

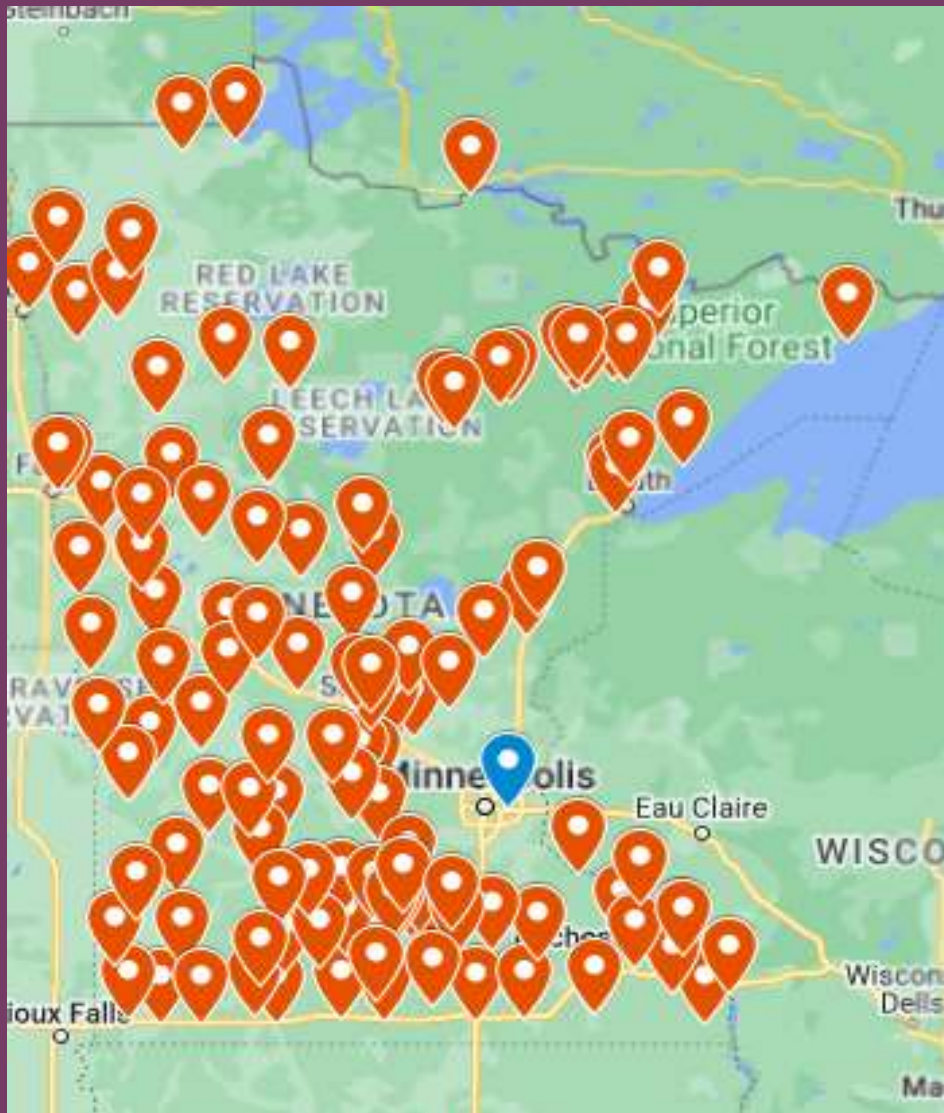


DEDICATED TO A STRONG GREATER MINNESOTA

2023 City Visit

CITY

LOBBYIST



CGMC – Over 100 cities across the state working together

- Local Government Aid/Property Taxes
- Environment and Energy
- Economic Development
- Transportation
- Annexation and Land Use
- Labor and Employment

CGMC 2023 top legislative priorities

- \$150 million LGA increase, formula update, and inflation/population adjustment
- Bonding bill
 - Public Facilities Authority funds
 - Greater Minnesota Child Care Facilities grants
 - Business Development Public Infrastructure grants
 - Infrastructure projects across Greater MN
- Lead line inventory and replacement
- Permanent and ongoing funding for city streets of all sizes
- Corridors of Commerce reforms and funding
- Child Care Economic Development grants & community support programs
- Greater MN Workforce Housing Development Fund

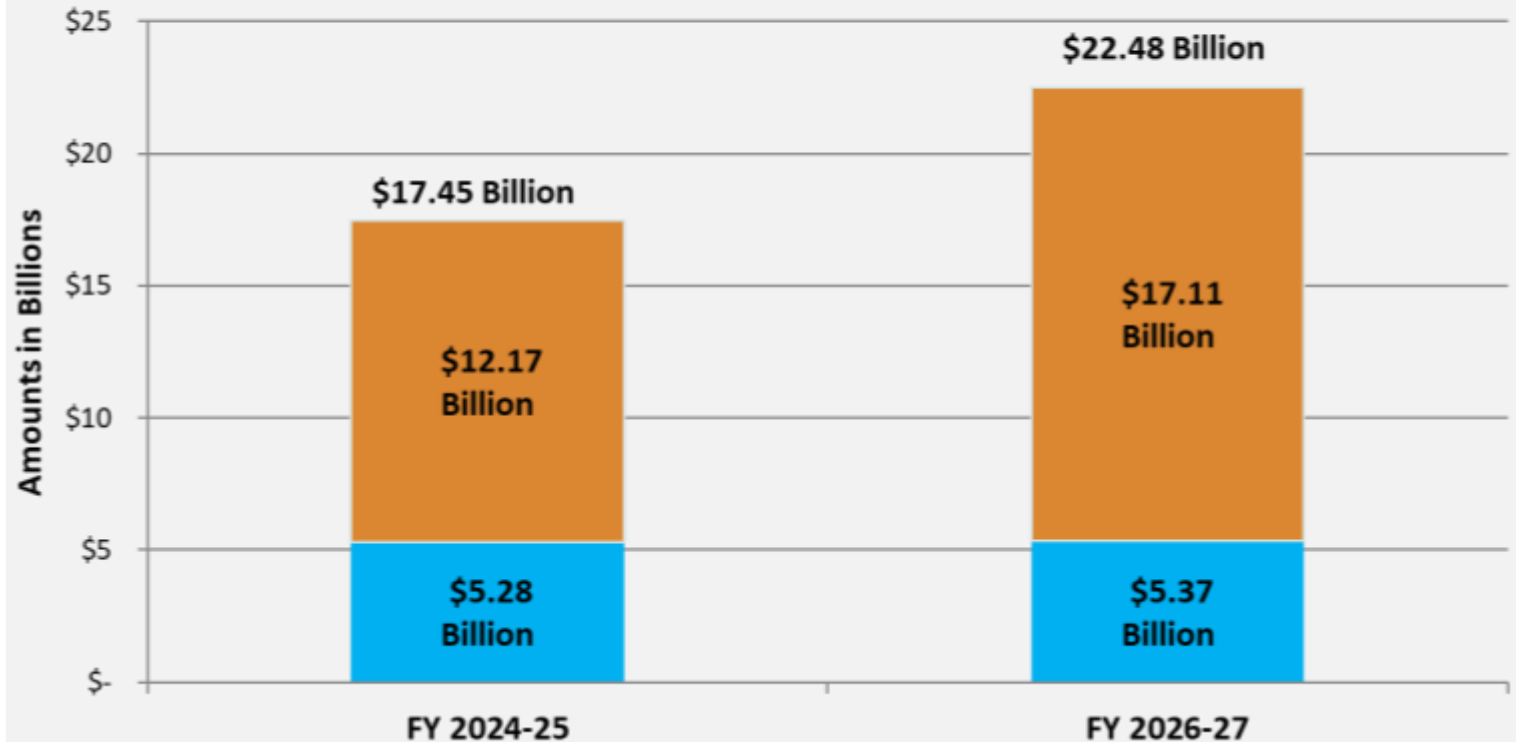


2023 LEGISLATIVE SESSION: THE BIG PICTURE



Budget forecasts show historic surplus

FY 2024-25 and FY 2026-27 Budget Surplus
Based on February 2023 Forecast



■ One-Time
■ Ongoing

... but DFL trifecta poses some unique challenges

Volume and speed of legislation

DFL majorities dominated by metro-area members

No backstop for potentially harmful proposals



Local Government Aid

Refresh: CGMC's LGA ask

Increase appropriation by at least \$150 million

Update LGA formula to ensure maximum impact for
Greater Minnesota cites

Add inflation and population growth adjustment

LGA faced stiff competition with DFL priorities in tax proposals



- Joint \$3 billion tax target was small for DFL agenda
- LGA boost contended with:
 - Child & dependent tax credits
 - Walz checks
 - Public safety aid
 - Housing aid



Governor Walz's LGA proposal

- Governor Walz proposed \$30 million LGA appropriation increase in initial budget
 - Proposal includes formula updates
- CGMC responds; releases statement decrying Walz's proposal as "disappointing" and "inadequate"
- Governor increases proposal to \$40 million in supplemental budget



Advocacy in action

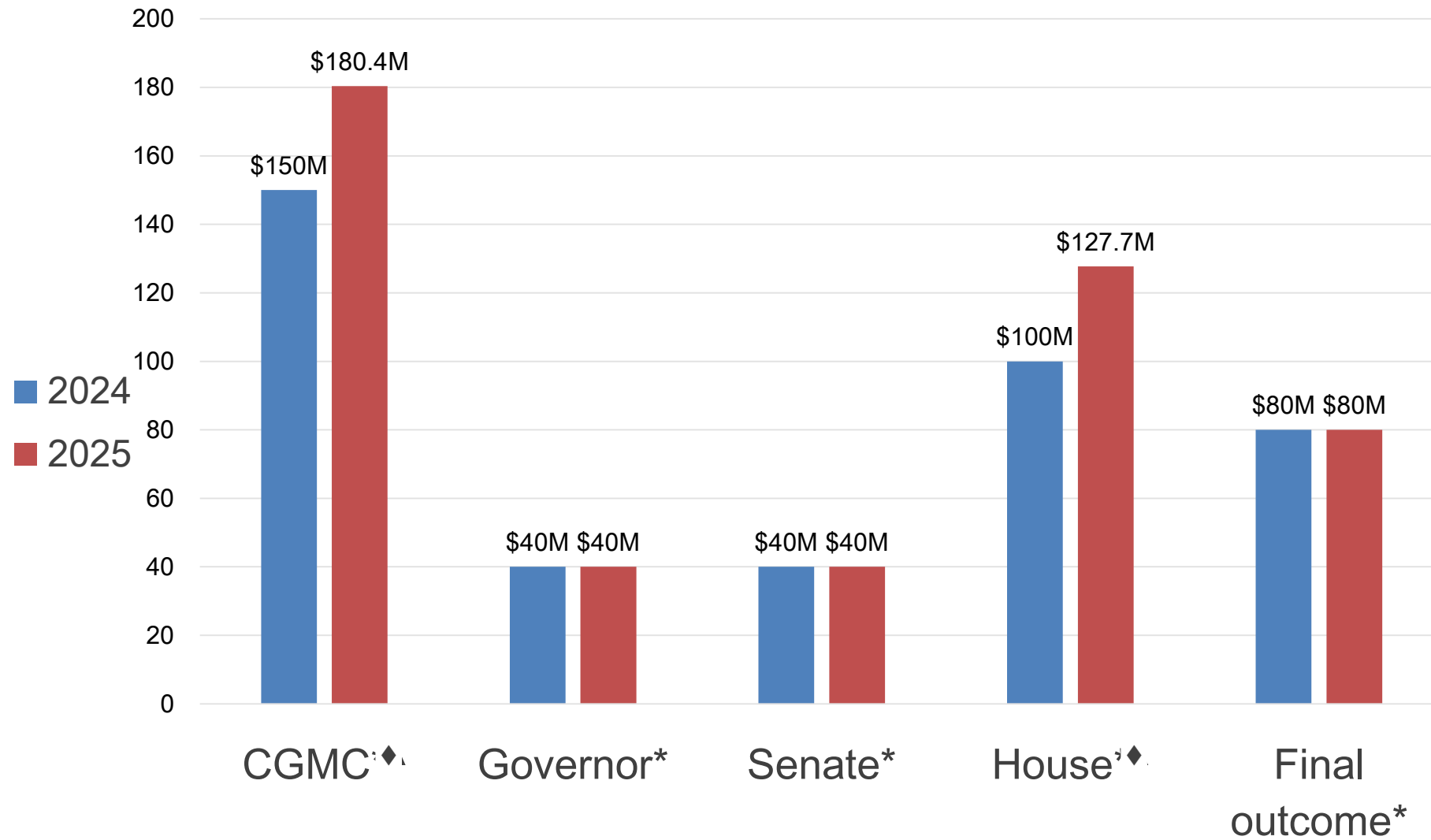


Virginia Mayor Larry Cuffe Jr. testifies alongside HF 1377 bill author Rep. Dave Lislegard in the House Property Tax Division



St. Joseph Mayor Rick Schultz testifies alongside SF 1828 bill author State Senator Matt Klein in the Senate Tax Committee

Proposed LGA increases (millions)



* Includes updated formula
 ♦ includes inflation/population adjustment



Bonding

Bonding bill takes winding road



- No 2022 bonding bill
- Bonding bills require a 60% majority vote in each chamber
 - Passed House with GOP support
 - Failed in Senate 34-33
- GOP doubled down on strategy refusing to vote for bonding bill without “meaningful” tax relief, aid for nursing homes
- Mid-session negotiations failed to reach an agreement
- DFL threatened to pass \$1.3 billion all-cash infrastructure bill without GOP support

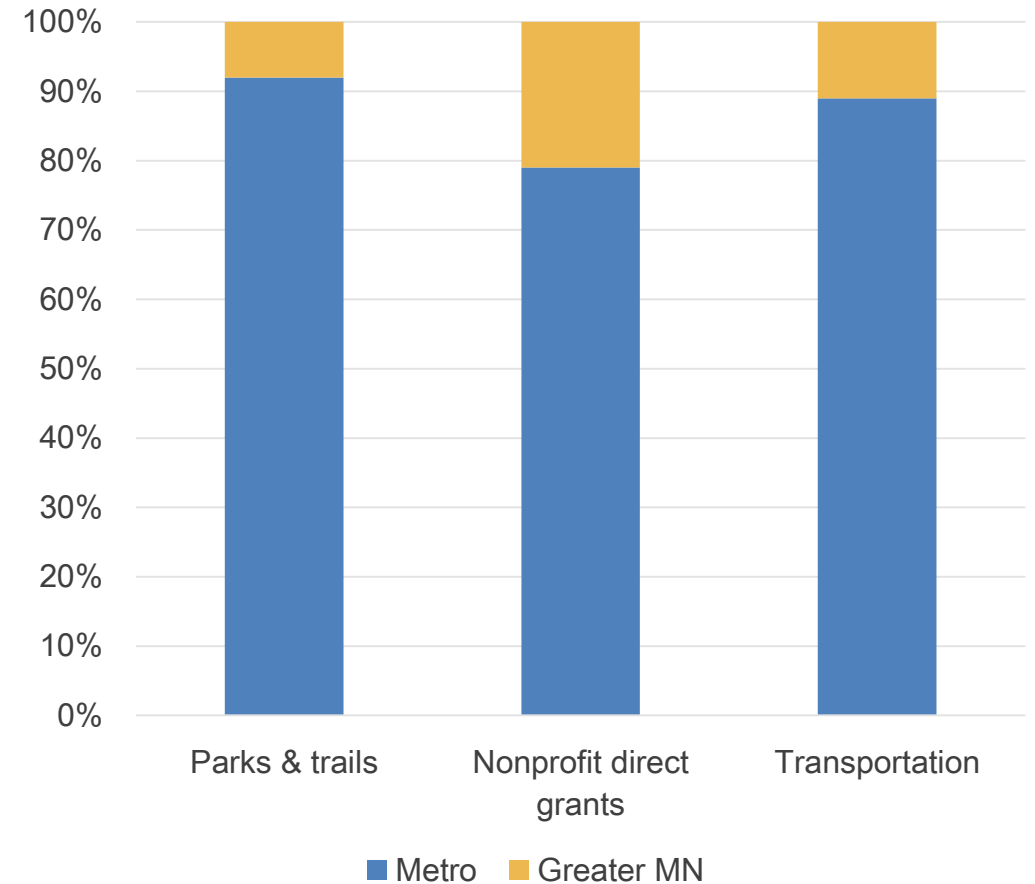
CGMC Executive Director Bradley Peterson speaks at a March 16th press conference with bill author Sen. Pappas (DFL-St. Paul) and LiUNA representatives

CGMC priorities took a hit in proposed all-cash infrastructure package

	BONDING	CASH
PFA	\$208.2 million	\$86 million
BDPI	\$10 million	\$4.95 million
Greater MN Housing Infrastructure	\$3 million	\$0
Greater MN Child Care Facilities	\$900 thousand	\$0
Local roads & bridges	\$152 million	\$45 million

Total difference: \$238.15 million

Regional funding distribution in cash bill (percent)



CGMC cities press Senate GOP to work with majority, pass traditional G.O. bonding bill



DEDICATED TO A STRONG GREATER MINNESOTA

May 17, 2023

Dear Senate Members and members of the Senate GOP Caucus:

Thank you for being a part of our remarkable state. Over 100 cities in the Greater Minnesota region are pleased to be working with the Senate GOP on a traditional bonding bill. It is clear that the Senate GOP is committed to a process, and the outcome depends on your position. The Senate GOP has a unique opportunity to pass a bonding bill this session to close a multi-year funding gap and a bill that meets the long-standing needs of your constituents in Greater Minnesota.

We understand that in March and April, you stated that you might have some leverage to work with the Senate GOP on a spending package. That is all part of the process. Throughout the last year and weeks prior to it, it appears that there have been multiple opportunities to work with the Senate GOP on a spending package. It is a missed opportunity to be missed. The Senate GOP has not made the needs of your constituents in Greater Minnesota its top priority. We believe that the decision whether or not to pass a traditional GOP bonding bill is in your hands.

The Senate GOP has many opportunities to work with the Coalition of Greater Minnesota Cities to support funding for the BIA, water and wastewater treatment, food and nutrition assistance, and housing. Additionally, the bill will also fund the state's special funds, a Greater Minnesota economic development, such as the Business Development Fund, the State's and BIA's program. The bill also will fund the numerous individual projects in the cities and counties across the state.

We genuinely need to see the Senate GOP take the necessary steps to ensure that the bill is passed for your constituents. Funding for water and wastewater treatment, food and nutrition assistance, and housing is critical to the health and well-being of your constituents. Funding for the BIA is also critical to the health and well-being of your constituents. Funding for the BIA is also critical to the health and well-being of your constituents.

Legislating is a set of choices. You can either choose to continue wandering down a seemingly futile path of trying to extract concessions from the Majority... or you can choose to provide your constituents with the benefits they deserve... It is undeniable that the outcome of a bonding bill, good or bad, is in your hands. Please choose wisely.

Thank you for your work on behalf of Greater Minnesota.

Sincerely,

Brian Johnson, Mayor of Thief River Falls
President, Coalition of Greater Minnesota Cities

“Legislating is a set of choices. You can either choose to continue wandering down a seemingly futile path of trying to extract concessions from the Majority... or you can choose to provide your constituents with the benefits they deserve... It is undeniable that the outcome of a bonding bill, good or bad, is in your hands. Please choose wisely.”



CGMC lobbyist Erik Simonson speaks with Senate Minority Leader Mark Johnson (R-East Grand Forks) hours before bonding bill agreement announced



Session ends with largest infrastructure package in Minnesota history

- DFL agreed to \$300 million in nursing home aid
- GOP agreed to traditional bonding bill and cash infrastructure bill
 - \$1.5 billion bonding bill
 - \$1.1 billion cash bill
- These three bills are passed in the final hours of session

	FINAL OUTCOME
PFA	\$208.2 million
BDPI	\$10 million
Greater MN Housing Infrastructure	\$3 million
Greater MN Child Care Facilities	\$900 thousand
Local roads and bridges	\$152 million



Why did the bonding bill finally come together?

Public pressure from the CGMC and other stakeholders

Local pressure from city officials and constituents

Time since last bonding bill in 2020

Credible threat of bad alternative (cash bill)

Legislators willing to compromise





Environment

Bipartisan support pushes \$240 million for lead pipes across finish line



CGMC Executive Director Bradley Peterson speaks at a press conference with Governor Walz, Lt. Governor Flanagan, House bill author Sydney Jordan (DFL- Minneapolis), St. Paul Regional Water Services, LiUNA!, and others in support of funding to inventory & replace lead service lines across the state

- No safe amount of lead in drinking water
- All cities must map lead pipes by October 2024
- \$240 million serves as a “down payment” to help cities begin the process of lead line inventory and replacement
 - All cities will be eligible
 - Homeowner side will be covered
 - MDH will administer mapping, PFA to administer replacement

Historic investments in water infrastructure and programs



- Last-minute bonding agreement:
 - \$80M for Point Source Implementation Grants
 - \$87M for Water Infrastructure Fund
 - \$41M for federal fund matching
 - \$262M for local Greater MN projects
- Clean Water Legacy
 - \$16.2 million for Point Source Implementation Grants
 - \$1.3 million for chloride reduction
- MPCA water quality programs funding for this biennium, but nothing ongoing

CGMC played defense, protected Greater MN from harmful environmental proposals

- CGMC blocked numerous attempts to change Public Facilities Authority funding to benefit metro area
- CGMC worked to narrow scope of permit changes that would have hampered growth and economic development
- Little consideration as to how new changes could affect Greater MN



LOOKING AHEAD:

With DFL control of House & Senate, we anticipate continued and expansive environmental legislation





Looking Ahead

2024 Legislative Session



- Traditional year for a bonding bill
- Constitutional amendments?
- Surplus spending?
- Fix-it items from 2023 session
- Policy, policy, policy!
- Fun starts – February 12, 2024
- Election
 - President
 - US House
 - Klobuchar Senate seat
 - MN House

CGMC Upcoming Events



CGMC Summer Conference – July 26-28, Thief River Falls

- Register now!

CGMC Fall Conference – November 15-17, Willmar

Reach out to Emma Nelson at ennelson@flaherty-hood.com with any questions about CGMC events!

Questions?

