



Coalition of Greater Minnesota Cities 2026 SESSION REPORT

Polarized politics & divided government bring modest expectations for session

For the second session in a row, legislators and the public had to figure out how to navigate a tied Minnesota House and a Minnesota Senate with a one-seat DFL majority. Adding additional tension to the session were increased revelations about fraud in state programs, the Annunciation School shooting, the fallout of Operation Metro Surge, and the fact that it is an election year for all legislators and state constitutional officers, including an open seat for Governor.

With the two-year budget passed last year and an otherwise constrained fiscal situation, most of the Legislature's work focused on policy issues, a bonding bill, rescuing the financially ailing Hennepin County Medical Center, and other modest amounts of spending.

The CGMC's priorities focused on protecting LGA, defeating efforts to preempt local zoning and development authority, and passing a bonding bill that robustly invests in core infrastructure.

CGMC fights to make housing more available, protect local authority

The CGMC continued its efforts to promote housing by advocating for additional investment and policy changes. CGMC staff worked with the Greater MN Partnership (GMNP) to successfully push for a \$14.3 million one-time increase in funding for the Workforce Housing Development Program—which seeks to address the severe shortage of market-rate rental housing in Greater Minnesota—and \$100 million for Housing Infrastructure Bonds.

For the third session in a row, legislators and housing advocates promoted proposals that would preempt local government's local land use and zoning authority. The overly complex proposals would likely have increased costs for local governments without increasing the supply of affordable housing. Although the League of Minnesota Cities chose to drop their active opposition to the legislation, the CGMC worked with several metro city groups to stop this legislation. Despite significant publicity for the effort, the bill stalled in a House Committee and never received a hearing in the Senate. It is anticipated that the proposal, or a similar one, will appear again next legislative session.

The CGMC also supported GMNP's efforts to make policy changes that would improve how key housing programs operate in Greater Minnesota, including the State Housing Tax Credit and the Greater Minnesota Housing Infrastructure program. Ultimately, while those efforts gained bipartisan support, they were unable to get across the finish line this session.



CGMC Executive Director Bradley Peterson testified in opposition to H.F. 3895—also known as the “Starter Homes Act”—which would have preempted cities’ local zoning & land use authority.

This proposal failed to gain traction thanks in part to steadfast efforts made by the CGMC & its partners.

CHECK OUT OUR HOUSING POLICY REPORT!



Learn more about Greater Minnesota's housing development efforts in our Housing Policy Report!

Scan the QR code or visit: bit.ly/CGMC_HP26

SHARE YOUR STORY!

Are you building new housing? Have you run into challenges? Do you have a success story? We want to hear from you! Send your housing stories to:

Elizabeth Wefel [✉ ewefel@flaherty-hood.com](mailto:ewefel@flaherty-hood.com)

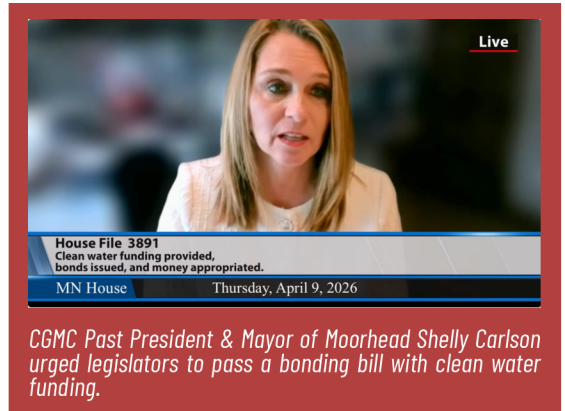


Bonding bill advances CGMC priorities

Heading into the 2026 session, the desire for a bonding bill was strong. Nearly \$6.5 billion had been requested, with local governments alone requesting \$2.7 billion. Although 2026 was considered a bonding year, the passage of a bill was still not certain. The Legislature repeatedly failed over the last decade to pass a bonding bill during the typical bonding year, and it had just passed a \$700 million bill in 2025. Many were concerned that the Legislature might choose to skip this year.

The CGMC and its coalition partners worked tirelessly throughout the session to advocate for a bonding bill with funding for water infrastructure, road and bridge improvements, the Business Development Public Infrastructure (BDPI) grant program, and other funding priorities. CGMC staff met with individual legislators and the Governor's office, submitted letters, participated in press conferences, issued press releases, and more.

With less than ten minutes to spare, the Minnesota Legislature passed a \$1.24 billion capital investment bill. The bill included more than \$400 million for water-related projects—a top CGMC priority—and transportation grant programs. The Business Development Public Infrastructure (BDPI) program was funded, but only at \$2 million. The full bonding spreadsheet can be viewed online at www.house.mn.gov/comm/docs/pOSV50TfMkyazlhvs1hHlg.pdf.



Lead service line replacement funding stalls

There is a looming public health crisis lurking beneath sidewalks and roads across the state: the presence of lead water lines and fixtures. Old lead pipes and fixtures may be leaching lead into drinking water across the state, and the Centers for Disease Control (CDC) and the American Academy of Pediatrics both acknowledge that there is no safe level of lead exposure for children. An estimated 87,000 lead lines currently deliver drinking water to Minnesota homes, and more than 200,000 service lines still need to be classified.

In 2023, Minnesota set the ambitious goal of replacing all lead lines by 2033, and the federal Environmental Protection Agency followed with a mandate to remove these lines by 2037.



The CGMC & partners joined legislative leaders in a press conference calling upon the Legislature to pass critical funding for lead line replacement.

The Minnesota Department of Health estimates that it will cost more than \$1.5 billion to remove and replace the remaining lead lines. The CGMC worked with a coalition of trade unions and environmental groups to establish a state fund to pay for the inventory and removal process, and Minnesota stepped forward, investing \$240 million in the program in 2023. That money will run out later this year, and federal resources will run out in 2027. The CGMC and its partners pushed for \$150 million this session to fully fund the 2027 construction season, but the Legislature only allocated \$15 million. Even when combined with federal funds, that is less than half of what is needed for next year's construction season alone.

The CGMC will continue working with its partners to increase funding levels, including seeking alternative, stable sources of funding. Cities can learn more about the funding program and how to apply on the Minnesota Department of Health's website at www.health.state.mn.us/communities/environment/water/lsrfund. The application cycle will begin again in spring 2027.

How to Stay Connected: CGMC media & communication strategies keep members informed, involved, & invested

The CGMC utilizes press conferences, social media campaigns, letters to government officials, virtual and in-person events, and analysis-driven materials and videos to advocate for Greater Minnesota priorities and ensure that our members stay up to date on legislative developments.



Watch our "CGMC 101" Webinar at bit.ly/CGMC-101



CGMC members networking during our annual Summer Conference



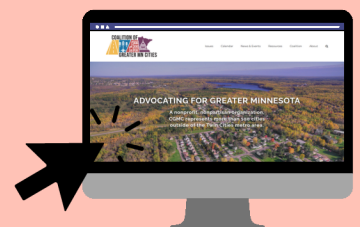
CGMC members connect with their legislators during a social event at Mancini's Char House



Governor Walz speaks to attendees at CGMC's 2026 Legislative Action Day

Want to learn more? Visit the CGMC website & follow us on social media!

The CGMC is dedicated to building a strong Greater Minnesota through advocacy and information. If you would like to learn more about the topics discussed here and other important issues, make sure to check out our website and social media for informative handouts, detailed legislative analyses, resource links, and more!



FREQUENTLY ASKED QUESTIONS: ***CGMC BASICS***

WHAT IS THE CGMC?

We are a nonprofit, nonpartisan advocacy organization representing more than 100 cities outside of the Twin Cities metropolitan area. We advocate for the unique needs of Greater Minnesota cities on issues such as Local Government Aid, economic development, environment, transportation, and more. The CGMC is led by a board of directors made up of mayors, city councilors, and city staff members from across Greater Minnesota.

HOW DOES THE CGMC DECIDE WHICH ISSUES TO WORK ON?

Our legislative advocacy focuses on six main areas: LGA & property taxes, economic development, environment, transportation, annexation & land use, and EMS delivery. Within these areas, priorities and positions are selected based on input gleaned from our members through subcommittee meetings and informal discussions. Our official legislative priorities and positions are adopted by the CGMC's full membership at our Fall Conference in November.

HOW DOES THE CGMC CALCULATE MEMBERSHIP DUES?

For most cities, dues are calculated based on a \$1,500 base fee plus an amount per capita depending on population. A different calculation is used for cities with populations greater than 35,000. We have a four-year phase-in fee schedule for new members or returning cities that have not been members in the last five years. For those cities, dues are phased in starting at 25% of the total in the first year and then stepping up to 50%, 75%, and finally 100% over the next three years. This phase-in schedule allows new members to see the work of the CGMC and participate in our programs for just a small initial investment.

HOW DOES THE CGMC COMMUNICATE WITH ITS MEMBERS?

We keep in touch with members in several ways. The most consistent is through the CGMC in Brief, our weekly e-newsletter that provides updates on activities at the Legislature, emerging issues, grant opportunities, and upcoming events. We also strive to keep our members connected and our issues top-of-mind through strategic social media advocacy and Action Alerts that notify members of the most pressing issues. In addition, CGMC staff members visit as many of our member cities between legislative sessions as possible. These visits can take many forms: Zoom meetings, face-to-face with the mayor and staff, or a presentation to the whole council.

DOES THE CGMC HOST ANY EVENTS?

We host several events each year, including:

- Summer Conference
- Fall Conference
- Legislative Action Day (our annual "lobby day" at the Capitol in St. Paul)
- Seminars on labor & employment issues
- In-depth webinars on pertinent issues facing Greater Minnesota, and more!



FREQUENTLY ASKED QUESTIONS: *WHAT SETS CGMC APART*

HOW IS THE CGMC DIFFERENT FROM OTHER ADVOCACY ORGANIZATIONS?

Years of experience have shown that if the CGMC doesn't speak up on certain issues, no one will — and surely no one who is specifically looking out for Greater Minnesota. The communities across the metro area and elsewhere have several lobbyists and other advocacy organizations working for them at the Capitol, with a distinct focus on issues that matter specifically to them. Greater Minnesota deserves the same strong team of advocates looking out for your communities, and the CGMC provides that team. By concentrating on needs and issues from a Greater Minnesota perspective, we strive to ensure that Greater Minnesota receives its fair share of state resources such as Local Government Aid, bonding dollars, economic development programs, and more.

WON'T THE CGMC JUST DO THE SAME WORK WHETHER OR NOT OUR CITY IS A MEMBER?

There are certainly many cities who are not members of the CGMC but who still reap the benefits of our work. However, the cities who join the CGMC understand that accomplishing favorable outcomes for Greater Minnesota requires cities to work together and put up a united front.

The CGMC cannot achieve success for all Greater Minnesota cities without a large group of member cities who support our shared goals and priorities.



Get in touch with the CGMC at CGMC_Communications@flaherty-hood.com or by visiting greatermncities.org.





Lead Pipe Inventory & Replacement

There's no safe amount of lead in drinking water, and the federal Environmental Protection Agency (EPA) has mandated that all community water systems remove their lead lines by 2037. An estimated 87,000 lead service lines in Minnesota still need to be replaced at a cost of \$1.5 billion, and an additional 200,000 lines need to be classified. Last biennium, the CGMC collaborated with two building trades and other stakeholders to pass a historic funding package that will dedicate \$240 million to the inventory and replacement of lead service lines throughout the state of Minnesota, but that money will run out in 2026. This year's bonding bill did not include adequate funds to keep Minnesota on track to meet its replacement goals.

CGMC's Role: The CGMC is working with this same coalition to ensure that our new Governor and the Legislature provide the substantial and sustained funding needed to get the lead lines out of Minnesota.

Water Infrastructure Funding

As facilities age and regulatory burdens increase, cities face increasing water infrastructure costs. Ensuring that cities receive help from the state in the form of Public Facilities Authority (PFA) grants and loans—and that those programs keep up with inflation—is a top CGMC environmental priority.

CGMC's Role: During this biennium, the CGMC successfully advocated for the inclusion of significant amounts of funding for the PFA programs in both 2025 and 2026, an increase in the caps for key grant programs, and the creation of a program to fund water treatment facilities that address emerging contaminants such as PFAS and manganese. The CGMC will continue to make this funding a top priority in future years.



Wild Rice Sulfate Rule

Minnesota adopted a water quality standard in 1974, imposing a strict limit for sulfate in wild rice waters. At the EPA's direction, the MPCA is implementing the standard rather than updating it based on the best available science. The Agency has declared an increasing number of water bodies as impaired, which could result in unattainable limits in wastewater permits. Data from the Lower Mississippi River pools and other regions indicate that wild rice can thrive at sulfate levels well above this limit. Despite this, unless cities obtain regulatory relief, many could face costly and technologically unfeasible permit limits that may not be necessary to protect wild rice. As a result, our cities will need flexible variances and site-specific standards to avoid the harsh economic consequences of this rule.

CGMC's Role: We successfully advocated for the MPCA to prioritize the development of a multi-discharger variance and site-specific standards for the Mississippi River Pools—actions that if finalized could benefit a large subset of CGMC members. We will continue to support and advocate for the MPCA to prioritize these efforts and if necessary, we will further organize to intervene and defend them.

Voice for Greater Minnesota on Environmental Legislation

CGMC member cities take their roles as stewards of Minnesota's water and environment seriously, but limited financial resources mean that our cities need to focus their efforts on achievable and affordable goals. Therefore, the CGMC focuses on ensuring that new laws and regulations are scientifically grounded and economically feasible. We also push for additional resources to address increasing environmental regulations and other challenges.

CGMC's Role: With a new governor and many new legislators, we will continue to monitor and advocate on environmental legislation to ensure that Greater Minnesota's interests are protected and that our communities receive the resources they need.



Per- & Poly-fluoroalkyl Substances (PFAS)

PFAS are a class of pervasive chemicals that have been linked to various health concerns and have been found in waterbodies across the state. Our municipal water and wastewater facilities did not create this problem, but our members face increasing pressure to help eliminate PFAS from drinking water and municipal waste streams. PFAS can be removed from drinking water through an expensive treatment process, but there is no technologically and economically feasible method for removing them from wastewater or the biosolids that result from wastewater treatment.



CGMC's Role: The CGMC has actively engaged at the Legislature and with agencies on efforts to regulate PFAS in Minnesota. We will continue working to ensure that municipalities are not unfairly burdened with unreasonable compliance requirements or liability for PFAS contamination beyond their control. Moving forward, we will continue to collaborate with state agencies, policymakers, and stakeholders to advance practical, science-based solutions for PFAS monitoring, treatment, and biosolids management.

Supporting Precedent-Setting Litigation



Through the Environmental Action Fund (EAF), the CGMC engages in precedent-setting environmental litigation and regulatory matters that impact the interests of many members.

CGMC's Role: Several years ago, the CGMC actively engaged in federal litigation defending the MPCA's recent favorable amendments to the class 3 & 4 standards, securing a win in court that ensures they remain in effect—which will reduce regulatory burdens and foster growth in Greater Minnesota. We continue to monitor litigation at the state and federal levels and are ready to intervene to protect the CGMC's interests as needed.

Total Nitrogen

The MPCA had been developing a total nitrogen reduction strategy for municipalities, which could have had significant cost impacts for municipal wastewater treatment facilities, even though municipalities generate a relatively small portion of nitrogen pollution compared to other sources. The CGMC prioritized engaging directly with the MPCA, state lawmakers, and other stakeholders to push for policies that protect water resources without imposing excessive costs on communities' resources.

CGMC's Role: The CGMC worked with MESERB and other municipal organizations to ensure that the MPCA strategy focuses on the best available science and does not place undue burdens on municipalities. As a result of our efforts, the MPCA shifted its strategy to focus away from municipalities and towards the entities that generate the majority of nitrogen pollution impacting Minnesota's waters. The CGMC will continue to monitor and advocate on this issue to ensure that our communities do not face costly facility upgrades that would not significantly improve water quality.





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Are you building new housing? Have you run into challenges? Do you have a success story? We want to hear from you! Send your housing stories to:

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EVENTS



UPCOMING

JUL
22-24

SUMMER CONFERENCE
NEW ULM, MN

NOV
12-13

FALL CONFERENCE
WAITE PARK, MN

FEB
10²⁰₂₇

LEGISLATIVE ACTION DAY
ST. PAUL, MN

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LABOR & EMPLOYEE RELATIONS PROGRAM

Purpose

The purpose of the Coalition of Greater Minnesota Cities Labor & Employee Relations Program is to 1) to **develop a coordinated effort among Greater Minnesota cities** on managing labor and employee relations and negotiating labor contracts through **researching and developing databases, advocating positive changes to labor processes**, and by **providing a forum for networking, discussing and implementing uniform labor policies and negotiating strategies**; and 2) to make available **expert and coordinated advice**—at a significantly reduced rate—on employment and labor relations issues facing Greater Minnesota cities.

CGMC Labor Program Services



Newsletter on relevant labor relations and public employment issues



Develop **arbitrator selection database** for cities to analyze and select arbitrators in grievance and interest arbitrations



Maintain **wages and insurance database** to track contract settlements and interest arbitration awards



Prepare and present information at **Labor Committee Meetings and Webinars**



Analyze and summarize labor relations and public employment **legislative changes** to report to cities



Develop joint labor contract negotiation **strategy and policy positions/guidelines**



Sustain **cluster analysis database** to identify comparable cities for contract negotiations and interest arbitrations



Coordinate efforts with the League of Minnesota Cities and other organizations and governmental agencies



Prepare and present **Labor and Employee Relations Seminars**

Individual Consultation Services

CGMC members have access to consultation services on labor relations and public employment issues impacting their individual city on a reduced fee-for-service basis through the law firm of Flaherty & Hood, P.A. Examples of services provided by Flaherty & Hood are listed below.

Employment Law Services

Represent cities in negotiations, mediation, arbitrations, administrative proceedings, litigation, and appeals

Advise on compliance with labor and employment laws, hiring employees, investigating misconduct, harassment and discrimination, and discipline and discharge actions

Investigate misconduct, performance problems, harassment, and discrimination



Labor Relations Services



Represent cities in **labor contract negotiations** and mediations with employee unions



Compile and summarize data from comparable cities on wages, health insurance, and other data



Investigate employee and union **grievances**, draft responses and settlement proposals, and attend grievance meetings



Represent cities in **arbitration hearings** and compile and analyze relevant data



Research state-provided lists of arbitrators and provide ranking order for purposes of **striking and selection**



Prepare filings with the **Bureau of Mediation Services (BMS)**

Job Classification and Compensation Services



Review job classifications, conduct interviews, and **analyze job descriptions**



Prepare and establish **comparisons of jobs** to determine the appropriate job worth



Draft classification and **compensation** plans, establish pay structure, and total compensation packages



Review, analyze, and advise on **pay equity** and represent in any legal compliance matter



Analyze and **make organizational recommendations** on work processes, structure, staffing, and retention

Human Resources

Draft, revise, and interpret employee handbooks, evaluations, manuals, and job descriptions

Conduct **training session for management** on hiring, performance matters, handling grievances, and other employee matters.



Contact Us

For more information, call Flaherty & Hood, CGMC's representative, at 651-225-8840 or email at CGMC_Communications@Flaherty-Hood.com or contact the labor and employment attorneys or analyst.

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