenge provision of Minn. Stat. § 13.04, subd. 4, to balance the rights of data subjects to challenge the accuracy and completeness of data with the administrative and financial burdens on local governments and taxpayers.**

DP-8. Law Enforcement Technologies

Issue: To aid law enforcement in work, law enforcement agencies need the flexibility to effectively use all available tools, including technology, in a manner that balances privacy interests of citizens, transparency of their work, and costs related to these technologies. The Legislature has balanced these concerns in the recent License Plate Readers law and the Police-Worn Body Camera law.

License Plate Readers (LPRs) are an important tool that assist law enforcement agencies in locating wanted individuals, recover stolen vehicles, and many other types of investigations. Nevertheless, the use of this technology raises legitimate privacy concerns. In 2015, the Legislature passed compromise legislation regulating the use of LPRs, the classification of LPR data, and the retention period for LPR data that struck a fair balance between the need for robust law enforcement and individual privacy rights.

Police-worn body cameras (or portable recording systems) provide invaluable

evidence when investigating crimes and prosecuting criminals, and strengthened trust of citizens in law enforcement by increasing the accountability between peace officers and the public. Different than other kinds of data, body camera data use involves the unique complexities of the sensitive nature in its use in private homes as well as the sheer volume of data in daily use. In 2016, the Legislature contemplated all of these issues and passed compromise legislation regulating use of body cameras, classification of body camera data, retention period for body camera data, release of body camera data, audit requirements, and written policy requirements.

***Response:* Cities and/or law enforcement agencies should be allowed to decide whether to utilize technology and be given the flexibility to decide how they are used in the field. The League supports the continued use of License Plate Readers under the terms of the 2015 legislation, and opposes any further restrictions on their use or any reduction in the current 60-day retention period.**

The League supports the continued use of Police-Worn Body Cameras under the terms of the 2016 legislation, and opposes any further restrictions on their use, data classification, retention period, or written policy requirements.

DP-9. Open Meeting Law

Issue: The Open Meeting Laws allows certain meetings to be held using interactive television provided that: all members of the body can hear and see one another and all discussion and testimony; members of the public can see and hear all discussion, testimony, and votes; at least one member of the body is physically present at the regular meeting location; and each remote location is open and accessible to the public. The

Minnesota Department of Administration issued an advisory opinion (13-009) that allowed a city's use of Skype to conduct a remote meeting under Minn. Stat. § 13.02, subd. 1. A "common sense" approach was applied to technology questions, which recognizes the difficulty cities must face when interpreting the Open Meeting Law in light of ever-changing technology.

The Open Meeting Law and other statutes also allows certain state bodies to conduct meetings via telephone and other electronic means, pursuant to Minn. Stat. § 13D.015. This useful tool should be expanded to local government to assure that members can attend meetings remotely in this ever-evolving virtual world using current and future technology.

Technology has outpaced the Open Meeting Law. Recent city response to COVID-19 has illustrated that remote participation for meetings can allow for meaningful interaction among the city council and with the public. While the legislature recently changed the law to allow for greater participation by interactive television when a state of emergency has been declared, this change was for a limited amount of time. It is unknown how long the effects of this health pandemic will last beyond any declared state of emergency. Cities are in need of greater flexibility now to utilize technology for meetings to protect the health of elected officials, city staff, and the public. Cities also need to keep pace with the virtual world by having discretion to use remote technology in the future, similar to the current discretion of the State of Minnesota.

The use of Facebook, Twitter, and other social media creates opportunities for cities to reach more constituents and to share more information faster than ever before. Social media creates new opportunities for citizen participation, and citizens increasingly

expect that their elected officials will provide them with information via the internet and social media sites. This expectation is not always consistent with laws that require citizens to attend a meeting in order to participate in local government. The use of social media by elected officials raises issues of compliance with laws that were drafted before social media existed, and increases the likelihood of unintentional violations. In recognition of these issues, the 2014 Legislature created a social media exemption to the Open Meeting Law, Minn. Stat. § 13D.065, which states that the use of social media by members of a public body does not violate the law so long as the use is limited to exchanges with all members of the general public.

***Response:* The League of Minnesota Cities supports the Department of Administration's interpretation of the interactive television provision of the Open Meeting Law, and encourages the Legislature to authorize cities to conduct official meetings by telephone or other electronic means, as allowed by Minn. Stat. § 13D.015,**

The League supports the 2014 change to the Open Meeting Law, which grants cities and elected officials reasonable flexibility to use social media to communicate with citizens while maintaining the protections of the Open Meeting Law.

The League opposes any change to the open meeting law that would expand the award of attorney's fees to unintentional violations.

DP-10. Exceptions to the Open Meeting Law

Issue: The purpose of the Open Meeting Law generally requires that all meetings of

public bodies must be open to the public. This presumption of openness serves three vital purposes: it prohibits actions from being taken at secret meetings, to assure the public's right to be fully informed, and to afford the public an opportunity to present views to the public body. The League of Minnesota Cities supports the Open Meeting Law, and recognizes the important role it plays in maintaining the public trust and the accountability of elected officials.

The Open Meeting Law must, however, balance the need for public information and the need to protect privacy rights and certain negotiation strategies to protect the use of public resources. Currently, there are seven exceptions to the open meeting laws that authorize the closure of meeting to the public. Under these exceptions, some meetings may be closed at the discretion of the governing body and some must be closed. Three challenges exist with current law.

The first concern is the hiring process for management level positions. While existing law allows a governing body to close a meeting to evaluate the performance of an individual subject to its authority, the statute doesn't grant the same level of privacy for the city council and prospective applicants. The statute should allow a governing body to close a meeting to interview applicants for employment if there is a quorum present; and, to allow a governing body to close a meeting to discuss the terms of an employment agreement to offer to a candidate to whom a job offer has been extended. This would be consistent with the existing authority for the governing body to close a meeting to discuss labor negotiations strategy. Allowing a closed meeting so that a council can discuss the results of an interview process for a management-level position will allow council members to express opinions or ask questions they may

have concerns about discussing in a public meeting, and preserves the integrity of the interview process of subsequent candidates.

The second concern with existing law is the inability for public bodies to conduct strategic negotiations. Current law allows the public body to close a meeting to discuss the purchase or sale of property and labor negotiations but does not allow the public body to close a meeting to discuss negotiation strategies for an agreement with private parties, non-profit organizations, and/or public entities. The ability for public bodies to close meetings in these situations provides public bodies the opportunity to form strategies in the best financial interest of the community, which is consistent with the importance of negotiation regarding purchase or sale of property and labor contracts.

The third concern is how to include city councilmembers wanting to remotely participate in city council meetings as may be needed. While cities want elected officials to participate in city decision-making to their fullest extent, it is also important to protect the public's right to see how government makes decisions. Currently under the interactive television exception to the Open Meeting Law in Minn. Stat. § 13D.02, subd. 1, city councilmembers can remotely participate in city council meetings if they meet certain requirements: (1) all councilmembers, wherever their physical location, can hear and see one another and can hear and see all discussion and testimony presented; (2) members of the public present at the regular meeting location of the body can hear and see all discussion and testimony and all votes of the members of the body; (3) at least one member of the city council is physically present at the regular meeting location; and (4) each location at which a city councilmember is present is open and

accessible to the public. The current law allows an exemption from this requirement if a city councilmember (1) is in the military and deployed and (2) has been medically advised not to be in a public place for medical reasons when a state of emergency has been declared. On occasion, city councilmembers want to remotely attend city council meetings, but there is no meaningful reason to make their location “open and accessible to the public” as city councilmembers made their remote location “open and accessible” but no city resident shows up at the remote location. COVID-19 has taught us that remote participation can allow for meaningful remote participation and public interaction. However, a city councilmember may want to fulfill their responsibility despite medical reasons outside of a state of emergency, travel due to work, or personal travel. Removing this last requirement still preserves the public’s ability to hear and see all discussion, testimony, and voting by all participating councilmembers while allowing willing councilmembers to participate in city decision-making.

Response: The Legislature should amend the Open Meeting Law:

- a) **To allow a governing body or a committee created by a governing body to close a meeting to interview candidates for management-level positions such as city manager, administrator, clerk-treasurer, city attorney, superintendent, or department head, and to close a meeting to evaluate and discuss the candidates, and discuss salary and benefit negotiations.**
- b) **To allow a governing body to close a meeting to discuss negotiation strategies for proposed contracts and/or agreements with private**

parties, non-profit organizations, and/or public entities.

- c) **To allow city councilmembers to participate in city council meetings without making their remote location open and accessible to the public as otherwise required under Minn. Stat. § 13D.02, subd. 1.**

Such closed meetings should follow the same or similar procedures for conducting closed meetings currently required under the Open Meeting Law.

Federal Employment Law

FED-1. Consolidated Omnibus Budget Reconciliation Act (COBRA)

Issue: The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) law, which requires employers to offer continued health and dental insurance group benefits after an employee terminates, has been interpreted to apply to Employee Assistance Programs (EAPs). The application of COBRA benefits to these programs results in unlikely and impractical outcomes.

Response: Congress should clarify the intended benefits to which COBRA law should apply, excluding EAP programs.

FED-2. Flexible Spending Accounts

Issue: Health care costs are rising dramatically and employees need financial relief. Flexible spending accounts provide some relief, but the current “use it or lose it” provision for medical spending discourages employees from participating in this program. In addition, the \$5000 annual maximum limit on dependent care accounts has not increased substantially since the program’s inception in 1986 and childcare costs continue to rise significantly.

According to 2012 data from the Pew Research Center, Minnesota has one of the highest childcare costs in the country with an average cost of \$12,000 to \$15,000 for infant care per year.

***Response:* The League of Minnesota Cities supports legislation that would allow employees to roll unused funds over to the next plan year, or into a tax-qualified retirement plan, or a 457 plan. The League of Minnesota Cities also supports an increase in the annual maximum allowed for dependent care accounts, with a cost of living inflationary increase each year after the initial adjustment.**

FED-3. IRS Regulations on Death Benefits

Issue: Current IRS regulations do not allow any type of death benefit to be included in a health reimbursement arrangement (HRA) or tax-free, account-based group health plans. If a participant of the HRA or account-based group health plan dies, they cannot leave the remaining funds to a designated beneficiary unless the beneficiary is a spouse or dependent child. If the employee does not have a spouse or dependent child, the funds are typically redistributed among plan participants. A death benefit provision is an attractive feature for many employee groups. In 2008, Section 105 of the Internal Revenue Code was amended, with a further amendment in 2015, to include limited exceptions to this general rule but not all city plans meet the requirements of these limited exceptions.

***Response:* Congress should amend Section 105 of the Internal Revenue Code to allow all HRAs and account-based health plans for both active employees and retirees to include a provision that allows the employee to designate**

beneficiaries other than spouses and dependents. Such beneficiaries should be able to, at a minimum, receive reimbursement for their medical expenses from the inherited account.

FED-4. Federal Public Safety Collective Bargaining Bill

Issue: Congress is considering a bill that would require all states to establish collective bargaining procedures for all public safety employees. The bill directs the Federal Labor Relations Authority (FLRA) to determine, state by state, whether it meets the bill's requirements with regard to collective bargaining rights for public safety employees. While it appears Minnesota is likely to pass the tests set out by the bill, federal public sector lobbyists have expressed serious concern that the bill is very much open to interpretation. In addition, the bill directs the FLRA to "consider and give weight, to the maximum extent practicable, to the opinion of affected employee organizations."

***Response:* The League of Minnesota Cities opposes the federal collective bargaining bill for public sector employees. Public sector collective bargaining should be left to the determination of each state.**

FED-5. Federal Health Care Reform

Issue: Certain provisions of the Patient Protection and Affordable Care Act (commonly referred to as the federal health care reform law or Affordable Care Act (ACA)) are problematic for cities. These issues range from administratively difficult to very costly. Tracking employee hours, particularly hours of seasonal and temporary employees and council members, is

burdensome and will require significant administrative time and effort. Because most of these employees will not qualify for coverage under the ACA, the effort does not result in a worthwhile outcome. There are also situations where employees who are currently working more than 30 hours per week in a city will now be eligible for health care coverage by that city, which will drive up city costs significantly, particularly for cities using the “duty crew” concept at fire stations to ensure adequate daytime response. Finally, there are provisions which require the city to offer coverage to full-time students who are already covered by their parents’ insurance and do not need the coverage through the city, which results in wasted effort. Furthermore, cities that

provide health insurance coverage to their employees should not be subject to the federal excise or so-called Cadillac Tax when effective in 2022, which will result in substantial costs to Minnesota taxpayers.

***Response:* The League of Minnesota Cities supports the intent of the ACA to provide affordable health care coverage to all Minnesota residents. However, prior to implementation, Congress should:**

- a) **Exempt employees under age 26 who are covered by their parents’ insurance;**
- b) **Exempt (from coverage requirements) employees who work in recreational facilities and programs owned and operated by governmental entities;**
- c) **Exempt elected officials from being counted as “employees” for the purposes of the ACA; and**
Revise the provisions of the federal excise “Cadillac Tax” so that it does not penalize employers and instead provides incentives to strengthen wellness and disease prevention effort.

FED-6. Amended Internal Revenue Code Regarding 403(b) Retirement Plans

Issue: Section 403(b)(1)(A)(ii) of the Internal Revenue Code allows an employer that is a State, a political subdivision of a State, or an agency or instrumentality of a State or a political subdivision of a State to establish a 403(b) retirement plan for employees who perform services for educational organizations as described in Section 170(b)(1)(A)(ii) of the Internal Revenue Code. This provision of the Internal Revenue Code allows employees to defer substantially more income for retirement savings than their city government employee counterparts. While government employees who do not perform services for an educational organization may participate in a 457(b) deferred compensation plan, they may not participate in a 403(b) retirement plan. Government employees who perform services for an educational organization are able to participate in both a 403(b) plan and a 457(b) deferred compensation plan. Furthermore, as a result of the amendment to Section 457(c) of the Internal Revenue Code by the Economic Growth and Tax Relief Reconciliation Act of 2001, deferrals to a 457(b) plan are not coordinated with elective deferrals made to a 403(b) plan for purposes of complying with the limit on pre-tax contributions to either plan. Both employee groups serve the public and should be treated similarly under the Internal Revenue Code for purposes of tax-deferred retirement savings plans.”

***Response:* Congress should amend Section 403(b)(1)(A)(ii) of the Internal Revenue Code to allow an employer that is a State, a political subdivision of a State, or an agency or instrumentality of a State or political subdivision to establish a**

403(b) plan for all of its employees, regardless of whether they perform services for an educational organization.

FED-7. Amended Internal Revenue Code Regarding Health Savings Account Eligibility and Medicare Enrollment

Issue: Section 223(b)(7) of the Internal Revenue Code provides that the monthly limitation on contributions to a health savings account (HSA) is zero starting with the first month in which an individual is entitled to Medicare benefits. A person becomes entitled to Medicare benefits when their Medicare coverage becomes effective. In many cases, Medicare coverage is effective on a retroactive basis. Specifically, when an individual is required to submit an application for Medicare coverage, the Medicare coverage will be effective retroactively up to six months before the month in which the application is filed (depending on the date on which the individual first become eligible for Medicare coverage) as described in 42 CFR §406.6(d). The IRS has indicated that the monthly limitation on HSA contributions included in Section 223(b)(7) applies during any

retroactive period of Medicare coverage.

This rule is confusing to employees, employers, and benefit administrators and may lead to unintended and unexpected tax consequences for employees and employers who may not be aware at the time an HSA contribution is made that the monthly limitation for that month will be zero if the employee applies for Medicare within the following six months and the coverage is effective retroactively under this rule. Furthermore, if an employer provides contributions to an HSA as part of its benefit package, then the rule may limit the benefits an active employee can receive from their employer.

***Response:* Congress should amend Section 223(b)(7) of the Internal Revenue Code to provide that the limitation on contributions to a health savings account for any month with respect to any individual shall be zero for each month beginning with the later of (i) the first month in which such individual is entitled to benefits under title XVIII of the Social Security Act or (ii) the month in which such individual submits a valid application for benefits under title XVIII of the Social Security Act.**

IMPROVING FISCAL FUTURES

FF-1. State-Local Fiscal Relations

Issue: Since the 1970s, services provided by Minnesota cities have been largely funded through a combination of property taxes, state aids, and state property tax relief programs. This system of municipal finance has evolved to ensure that municipal services can be funded without excessive local tax burdens.

Over the past decade, the state-local partnership has vacillated with the state budget, challenging the ability of city officials to plan for the future fiscal needs of their communities.

Response: The League of Minnesota Cities supports a strong state-local fiscal partnership. The state-local fiscal system, and any future modifications, should be consistent with the following principles:

Accountability. Cities believe a viable partnership with the state requires cities and the state to communicate effectively with each other and with the public about their roles and responsibilities. Cities and the state must also exercise sound financial stewardship, including maximizing efficiencies in service delivery and other means of cost containment whenever possible.

Certainty. Cities need to have more certainty and predictability in all of their available revenue sources, including the property tax, the amount of funding they receive from local government aid and similar programs and from other sources of revenue. The past practice of retroactive adjustments to local government aid (LGA) and similar programs, unallotments of the appropriation and the imposition of levy

limits do not facilitate prudent financial planning and decisions. In addition, during a past state government shutdown the Department of Revenue indicated that despite the standing LGA appropriation, the shutdown of many state government operations would prevent the distribution of the LGA.

Adequacy. The revenue sources available to cities and the state must raise adequate funds to meet city needs, to fund mandates, and to maintain Minnesota's long-term competitiveness.

Flexibility. As cities become increasingly diverse in their characteristics and as existing aid and credit programs have eroded, a "one-size-fits-all" system that limits all cities to the property tax as the major, non-state aid revenue source is increasingly unworkable. Some cities have sufficient property tax base to sustain an adequate service level, but many do not. Cities should have greater access to other tax and revenue sources than currently permitted.

Equity. All citizens should receive adequate levels of municipal services at relatively similar levels of taxation. This means that the state should provide financial assistance to cities that have high costs, including costs related to overburden created by non-resident users of city services, low fiscal capacity, or both. State financial assistance should also reduce tax burden disparities among communities and between cities and surrounding areas.

FF-2. Economic Contributions by Cities

Issue: Cities provide and maintain the physical infrastructure as well as the social and economic infrastructure necessary to support a large share of the state's economic activity. In addition, cities play a major role in statewide economic development activities that assist businesses with expansion and job creation. The importance of cities to the overall vitality of the state's economy is frequently overlooked in state policy discussions.

Response: To provide lawmakers with information on the economic activity occurring within cities, the Department of Revenue should annually collect and compile information on major state tax collections within each city, in addition to county and regional reports.

FF-3. State Budget Stability

Issue: Legislative actions to address past state budget deficits have included permanent reductions in funding to local units of government for programs such as local government aid as well as the full elimination of programs such as the market value homestead credit. In addition, the Legislature has frequently relied on short-term solutions that have only shifted a large share of the deficit problem into the next biennium without permanently addressing the state budget problems.

The legislature has taken steps to reduce state budget volatility. As required under state law, 33 percent of any state general fund budget surplus identified in the November state budget forecast must be directed to the state budget reserve until the account reaches a targeted level.

Response: To increase the stability of the state budget and avoid or reduce the impact of future state budget deficits, the Legislature:

- a) **Must consider all budget stabilizing options, including revenue increases, with a particular focus on changes that improve the stability of the state's revenue stream;**
- b) **Must not further reduce funding for property tax relief programs to cities and taxpayers;**
- c) **Must not accelerate the remittance of sales tax collections by retailers including municipal liquor operations, and should make steps to reverse past accelerations;**
- d) **Must consider the aggregate impact on Minnesota taxpayers of previous budget cuts and tax increases;**
- e) **Must reinstate estimates of inflationary increases to expenditure estimates;**
- f) **Should continue to build at a minimum, a five-percent budget reserve and should establish state budget stability as a state priority.;**
- g) **Should modify the unallotment statute to place a reasonable statutory limit on the percentage and timing of the state's budget that can be unallotted during a biennium without legislative approval; and**
- h) **Must emphasize long-term budget solutions and budget stability and the continuation of both state and local government operations.**
- i) **The League of Minnesota Cities supports the principle of representative democracy and opposes limiting the Legislature's flexibility in making financial decisions through new Constitutional amendments.**

FF-4. Funding Local Government Aid

Issue: Local government aid (LGA) is an important component in the state's property tax relief system, and a critical tool to help equalize tax base to ensure needs for public services can be met. To avoid undue pressure on the property tax, funding for LGA must keep pace with inflationary pressures. For 2021, the total unmet formula need (the difference between need and ability to raise revenue) is \$776.4 million, leaving the current appropriation \$212.0 million below the total unmet need.

During the 2017-18 biennium, several bills were introduced that would have, for example, created offsets to a city's LGA distribution if the city imposed a local sales tax, spent funds for activities related to lobbying or a World's Fair, or would have reduced or eliminated LGA if the city enacted ordinances to ban plastic bags, impose certain local labor laws, ordinances, or policies that restrict city employees from enforcing immigration laws, unauthorized ordinances related to diversion programs. Such changes would have been a significant deviation from the practice of using the formula to distribute LGA and could have jeopardized the long-term stability of the program.

For 2019 only, the 2017 Legislature included a one-time payment acceleration that will distribute 14.6 percent of each city's 2019 LGA by June 15, with a second payment of 35.4 percent on July 20 and a final payment of 50 percent on December 26. For 2020 and beyond, LGA payments will again be made to cities in two equal installments on July 20 and December 26 each year. This distribution occurs late in the city fiscal year and can create short-term cash flow challenges for some cities.

Response: In order to reduce pressure on the property tax, and to equalize property tax bases, the League of Minnesota Cities continues to support the existing LGA formula as the appropriate mechanism to distribute LGA resources and opposes artificial limits on any city or group of cities. In addition, the League supports regular increases in the LGA appropriation as well as the restoration of the annual inflation adjustment to the LGA program to move toward funding the total unmet need of all cities. The League also supports a permanent acceleration of the annual LGA payment schedule to assist cities with cash flow needs. The League opposes targeted reductions to specific cities as well as reductions or offsets for local policy or expenditure decisions.

The legislature should avoid creating side-pots or special appropriations through the LGA (Minn. Stat. ch. 477A) program. If special circumstances such as a natural disaster warrant additional state assistance to specific cities, the criteria for the additional aid should be specifically enumerated and the appropriation should be separate and in addition to the appropriation through the general LGA formula.

FF-5. State Charges for Administrative Services

Issue: Currently, some state agencies have wide discretion in setting the fees for special services they provide to local governments.

Response: State agencies should be required to justify their service fees or for increases in existing service fees and not charge more than what is fair, reasonable, and proportionate to the cost of service. Agencies should give adequate notice of increases to allow local governments to

budget for the increases. State agencies should set administrative service fees as close as possible to the marginal cost of providing the service. Local government should be given the option to self-administer or contract with the private sector for the service if the state cannot provide the service at a reasonable cost.

FF-6. Reporting Requirements

Issue: Budget and financial reporting requirements imposed on cities by the state often result in duplication and additional costs. In addition to the state mandated annual audits under Minn. Stat. §§ 471.697-.698, cities are required to prepare and submit or publish numerous other budget and financial reports including but not limited to:

- a) Summary budget reports (Minn. Stat. § 6.745);
- b) Treasurers report to the city clerk (Minn. Stat. § 412.141);
- c) Statement of tax collections and other income by clerk to the city council (Minn. Stat. § 471.69);
- d) Report on outstanding obligations and the purpose for each issue filed with the county auditor (Minn. Stat. § 471.70);
- e) Publication of summary budget statement (Minn. Stat. § 471.6965);
- f) Publication of statement of liquor store operations (Minn. Stat. § 477A.017);
- g) Liquor store audited financial statements (Minn. Stat. § 471.6985);
- h) TIF district plan and amendments (Minn. Stat. § 469.175, subd. 4a);
- i) TIF district annual disclosure (Minn. Stat. § 469.175, subd. 5);
- j) TIF district annual financial report (Minn. Stat. § 469.175, subd. 6);
- k) Business subsidy reporting (Minn. Stat. §§ 116J.993-.995);
- l) State required financial activity reports (Minn. Stat. § 6.74);

- m) Local improvement requirements (Minn. Stat. § 429.031);
- n) Development and permit fees report (Minn. Stat. § 326B.145);
- o) Utility annual financial statements (Minn. Stat. § 412.381);
- p) Housing and redevelopment authority annual financial report (Minn. Stat. § 469.013); and
- q) Federal single audit or a program-specific audit (31 U.S.C. § 7502 (a)(1)).
- r) A temporary reporting requirement for the federal CARES Act distributions.

Many cities have expanded the availability of information on their web sites in response to citizen requests and some cities have begun using new tools to assist citizens in understanding the city budget. Expanding state mandated financial reporting requirements could force cities to redirect scarce resources to the state mandate and stifle innovative ways to communicate with citizens.

***Response:* Requirements for reporting and advertising financial and budget information should be carefully weighed to balance the need for information with the administrative costs of compiling and submitting this information. In addition, the legislature should direct all state agencies to review existing local government reporting mandates and eliminate redundant or superfluous requirements. To this point, the legislature should consolidate municipal government financial reporting requirements in the Office of State Auditor, include an electronic submission alternative to any remaining paper filing requirements and authorize the use of web publication where newspaper publication is currently required.**

Finally, the legislature must not increase reporting burdens for local units of

government. Any new reporting requirement should have a clearly defined statement of purpose and public need not currently met with existing reports, a sunset date to facilitate a future discussion of the usefulness of the requirement as well as full state funding for the costs associated with a new reporting mandate.

FF-7. Direct Property Tax Relief Programs

Issue: In 2013, the legislature expanded the homeowner property tax refund (PTR) program and renamed it the Homestead Credit Refund program. As a direct taxpayer relief program, the Homestead Credit Refund avoids the problems with the former Market Value Homestead Credit system where the state provided a credit on the homeowner's property tax statement but did not always reimburse cities and counties for the amount of the credit.

Response: **The League of Minnesota Cities supports providing additional, direct property tax relief through an expansion of the Homestead Credit Refund program, the renters' refund program, the targeting program or other programs that provide property tax relief directly from the state to taxpayers. In addition, the League supports the 2013 legislation that requires the Department of Revenue to notify potentially eligible homeowners of the program and would also support legislative modifications to these programs to eliminate the taxpayer filing requirement thereby making the tax relief payments automatic.**

The League opposes property tax credit programs that reimburse local units of government for reduced tax burden such as the former market value homestead credit system due to the fact that the

reimbursements to local units of government can be cut while the credit to the taxpayer remains on the property tax statement. In addition, the League opposes reinstating Limited Market Value, a program that reduces the taxable value of individual properties based on assessor's valuation increase. Limited Market Value creates inequities between similar properties based solely on the valuation increase determined by the assessor.

FF-8. Sales Tax on Local Government Purchases

Issue: The local government sales tax exemption enacted in 2013 and expanded in 2014 does not apply to all city purchases. Some purchases for municipal enterprise operations, such as liquor stores and golf courses are excluded from the exemption. In addition, in order to receive the sales tax exemption on construction materials under current law, cities must bid labor and materials separately and also designate a contractor to be a purchasing agent on behalf of the city. The existing Department of Revenue rules (Minnesota Rules 8130.1200, subp. 3) are complex and the implementation can be so complicated that it can cost cities more money to implement than they will save on the tax exemption. Finally, although cities currently do not pay the motor vehicle sales tax on marked police vehicles or firefighting vehicles, other city vehicles are not exempt from the motor vehicle sales tax.

Response: **In order to ensure that taxpayers receive the full benefit of the local government sales tax exemption:**

- a) **The exemption should apply to all purchases made by local units of government;**

- b) **The process to receive the exemption for construction materials should be simplified or converted into a refund process; and**
- c) **The exemption should be extended to all local government purchases that would otherwise be subject to the motor vehicle sales tax in Minn. Stat. ch. 297B.**

FF-9. Taxation of Electronic Commerce

Issue: The 2018 U.S. Supreme Court decision [*South Dakota v. Wayfair, Inc.*, 585 U.S. ___ (2018)] overturned two earlier Supreme Court decisions [*Quill Corp. v. North Dakota*, 504 U.S. 298 (1992) and *National Bellas Hess v. Department of Revenue*, 386 U.S. 753 (1967)] that had prevented states from requiring retailers without a physical presence from collecting state and local sales taxes on purchases made by state residents and businesses.

A group of 23 states participating in the Streamlined Sales Tax Project have worked together for more than 18 years to simplify the administration of state and local sales taxes and reduce the administrative burden on retailers. The success of this project was referenced in the Wayfair decision.

Despite the Supreme Court's *Wayfair* decision, new legal challenges could be filed by remote retailers or Congress could intervene to address remaining sales tax administration issues including the fact that more than 20 states with sales taxes have not adopted the SSUTP standards.

***Response:* Federal tax policy should not place main street businesses at a competitive disadvantage to electronic retailers, must not jeopardize repayment of bonds backed by state and local sales tax revenues, and should ensure stability**

in state and local revenues. To address the challenges created by the growth of electronic commerce, the League of Minnesota Cities continues to support the multi-state effort to develop a streamlined sales tax system.

Should Congress intervene, the League would support nation-wide sales tax administration standards based on the model developed by the Streamlined Sales Tax Project. The League will oppose Congressional efforts to reverse remote retailer collection requirements.

FF-10. Local Lodging Taxes

Issue: In 2011, the legislature amended Minn. Stat. § 297A.61 to define accommodation intermediaries and clarified that their services are subject to the state sales tax as part of the tax imposed on lodging. Local lodging taxes collected by the state for local units of government under Minn. Stat. § 469.190, subd. 7, also clearly apply to services provided by these accommodation intermediaries since these taxes are required under Minn. Stat. § 270C.171 to use the definition for tax base contained in the general sales tax statute.

Since 2011, some accommodation intermediaries have not been collecting and remitting locally-administered lodging taxes based on the full cost of the accommodation plus the accommodation intermediary services. There are currently 120 cities and towns that individually or jointly impose lodging taxes for tourism purposes under Minn. Stat. § 469.190. Another five cities impose a lodging tax that is administered locally under special law. Four local lodging taxes are currently administered by the state.

***Response:* The League of Minnesota Cities supports legislation that will clarify that all lodging taxes, whether**

administered by the state or administered locally, apply to the total charges to the customer, including charges for services provided by accommodation intermediaries.

FF-11. Taxation of Electric Generation Personal Property

Issue: Investor-owned utilities (IOUs) have a longstanding relationship with Minnesota cities. IOUs site baseload power plants in host communities, and in exchange pay personal property tax on attached generation machinery to the cities, counties and school districts hosting the plants. These plants bring jobs to our communities, but they also create nuisances such as air pollution, nuclear waste, noise, vibration, and coal train traffic. They also create security risks and take up land that could be used for other, less disruptive commercial and industrial development. Cities believe personal property taxes paid by IOUs are a fair compensation for the environmental and economic costs of hosting baseload power plants.

IOUs argue that personal property tax relief is important to pass along to their shareholders and ratepayers. However, only a few IOU shareholders and ratepayers actually live in the communities hosting baseload power plants. Further, almost all new power plants receive personal property tax exemptions from the Legislature, while host communities with existing, non-exempt baseload plants will continue to have them for decades to come.

Currently the taxation of electric generation personal property represents the best method for reimbursing host communities for the cost of hosting IOUs. However, a 2015 MN Department of Revenue study on electric generation taxation has generated proposals to change the state system of taxing electric

generation which raise equal or greater revenues for host cities.

***Response:* Personal property taxes on attached electric generation machinery are a fair way to spread the environmental and economic costs of electric generation power plants among all IOU shareholders and ratepayers. The League of Minnesota Cities supports the continuation of personal property taxes paid by IOUs to host communities for existing and new facilities or a tax system which generates equal or greater revenue for host communities. As the Department of Revenue analyzes methods of utility taxation in its Study of Electric Energy Producing Systems (Session Law 2014, Chapter 308), the League supports the inclusion of these environmental and economic costs in assessing the appropriate property taxes paid to host cities by electric generation facilities.**

FF-12. Electric Generation Taxation Reform

Issue: Currently, electric utilities are subject to a personal property tax on personal property which is part of an electric generating, transmission, or distribution system. This tax has a number of exemptions and exclusions which make a patchwork of taxation statewide. The Department of Revenue issued a report on February 15, 2015 which laid out the details of this tax system, stating, “The utility tax base comprised of these energy producing facilities is not predictable. The unpredictability is a result of law and rule changes that determine the amount of utility tax base available for host communities.”

Cities which host Investor Owned Utility base load power plants have faced unpredictability in tax base from both changes to state law regarding the personal

property tax on electric generation equipment and from changes in valuation due to the upgrade/depreciation cycle of equipment.

The Minnesota Legislature has introduced a reform to the system of taxing electric generation. It repeals the personal property tax and all of its exclusions and exemptions, and replaces it with an “electric generation tax base” which is subject to local property taxes. This proposal also repeals the personal property tax on transmission and distribution and creates a “Valuation for Electric Transmission Line Tax Base,” a “Valuation for Electric Substation Tax Base” and an “Electric Distribution Line Tax Base.”

The proposal defines the tax base for electric generation in a new way for electric generation plants which use coal, oil, natural gas, nuclear fission, biomass and flowing water to generate electricity. Under the proposal, the Department of Revenue would annually assess the tax base of electric generation machinery under a set of statutory formulas. The new valuation which replaces the value of electric generating equipment is based on a combination of an individual facility’s nameplate capacity, average energy production and amount of nuclear waste storage.

The proposal also replaces the taxable value of electric transmission and distribution with statutory formulas. The Department of Revenue would assess the value of the “electric transmission line tax base” according to the number of miles of electric transmission within the taxing jurisdiction, the value of the “electric substation tax base” according to the sum of the capacity of a substation, and the value of the “electric distribution line tax base” according to the number of customers in the taxing

jurisdiction that receives an electric distribution.

These new tax bases define the value for purposes of the ad valorem tax of hosting jurisdictions.

Factors such as inflation affect the expenses of host cities, so any proposal to change the system of taxing electric generation should account for changes in value over time, using an independently reported adjustment factor for changing values over time.

Statutory changes to the system of electric generation taxation should not adversely affect host city tax revenues. Any proposal to change the system must include some form of replacement aid which compensates cities for adverse effects due to changing state law on electric generation taxation.

***Response:* The personal property tax on electric generation equipment as well as the exemptions, exclusions and sliding scales to that tax represent a patchwork of taxation rules statewide. Changes to state law which replace the personal property tax on electric generation equipment with a tax base valuation based on electric generation capacity, production, nuclear storage, transmission, and distribution will benefit IOU host cities so long as the change comes with a factor to increase the tax base valuation over time and reimbursement to cities for revenues lost due to a change in state law.**

FF-13. Support for Transitioning Communities

***Issue:* Technological advancements and market forces are rapidly changing the electric generation industry. Investor-owned utilities (IOUs) in Minnesota are increasing the share of their electric generation portfolios that are made up of**

renewable generation sources like wind and solar, while planning to decrease the share of electric generation that is derived from baseload power plants that produce energy from coal or nuclear sources. Due to the deep and longstanding relationship IOUs have with some Minnesota cities, the possible retirement of these power plants stands to have a significant disruptive effect on these cities.

Cities that host baseload power plants make significant investments to support those plants, including infrastructure, public safety, and disaster preparedness. To compensate for this, IOUs pay personal property tax on electric generation machinery. For some cities, these revenues can account for over 50% of the city's annual budget. Moreover, IOUs have other significant direct and indirect impacts on host communities. IOUs tend to employ significant numbers of employees at baseload power plants. Those employees are likely to live, work, attend school, and shop in and around the local community. Therefore, the of the retirement of these plants would have significant negative impacts on these communities.

While the power that is generated at these facilities goes to support the entire state of Minnesota, the impacts of hosting these plants is felt most acutely in these local communities. Therefore, state lawmakers should partner with these communities and support their transition in the event that these baseload power plants are retired by the IOUs.

Response: The League of Minnesota Cities recognizes that the energy landscape is rapidly changing, and supports state policies to replace tax base in communities facing the closure of a baseload power plant, as well as other

policies or programs to help those communities replace their local tax base through economic development. The League of Minnesota Cities also support efforts by the state legislature to study, analyze, and design policy solutions to address the unique challenges these communities face.

FF-14. Taxation of Municipal Bond Interest

Issue: The federal and state laws that grant a tax exemption to bondholders for municipal bond interest lowers borrowing costs for cities and reduces property tax levies. Recent proposed Internal Revenue Service rules would potentially restrict some local government entities such as housing and redevelopment authorities, economic development authorities and port authorities from issuing tax exempt bonds.

Response: Congress and the state should maintain the tax exemption for municipal bond interest income. Congress should also clarify the law to supersede proposed IRS rules and thereby continue to allow housing and redevelopment authorities, economic development authorities and port authorities to issue tax exempt debt.

FF-15. Pollution Control Exemption

Issue: Minnesota grants electric utilities and several other industries a property tax exemption for personal and real property that is primarily used for pollution control. Minnesota adopted the property tax exemption that now extends to electrical generation systems, agricultural operations, and wastewater treatment facilities in 1967, before water and air pollution were heavily regulated by the Environmental Protection Agency and the Minnesota Pollution Control

Agency. The language and the purpose of these statutes have evolved through the years. When states first began adopting these tax incentives in the 1960s, they hoped to encourage utilities, industrial plants, and others to install pollution control equipment. Gradually, as regulation increased, states adopted the exemptions to help companies offset the cost of the equipment.

This tax benefit erodes local tax bases. In 2013, more than \$1.8 billion of personal and real property for electrical generation was exempted from the market value of utilities. The incentive value of this benefit is low because utility companies are required to install the equipment anyway. In addition, these companies frequently recover the cost of the equipment through rate riders granted by the Public Utilities Commission.

Allowing the pollution control equipment exemption places the cost of this equipment on the citizens of the host community, rather than the purchasers of electricity.

***Response:* The pollution control exemption places an undue burden on host communities without incentivizing the environmentally responsible behavior that it was originally created to encourage. The League of Minnesota Cities supports narrowing or eliminating the pollution control equipment exemption for investor owned electric generation facilities. The League would also support allowing utilities to continue to recover their costs relating to the pollution control equipment by spreading those costs to electricity users.**

FF-16. Local Elected Officials Authority to Establish Local Budgets

Issue: In 2015, the House omnibus tax bill included a reverse referendum provision that

would allow a small number of voters (ten percent of those voting in the last general election) to petition for a referendum on a general city property tax levy increase. The outcome of the election could reverse the decision of the local elected officials on the local budget and property tax levy after months of planning and public hearings.

As recently as the 2013 legislative session, the legislature imposed levy limits on cities over 2,500 population for one year. Levy limits replace local accountability with a state judgment about the appropriate level of local taxation and local services.

Additionally, state restrictions on local budgets can have a negative effect on a city's bond rating due to the restriction on revenue flexibility.

Levy limits also fail to account for the decertification of tax increment financing districts. Upon decertification, the property taxes that were formerly collected and used to support the public improvements in the TIF district can no longer be collected at the same rate and used to support ongoing general city operations.

***Response:* Local elected officials are elected to make decisions about local budgets and meeting community needs. The League finds that it is inappropriate for the Legislature to undermine local elected officials decision-making and accountability through the continued imposition of levy limits or by enacting proposals such as a reverse referendum requirement or the "taxpayers' bill of rights." The League of Minnesota Cities supports the principle of representative democracy that allows local elected officials to formulate local budgets without state or other restrictions.**

FF-17. Tax Hearing and Notification Process

Issue: Cities must set a preliminary levy by September 30, which is the levy used to compute the parcel-specific property tax notification forms. With only a few limited exemptions (e.g., voter-approved levies, levies for natural disasters and levies for certain tort judgments), this preliminary levy, by law, becomes the maximum that cities can levy the following year. As a result, cities may be unable to budget for unforeseen needs that arise after September 30.

The 2009 Legislature eliminated the separate tax hearing requirement and replaced it with a requirement that the public be allowed to speak at a regularly scheduled meeting on the budget and tax levy. These changes erroneously repealed an exception to the tax hearing and notification process for cities adopting their levies at or less than the current rate of inflation.

City officials have found it difficult to explain to local taxpayers not only the effects of their budget and levy decisions but also the separate effects of the actions of the state Legislature.

Response: **Cities should have the authority to increase the final levy from the preliminary levy with the approval of the commissioner of the Department of Revenue, to meet additional, unforeseen and uncontrollable needs, including arbitrator awards resulting from labor negotiations, the impact of new and existing federal or state mandates including administrative rules, or other non-discretionary budget factors.**

The tax hearing and notification law should be carefully reviewed to assure

that the legislative intent is reflected in the statutes.

Specifically, the League of Minnesota Cities supports the following:

- a) Modifying Minn. Stat. § 275.065 to clearly and fully exclude cities of population 500 and under from the budget and levy hearing requirements;**
- b) Reinstating the exception to the tax hearing and notification requirements for cities with more than 500 residents with a proposed levy increase below the implicit price deflator (IPD); and**

In order to assist local officials with the challenge of explaining legislative changes to the property tax system, legislators should attend and be encouraged to participate in local government budget hearings in their districts.

FF-18. General Election Requirement for Ballot Questions

Issue: Under current state law, when cities are required to seek voter approval on a ballot question or where statutes allow voters to petition for an election on a council action (reverse referendum), these referenda can generally be held at a general or special election. This flexibility allows cities to respond to local circumstances in a timely manner.

Response: **Cities should be allowed to conduct elections on ballot questions at a date and time set by the city council and that complies with existing election notification statutes.**

FF-19. City Fund Balances

Issue: As a component of a prudent financial management plan, cities maintain a

fund balance composed of cash flow funds, savings for projects, and rainy-day reserves to maintain high level bond ratings and to minimize borrowing costs. Although the size of a city's fund balance should be determined through local financial needs and local preferences, some cities are being criticized for maintaining "excessive" reserves. As the recent pandemic unfolded, there were calls to delay tax payments by property owners, citing city fund balances as evidence that cities could absorb cash flow delays.

The Office of the State Auditor (OSA) report measures city fund balances on December 31, shortly after the city receives its largest sources of revenue from the property tax and state aid distributions. Measuring at this time, however, yields a picture of a high fund balance even though the city will spend down these funds to cash flow the next five to six months of its operations.

Response: The state should respect local decisions on adequacy of local fund balances. The League of Minnesota Cities opposes any attempt to divert local reserves to benefit the state budget or use reserves as a rationale for state aid cuts or property tax payment delays.

FF-20. Local Option Sales Tax and City Revenue Diversification

Issue: Under current state law, the property tax is the only generally accessible form of local tax revenue for cities. Allowing cities to diversify their revenue stream would help prevent rapid additional future reliance on the property tax.

The basic public finance rationale for diversification of local tax systems is rooted in the fact that economists generally agree that there is no perfect tax. Each tax has

unique strengths and weaknesses and the more intensively any single tax type is used, the more obvious its shortcomings become. For example, the property tax is generally regarded as being very stable throughout the economic cycle and it is considered to be a relatively easy tax to administer and enforce. However, when property tax burdens become too high, there may be negative consequences for other public policy objectives such as business development and home ownership.

In addition to avoiding the problems created by excessive reliance on any single tax, a balanced and diversified revenue system for Minnesota cities may create a more favorable business climate and provide for greater stability of revenues to the recipient government unit throughout the course of the economic cycle.

Under Minn. Stat. § 297A.99, the Legislature has created a set of local sales tax rules and a defined process by which cities and other political subdivisions can impose a general local option sales tax. Although the statutory process requires the city council to adopt a resolution supporting the local sales tax, the process continues to require the authorization of the local sales tax by the Legislature through the passage of a special law before finally seeking voter approval at a general election.

City requests for sales tax authority continue to increase. In 2019, the legislature granted local sales tax authority to an additional 16 cities and in 2020, 20 cities sought new or expanded local sales taxes, however, despite following the revised process enacted in 2019, the legislature did not include any of the local proposals in the tax bills advanced in the House and Senate.

Response: Cities should be able to diversify their sources of revenues. The

League of Minnesota Cities continues to support a statutory change to generally allow a city to enact a local sales tax for public improvements and capital replacement costs, including but not limited to those specified in the 2019 legislation:

- a) Convention or civic centers;**
- b) Public libraries;**
- c) Parks, trails, and recreational facilities;**
- d) Overpasses, arterial and collector roads, or bridges, on, adjacent to, or connecting to a Minnesota state highway;**
- e) Railroad overpasses or crossing safety improvements;**
- f) Transportation infrastructure improvements, including construction, repair of roadways, bridges and airports;**
- g) Flood control and protection;**
- h) Water quality projects to address groundwater and drinking water pollution problems;**
- i) Court facilities;**
- j) Fire, law enforcement, or public safety facilities; or**
- k) Municipal buildings.**

Local sales taxes would follow the process outlined in Minn. Stat. § 297A.99 but without the need for the approval by the Legislature and governor through the passage of special legislation. The League supports allowing the referendum to be conducted at either a general or a special election.

State law should also be modified to generally authorize any city to impose other types of taxes such as a local payroll tax or an entertainment tax with the adoption of a supporting resolution by the city council and after approval by the voters at a general or special election.

In addition, Minn. Stat. § 469.190 should be amended to allow cities to impose up to a five percent local lodging tax and to allow cities to modify the uses of their local lodging tax revenues to meet local needs. Cities should also have general authority to create utilities, similar to the storm sewer utility authority, in order to fund local services where benefit or usage of the service can be measured.

FF-21. City Franchise Authority

Issue: Under Minn. Stat. ch. 216B and Minn. Stat. § 301B.01, a city may require a public utility furnishing gas or electric utility services or occupying streets, highways or other public property within a municipality to obtain a franchise to operate within the community. In addition, cable system operators are required to obtain a franchise under Minn. Stat. ch. 238.

Under a franchise, the city may require the utility to pay a fee to the municipality to raise revenue or to defray increased municipal costs, such as maintenance and reconstruction costs, accruing as a result of utility operations, or both.

State law currently allows the franchise fee to be based upon gross operating revenues or gross earnings of the utility from its operations in the municipality. In this manner, all utility users within the municipality contribute to the public costs associated with the utility operation. In the absence of franchise fees, municipal costs resulting from utility operations are currently being funded by property tax payers.

Many cities also have policies related to utility company services and products that could be supported under conditions of a franchise agreement, such as local renewable energy and energy efficiency

programs. Current statutes do not explicitly provide city authority to include those types of performance conditions in a franchise agreement.

Under current law, cities are permitted to engage citizens when discussing a new or renewed franchise fee arrangement in the manner that best fits the community. A recent legislative proposal would have added a prescriptive notification and reverse referendum requirement to the process of imposing or renewing a franchise agreement with a gas or an electric utility.

Response: Municipal authority to collect franchise fee revenues from utilities is an important and equitable mechanism to offset the costs of maintaining public right-of-way and to generate a return on a publicly held asset. Municipal franchise authority must be preserved and should be expanded to allow city policy priorities to be addressed through conditions in franchise agreements that have the cost covered by local ratepayers, where appropriate, and can be accomplished within the local franchise boundaries. The League opposes adding a one-size-fits-all notification requirement and a reverse referendum procedure to the gas and electric franchise fee process. In addition, in situations where a local provider decides to sell their operations, the city must have the right of first refusal to purchase the assets of the utility.

FF-22. Utility Valuation Transition Aid

Issue: In 2007, the Minnesota Department of Revenue revised its rules regarding the valuation of electric and natural gas utility property. This change in the rules resulted in valuation changes for utility property that dramatically reduced the amount of revenue

that local governments will collect in property tax from these utilities.

Recognizing that the communities that host these utilities bear extraordinary burdens connected with stress on local infrastructure, public safety, and public nuisance due to the presence of these facilities in their communities, the Legislature created the Utility Valuation Transition Aid program. This program compensates host communities that have lost more than 4 percent of their net tax capacity as a result of Department of Revenue's rule changes.

Currently the taxation of electric generation personal property represents the best method for reimbursing host communities for the cost of hosting IOUs. However, a 2015 MN Department of Revenue study on electric generation taxation has generated proposals to change the state system of taxing electric generation which raise equal or greater revenues for host cities.

Response: The League of Minnesota Cities supports the continuation of the Utility Valuation Transition Aid program and opposes any efforts to change statutory language or to divert promised funds away from host communities for any purpose unless statutory language replaces promised funds with equal or greater revenue to host communities. If the Legislature does determine that it is necessary to re-allocate the funds in the Utility Valuation Transition Aid program for another purpose, the League supports other legislative efforts that would compensate the host communities for the economic and environmental costs of hosting these facilities through reimbursement from the investor owned utilities. These other efforts could include, but are not limited to, increasing the class rate on utility property to the

extent that it would offset the negative effects of the utility valuation rule change.

FF-23. State Assistance for Property Tax Refunds for State-Assessed Property

Issue: State law requires certain property, including pipelines, railroad, utility property be assessed for property taxation purposes by the Minnesota Department of Revenue. When companies challenge the valuation of these properties, local units of government may be required to refund excess taxes, which in some cases, can create financial hardship for local units of government and their taxpayers.

Response: **The state should establish a program to provide financial compensation to all units of local government for court ordered property tax refunds where the state has determined values.**

FF-24. Transition for Property Acquired by Tax-Exempt Entities

Issue: When an existing taxable property is acquired by a tax-exempt entity other than a city or a city development authority or otherwise becomes tax exempt and removed from the tax base, the taxes formerly paid by the property owner are shifted to other, remaining taxable properties within the jurisdiction. When the acquired property is a large percentage of the tax base of a city or other local unit of government, the shift in taxes can be substantial.

Response: **To avoid immediate, large tax burden shifts when an existing taxable property is acquired by an entity qualifying for a Minnesota property tax exemption other than a city or a city development authority or otherwise**

becomes tax exempt, state law should require the new owner to continue to pay the property taxes with a five-year phase-out of taxable value or the state legislature should create a program that provides a state-paid transition aid paid over a period of time to local units of government that experience tax exempt acquisitions, paid over a period of time.

FF-25. Payments for Services to Tax-Exempt Property

Issue: Taxable property in many cities is being acquired by nonprofit and government entities. Converting the property to tax-exempt status can lead to serious tax base erosion without any corresponding reduction in the service needs created by the property.

In 2013, legislation was introduced that would have broadly exempted non-profit property from paying user fees or service charges for any service funded in part with property taxes over the previous five years. Under certain circumstances, this proposal could have potentially exempted non-profits from paying for even utility charges.

Response: **Cities should have the authority to collect payments from statutorily-exempt property owners to cover costs of service similar to the authority provided under the special assessment law. The League of Minnesota Cities opposes legislation that would exempt non-profits from paying for user fees and service charges that help fund services these organizations use.**

FF-26. Public Safety Protection Districts

Issue: Public Safety protection districts have the potential to reduce duplication of equipment purchases and services, and to improve uniformity of service delivery

throughout a region. One obstacle to establishing public safety protection districts is the absence of statutory authority to establish public safety taxing districts. The Legislature has granted authority for special taxing districts to provide services such as watershed management and emergency medical services. Despite growing funding and public safety protection staffing challenges, this authority does not currently exist for providing public safety protection services.

Public safety protection districts would create another option for funding fire, police, emergency management, and emergency medical services for local communities.

***Response:* The League of Minnesota Cities recognizes that some regions of the state could sustain or improve public safety protection services if public safety protection districts were authorized. The League supports authority for local units of government to establish public safety protection districts provided that 1) participation in a district is a local decision, and 2) public safety taxing districts must be governed by elected officials representing the participating entities. With elected local official participation, state-imposed levy limits on public safety protection districts are unnecessary.**

FF-27. Housing Improvement Areas and Special Service Districts Petitioned by Business

Issue: In 1996, cities were granted general authority under Minn. Stat. §§ 428A.11-.21 to use Housing Improvement Areas (HIAs) in order to finance housing improvements for condominium and townhome complexes. Several cities around the state have used this

tool, and found it to be a useful mechanism for maintaining older association homes.

The 2013 Legislature also granted HIA authority to a county Community Development Authority (CDA). As part of that authority, the CDA is required to gather local approval before creating an HIA.

In 1996, the Legislature also gave cities the general authority to create Special Service Districts (SSDs) under Minn. Stat. §§ 428A.01-.101. Cities around the state have used this tool to provide an increased level of service to commercial or industrial areas, commonly in areas of retail concentration. SSDs are established at the request of local businesses, who ultimately pay for and benefit from the increased level of service. A SSD may be established anywhere in a city but only business property (i.e. commercial, industrial, utility, or land zoned for commercial or industrial use) will be subject to the service charge. Some special services have included street and sidewalk cleaning, snow and ice removal, lighting, signage, parking, parking enforcement, marketing and promotion, landscaping, and security. A SSD may be established only by petition and the city adopts an ordinance to establish it. Minn. Stat. §§ 428A.09-10 establishes procedures for the business owners in the SSD to veto or end the SSD. The 2013 legislature extended the sunset for both tools for 15 years, making it set to expire on June 30, 2028. In 2017, the House considered legislation that was ultimately unsuccessful to repeal the general SSD authority for cities. There are currently over 15 cities that have established SSDs around the state.

As cities work to develop and/or redevelop commercial, industrial, and residential areas, new ways of paying for and providing increased levels of service should be available to local entities. Use of Special

Service Districts in mixed-use development is one tool that could be available for this purpose.

***Response:* The Legislature should give cities permanent authority to create HIAs and SSDs. The League of Minnesota Cities supports the authority for cities to work with their business communities to establish SSDs and opposes efforts to restrict general authority of the tool.**

The League also supports the potential use of SSDs for mixed-use districts that include residential and commercial/industrial properties. The law should be reviewed to determine to what extent mixed-use properties can and should contribute to a Special Service District from which they will benefit. The League would support legislation that expands SSDs to include mixed-use development to the extent it balances the benefits and obligations of residential properties within the district.

If the Legislature grants multi-jurisdictional entities the authority to create HIAs, creation of an HIA must require local approval.

FF-28. Tax-Forfeited Properties and Local Special Assessments

Issue: Special assessments are a charge, authorized by the Legislature and state law, imposed on properties for a particular improvement that benefits those selected properties. Cities follow complex, time-consuming statutory special assessment procedures to specially assess the appropriate amount of the local infrastructure improvements to those properties.

If a property with validly attached special assessments goes into tax-forfeiture, the

county auditor cancels all of the local special assessments due and remaining unpaid on each parcel, which is authorized in Minn. Stat. § 282.07. Therefore, the city loses the funds previously budgeted and planned for to pay for the local improvements. To underline this point, the funds have already been expended and if not collected, result in losses to the city.

When tax-forfeited land returns to private ownership, and the parcel benefitted from an improvement for which the city canceled special assessments because of the forfeiture, the city may assess or reassess the parcel. But cities must go through the same cumbersome notice and hearing procedures in order to re-attach the assessments.

***Response:* The Legislature should remove cancellation of local special assessments from state law, allowing cities to receive the funding validly assessed and counted on to fund local infrastructure improvements.**

FF-29. Distribution of Proceeds from the Sale of Tax-Forfeit Property

Issue: When properties go into tax forfeiture all levels of government lose tax revenue that would otherwise support the services they provide. It is always in the best interest of taxpayers to return these properties to the tax rolls as quickly as possible.

Although the tax forfeiture process is controlled by the county, and counties have a legitimate need to be reimbursed for reasonable administrative costs, the city often has more at stake financially in terms of costs fronted to facilitate development (e.g., assessments for public infrastructure and unpaid development or utility fees). While the tax forfeit procedure provides a process for the repayment of special

assessments, it does not require the repayment of unpaid utility charges or unpaid building and development fees. Further, due to large assessments that some cities are left with, it may not be practical to sell a tax-forfeited property subject to a special assessment, and city taxpayers may be forced to absorb the sunk costs of a project in order to sell the property.

State statutes governing the apportionment of the proceeds from the sale of tax forfeit property allow counties to first recover administrative costs related to the tax forfeiture process before subsequent allocations are made for special assessments and hazardous waste cleanup associated with the property. State law is unclear whether the proceeds from a tax forfeiture transaction should be used to reimburse the county only for the expenses associated with the transacted parcel, or if the proceeds can be used to reimburse the county for administrative costs associated with other parcels that were not transacted. When the latter allocation method is employed by a county, the transaction proceeds can be disproportionately applied to county administrative costs resulting in a lower allocation of remaining proceeds to cover existing special assessments, hazardous waste cleanup costs and ultimately the final allocation of residual tax forfeit sale proceeds to cities.

In addition, counties are allowed to use 30 percent of the amount remaining after the deduction for administrative expenses and the repayment of special assessments for forest development projects and then 20 percent of any remaining proceeds for county parks and recreation projects. The structure of the distribution of the proceeds frequently results in cities receiving a very small percentage of the initial forfeit sale proceeds. As a result, cities may not recoup

even a portion of the unpaid taxes or special assessments owed on a property.

In most cases, cities and counties work collaboratively to ensure that properties are returned to the tax rolls quickly to benefit all taxpayers. However, when consensus is not reached, the tax forfeiture statutes place cities at a disadvantage and can disproportionately burden the taxpayers of the city in which the properties are located.

***Response:* The League of Minnesota Cities believes the tax forfeiture statutes should be reviewed and amended as necessary to ensure that the needs of city and county taxpayers are properly balanced. Specifically, the League supports changes in the distribution of the proceeds from the sale of tax forfeit property contained in Minn. Stat. § 282.08 to elevate the priority for repayment of unpaid charges for electricity, water and sewer charges certified pursuant to Minn. Stat. § 444.075 subd. 3(e), and any unpaid fees prescribed pursuant to Minn. Stat. § 462.353 subd. 4(a), to require those unpaid charges and fees to be repaid immediately after unpaid special assessments.**

The proceeds from the sale of a tax forfeited parcel should be used to pay the assessments and administrative and development costs for the transacted parcel. Minn. Stat. § 282.09 should be amended to prevent the proceeds from the sales of a tax forfeited parcel to be used to pay excessive administrative costs or the costs for other parcels in the county until the city is fairly reimbursed for unpaid assessments and development costs of the transacted parcel.

Before the final distribution of any remaining proceeds from the sale of tax

forfeited land are distributed to cities, counties, and school districts, Minn. Stat. § 282.08(4)(i) and (ii) give counties the right to take up to half of those proceeds for county forest development and county park and recreation areas. The League also supports the elimination of these separate statutory apportionments while allowing counties to use their designated 40 percent share of the remaining proceeds for these uses.

FF-30. State Hazard Mitigation and Response Support

Issue: Cities in Minnesota are exposed to extreme weather events such as winds, flooding, fires, and drought and are facing the severe financial consequences of the clean-up, repairs, and community social and economic recovery, even though damages may be deemed “not of such severity and magnitude” as to qualify for federal assistance.

Response: **The League of Minnesota Cities calls on our legislators and state executive agencies charged with hazard mitigation planning to address not only a response to extreme weather events but to also put into place a proactive strategy to minimize or mitigate the financial consequences. At a minimum, this effort should offer a reasonable loan funding program that is easily accessible by cities, businesses and homeowners to financially recover and rebuild, with the ultimate goal of preserving jobs, industries, and communities.**

The state response should allow for the use of new technology and best management practices for any reconstruction of infrastructure to lessen the impact of future disasters and to mitigate the effects of disasters resulting from future extreme weather events.

FF- 31. Library Funding

Issue: State law requires that local governments maintain a minimum level of funding for public library services. This is collectively known as “state-certified levels of library support,” or more commonly known as, “maintenance of effort (MOE)” and is described in Minn. Stat. § 134.34.

A majority of public libraries in Minnesota belong a regional library system, which is the entity that receives library funding from the Minnesota Department of Education. Six of the 12 regional library systems are structured as a federated system where the individual libraries or library systems operate autonomously from the regional library system but they can utilize certain services such as inter-library loan distribution, digital card cataloging, which capitalize on economies of effort from partnering with the other libraries in the regional system. The MOE for any city that taxes separately for library services is now set at 90% of the amount established in 2011 (see Minn. Stat. § 275.761). In 2011, it was calculated using a formula that included payments made in the form of the library employee salaries, payments toward operating the facility, purchasing materials from the library, and other operating costs, adjusted net tax capacity, and several other factors. The other half of the state’s public library systems are consolidated systems, where the regional library system runs the libraries through a joint powers agreement with counties and participating cities. The regional library system has a board and hires the director. A city that participates in the regional system will have an MOE (calculated as described above). The city MOE may include dollars provided directly to the regional library system or operating dollars provided to support building costs (i.e. city-provided maintenance services).

In the metropolitan area, the seven county library systems and one city library system belong to the Metropolitan Library Services Agency (MELSA), the metro area regional library system. Most of the cities that operate libraries independently from their county library system belong to MELSA as affiliates of their county library system. The funding of libraries in MELSA may be from a county levy, a city levy, a city library fund from the general city levy or a combination.

Most libraries not only serve city residents, but also serve people that reside outside of city limits who, in some cases, are not fully contributing to the upkeep, maintenance or operations of the library through property tax levies. While counties do contribute to municipal libraries, this support falls well short of the per capita amounts contributed by city residents.

City officials support libraries and believe that a system of equitably funded libraries is needed. One approach that has been previously approved by the Legislature is providing for funding through regional tax levies designated as “library districts.” A district would have the authority to levy for public library services in lieu of their member cities and counties. Under Minn. Stat. § 134.201, the Great River Regional Library System and the East Central Regional Library System already have authority to create “library districts.”

Some cities also contribute a supplemental amount of funding separate from MOE requirements, usually to pay for building maintenance costs. When the state calculates the required MOE for each local unit of government, local building costs are included in city MOE requirements and all monies cities contribute to a library building, except capital, are taken into account. The MOE requirement is a mandate on cities that does not allow for local

decision making. However, it provides a stable source of funding to protect the investment in library resources and services around the state. There are some groups that are advocating for a restoration of the MOE to levels at least as high as the 2010 level.

Response: The League of Minnesota Cities supports equitable funding for local libraries to allow for local budget decision making. Changes to the maintenance of effort by the Legislature should be as follows:

- a) **The required annual payment should reflect the amount the city itself pays toward maintenance, upkeep, and capital improvements to the library in that year.**
- b) **If the MOE reduction in Minn. Stat. § 275.761 is restored to a level at least as high as the 2010 level, it should be phased in over three years.**
- c) **Any relief provided to the county MOE requirement should not result in additional funding requirements to cities.**

The authority for library systems to create library taxing districts should be expanded statewide.

The Legislature should allow municipal libraries the ability to charge non-residents for membership and/or other services without the loss of any State or Federal aids.

FF-32. Park and Library Land Tax Break

Issue: As the price for land increases, it is becoming more difficult for cities and other local units of government to compete with developers to save and secure land and easements that are deemed appropriate for park, library, trail, and green spaces.

Response: The state should amend the tax laws to provide tax incentives for property owners who sell land and easements to local units of government when the land is to be used for park, library, trail or green space purposes.

FF-33. Increasing Safe School Levy Authority

Issue: Strong partnerships between schools and local law enforcement are critical to school safety. Police School Resource Officers (SROs) are valued professionals in school communities and provide support, safety and security for students, staff and the public. Further, SROs can provide regular opportunities for informal, positive interactions between students and police personnel.

Under Minn. Stat. § 126C.44, the Safe Schools Levy allows school districts to levy for costs associated with student and staff safety based on student enrollment numbers. Some eligible expenses include police liaison services; drug abuse prevention programs; gang resistance education training; school security; crime prevention; and implementation of student and staff safety measures.

Using Safe Schools Levy authority, local school boards may raise additional resources for school safety and security. Almost every Minnesota school district currently levies the full amount of \$36 per pupil. This amount does not cover the full cost of providing this important service, and local law enforcement agencies are not being fully compensated for providing SROs.

Response: The League supports increasing the maximum Safe Schools Levy from \$36 per pupil up to \$60 per pupil to ensure schools and communities

are able to continue providing safe schools programming

FF-34. Equitable Funding of Community Education Services

Issue: Under Minn. Stat. § 124D.20, school districts are authorized to levy for community education programs that can include youth recreational activities. However, state statute limits the total amount of revenue that can be raised by the school district to fund community education programs and this limit has not been sufficiently increased in recent years. In many instances, cities participate in the funding of these programs and with the statutory limit on the amount school districts can levy, the increased cost of these programs is increasingly falling on cities and their property taxpayers. In areas where the school district is significantly larger than the city, the burden of funding these programs is falling disproportionately on city taxpayers while the programs benefit the entire school district.

Response: The League of Minnesota Cities supports a statutory increase in the community education revenue authorization for school districts. Increasing the amount of the community service revenue available to school districts would provide a steady source of revenue, which would be assessed against all properties in the school district, not just against properties in the city.

FF-35. Street Reconstruction Bond Approval

Issue: Under Minnesota law, financing the maintenance of streets can be a challenge for city councils. Minn. Stat. § 475.58 subd. 3b, authorizes a city council, by two-thirds vote, to approve the issuance of bonds to finance

street reconstruction or bituminous overlays without voter approval. The two-thirds council approval requirement is further subject to a reverse referendum process whereby a number equal to five percent of those voting in the last municipal general election can petition for a referendum to approve the issuance of the bonds.

***Response:* Street maintenance is one of the essential functions of cities in Minnesota. The laws governing issuance of bonds to maintain streets should be amended to allow the approval of the bonds by a simple majority of the council. The existing reverse referendum process assures that taxpayers could trigger a referendum on the issuance of bonds if they can meet the five percent petition threshold.**

FF-36. Special Assessment Election Requirements

Issue: City Councils are best situated to recognize the need to replace infrastructure and when to schedule the replacement projects. Cities are often only able to carry out these and other vital improvements by issuing bonds and assessing some amount of the cost to property owners.

Issuing bonds to finance most local improvement projects requires a special election unless the city can legally collect at least 20% of the project costs through special assessments. As a legal limit, cities cannot collect special assessments from any property greater than the increase in fair market value bestowed to that property by the improvement (the "special benefit test"). On occasion, the increase in property values as a result of the improvement can fail to add up to the 20% threshold necessary to finance projects without requiring a special election.

***Response:* In order to facilitate the financing of public infrastructure projects, the threshold for requiring voter approval for issuance of improvement bonds under Minn. Stat. 429.091 should be reduced to 15 percent. This change would provide more flexibility for cities with their construction/bonding/assessment decisions and may be more likely to survive a challenge while still providing value to the property owner.**

FF-37. Federal and State Pandemic Assistance

Issue: In response to the COVID-19 pandemic, Governor Walz implemented the recommendations of the legislature and allocated \$841 million of the state's share of the Coronavirus Relief Fund (CRF) authorized by the CARES Act (P.L. 116-136) to cities, counties and townships. Although the impacts of the pandemic are projected to extend into the foreseeable future, the federal restrictions on the CRF funds limit the use to unbudgeted expenses related to the pandemic that are incurred from March 1, 2020 through December 30, 2020 and the state is requiring cities to expend these funds by November 15. Any portion of the city's distribution that is not used by that date must return it to the county or for cities in Hennepin and Ramsey Counties to a hospital.

The CARES Act also prohibits cities from using any portion of the CRF distribution to replace losses of revenue resulting from the impacts of the pandemic. Losses of property taxes, sales and other special taxes as well as fee and other revenues due to the impacts of the pandemic have resulted in significant budget challenges for cities.

***Response:* Cities need additional flexibility to cover eligible costs that may**

extend beyond November 15. The League supports:

- a) **Changes in the state requirements to allow cities to:**
 - i. **Extend the allowable use of the funds to cover operating expenses through the latter of December 30, or any date provided in updated Treasury guidance or action by Congress.**
 - ii. **Allow cities undertaking permitted facility upgrades, technology purchases or other allowable capital projects that will require additional completion time, to expend funds beyond the November 15 deadline for those costs.**
- b) **Action by Congress to:**
 - i. **Extend the deadline on the allowable uses of CARES Act/CRF funds beyond the December 30 deadline.**
 - ii. **Allow cities to use the CRES Act/CRF funds to replace losses of revenues resulting from the impact of the pandemic.**
 - iii. **Provide state and local government additional financial assistance to address the long-term financial impacts of the pandemic.**

FF-38. Impacts of Property Tax Payment Delays

Issue: Due to the severe economic impacts of the pandemic, many counties exercised their authority to temporarily waive penalties on late payments of property taxes due on May 15, 2020. In addition, the legislature discussed a state-mandated delay in property tax payments to help homeowners and businesses address the

financial impacts of the pandemic. Delaying property tax receipts can create cash-flow challenges for cities and can negatively impact debt service payments that are aligned with the May 15 and October 15 payment dates for most property taxpayers.

With the impacts of the pandemic extending into the foreseeable future, counties may again decide to temporarily waive penalties for future property tax payment deadlines and the legislature could revive discussions of a mandatory delay in the property tax payment dates.

Response: **The Legislature and counties should avoid modifying the property tax payment structure to avoid creating financial problems for cities. If delays are permitted, the legislature and counties should provide cities with cash-flow assistance to avoid costly short-term borrowing and to avoid delays in debt service payments.**

FF-39. State Fund for Non-weather-related Disaster/Catastrophe Relief

Issue: Municipalities and other governmental units are at risk of experiencing disastrous events affecting their communities beyond natural disasters, whether from civil disturbances, industrial catastrophes, or other disastrous events. Such events may result in unbudgeted and unfunded costs related to clean-up, repairs, “social” and economic recovery, infrastructure restoration, rebuilding structures, and other damage repair which may not be qualify for relief from Federal resources. While some limited State resources may be available, cities do not have the resources to respond to such disasters.

Response: **The League of Minnesota Cities supports the creation of a state**

fund to assist local communities in repair and response to these disastrous events with the ultimate goal of preserving jobs, industries, and communities.



League of Minnesota Cities

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CC Work Session

3.1.

Meeting Date: 02/08/2021

By: Katie Schmidt, Administrative Services

Information

Title:

Review Future Topics/Calendar

Purpose/Background:

Attached is the current list of future topics for work session discussion. Items are drawn from Council requests at meetings, or are related to topics that have been identified in the City's strategic plan. Tentative dates have been assigned.

Recommendation:

N/A

Action:

For Council review - no formal action necessary.

Attachments

Future Topics List

Form Review

Inbox

Colleen Lasher

Kurt Ulrich

Form Started By: Katie Schmidt

Final Approval Date: 02/04/2021

Reviewed By

Colleen Lasher

Kurt Ulrich

Date

02/03/2021 12:58 PM

02/04/2021 02:25 PM

Started On: 02/01/2021 12:13 PM

	<u>City Council Future Work Session Topics – (Tentative Dates & Topics)</u>	
Proposed Date	Topic	Minutes
02/16/21	Special Work Session Immediately Following Public Works Committee	
02/16/21 Case # 1	Discuss Fire Dept. Duty Officer On call Pay - Lasher/Kohner	10
02/16/21 Case # 2	Discuss Happy Days & Other 2021 City Events – Staff / High level	15
02/16/21 Case #3	Discuss Multi-family Housing Policy Update – Gladhill w/Planning Commission	20
02/16/21 Case #4	Consider Ordinance #20-02 Amending Mississippi River Corridor Critical Area District. - Gladhill	30
02/23/21	Discuss Draft Ordinance 21-04 Regarding Water Conservation – Westby	20
02/23/21	Discuss Lower Rum River Water Management Organization (LRRWMO) 4th Generation Plan	20
02/23/21	Discuss Building and Meeting Security (This meeting may be closed to the public) – Katers	15
	Emergency Preparedness and Emergency Management Role of Council – Kohner	15
03/09/21	Discussion Considering an ordinance prohibiting picketing in residential neighborhoods – Katers	20
03/09/21	Discussion Regarding the Remote Attendance Policy – Retain unlimited annual use or revise	15
03/16/21	Special Work Session Immediately Following Public Works Committee	
03/16/21	Board and Commission Interviews	90
03/23/21	Draft Trail Maintenance Policy – Westby/Riemer	30
March/April	Strategic Planning Session	
March/April	Review Cit. Survey	
04/20/21	Special Work Session Immediately Following Public Works Committee	
By 04/30/21	Discuss Chapter 4 of the Charter – Elections – Lasher	30
04/27/21	Draft Stormwater Pond Maintenance Policy – Westby/Riemer	30
04/27/21	Discuss Employee Telecommuting – Lasher	

05/18/21	<i>Special Work Session Immediately Following Public Works Committee / Additional Special Meetings beyond May 18th TBD.</i>	
06/08/21	Review format of cash flows/fund balances - Lund	
Spring 21	Discuss Central Park Re-naming event- Riverblood	
June 21	Bi-annual Updates Regarding City Communications	15
2021	Discuss the General Topic of Holding Joint Meeting(s) with the Council and Commissions & Other Cities. Based on discussion, future work sessions TBD.	20
2021	Discuss Historic Town Hall - Ulrich	30
2021	City Branding Presentation - Ulrich	40
2021	Fire Department Duty Crew Analysis - Kohner	20
2021	CR-5 Corridor Study Review - Westby	45
2021	Park System Plan - Riemer/Riverblood	60
2021	Accounting of City Engineering Staff Time for City Projects - Westby	30
2021	Discuss Enacting Ordinance Regulating Targeted Picketing in Residential Neighborhoods	15
Nov. 21	Bi-Annual Communications Update	

(Future Regular Agenda Items - Not Work-session)

Bi-annual Communications Update

January

February

- State of the City Address –regular meeting
- Photo Contest Presentation

March

Appoint and Reappoint Board and Commission members 4th regular meeting in March – regular agenda

April

April – Fire Department update – Matt

Public Presentation – Recognize Outgoing and New Board and Commission Members / Oath of Office for new Commission Members
– 1st regular meeting in April

May

Animal License Ordinance Amendments –
May – Public Works Update – Grant

June

June – Police Department Update – Jeff

July

August

September

Proclamation for Alexandra House /October Domestic Violence Awareness month & recognizing the PLI

October

Domestic Violence Awareness Month

November

December

Adopt Resolution Establishing Precinct and Polling Locations for the Election Year

- 1st regular meeting in December. (Must be done prior to December 31 and also must be done every year – even in a non-election year).

Adopt Resolution for Non-union Health Insurance and COLA

Adopt Resolution(s) for Budget Approved Employee Changes