



## **Metro Cities Annual Meeting: Mark Your Calendar**

Metro Cities holds an annual meeting each April at which time members and officers are elected to the Board of Directors. This year's meeting was originally scheduled for April 16 but was cancelled due to the COVID-19 pandemic. Metro Cities' bylaws require this meeting to be held in April.

The Annual Meeting is now scheduled for Thursday, April 30<sup>th</sup> at 4:00 pm and will be conducted as a virtual meeting. Please mark your calendars! The slate of recommended officers and Board members was emailed to city officials on Monday. A quorum of members is required. Metro Cities' President Mark McNeill and President-elect Myron Bailey will provide remarks at this meeting.

Further information to follow! Please RSVP to Metro Cities' Office Manager Jennifer Dorn at [jennifer@metrocitiesmn.org](mailto:jennifer@metrocitiesmn.org) We hope you can attend!

## **Legislature Passes Fourth COVID Response Bill**

On Tuesday, the House and Senate passed a fourth COVID-19 response bill as well as an [emergency insulin bill](#). The COVID-19 bill contains provisions of interest to cities, including a modification to the open meeting law. These changes were discussed by the House Government Operations Committee last week, and the Senate COVID-19 working group on Monday.

[HF 4556-Winkler](#) provides funding for Second Harvest Heartland, grants the Commissioner of Health emergency powers, supports the use of telemedicine, extends appellate court deadlines, permits marriage licenses without an in-person appearance and extends the mediation period for the Farmer-Lender Mediation Act. Provisions of interest to cities are as follows:

### *Open Meeting Law*

The bill makes changes to the section of open meeting law that pertain to the conditions that must be met for a public meeting to be conducted by interactive television. The bill requires all votes be conducted by roll call. The bill also adds an exemption on the existing requirement that a member's remote location be accessible to the public by allowing a member who has been advised by a health care professional against being in public for personal or family medical reasons. Please note this exemption applies only when a state of emergency has been declared and it expires 60 days after the removal of the state of emergency. The cap of three times per year that a member may participate in a public meeting remotely that is in law applies to this exemption. Metro Cities supports this provision and signed onto a letter with the LMC and other organizations as this language was considered by House and Senate committees last week [HERE](#).

### *Drivers' Licenses*

The bill allows a person who moves to Minnesota during a public health emergency to wait longer than 30 days to apply for a commercial driver's license (CDL) and more than 60 days for a non-commercial driver's license. The bill also allows for medical certificate waivers for commercial driver's licenses during an emergency. The bill allows the Commissioner of Public Safety to develop emergency procedures for the issuance of commercial driver's licenses.

### *MnDOT and Metropolitan Council*

HF 4556 requires the MnDOT Commissioner and Metropolitan Council to report to the legislature on the emergency powers used during a peacetime emergency. The report is required to be submitted within 30 days following the end of the emergency. The bill extends a deadline for the Metropolitan Council to submit the Transit Finance Report to the Legislature from Oct. 15, 2020 to February 15, 2021.

HF 4556 provides for allowable uses of federal transportation funds from the CARES Act by the Metropolitan Council and MnDOT to include protection equipment for transit operators, personal protection equipment, safety training and frequent cleaning of vehicles. A report to the legislature on the use of funds is required by February 15, 2021.

### *Vehicle Registrations*

The bill makes a change as to how vehicle registration fee amounts are determined. Tab fee amounts will be based on MSRP or vehicle price. Vehicles purchased will pay an initial amount of 1.285 percent of the value, an increase from the current 1.25 percent. A vehicle destination charge will no longer be included in the price of the vehicle for this purpose.

### *Bill Votes and Summary*

HF 4556 passed the House on a vote of 103-31 and the Senate 64-3. As the bill was considered by the House, amendments were proposed to eliminate the state's peacetime emergency order, which were defeated. No similar amendments were introduced in the Senate. The bill is expected to be signed by Governor Walz. See [HERE](#) for a summary of the bill.

## **MnDOT Estimates COVID-19 Fiscal Impacts**

The MN Department of Transportation (MnDOT) has developed an estimate of fiscal impacts for COVID-19 transportation revenue sources. These estimates will be updated as additional information is known. Estimates were provided with the caveat that the situation is fluid and the scope of impacts are still unknown. It is estimated at this point that there will be a roughly \$175M reduction in revenues in FY2020 or 7%, and roughly \$265M in FY2021 or 10%, for a total revenue loss of \$440M or 9% for the biennium.

The Highway User Tax Distribution Fund (HUTDF) is estimated to be slightly below forecast through March. MnDOT estimates that the fund is down \$4.6 million year to date. MnDOT is estimating a 30% drop compared for the remainder of this fiscal year, and a 15% drop in the next fiscal year. This drop will affect Municipal State Aid (MSA) fund levels.

Tab fees and motor vehicle sales tax (MVST) revenues are estimated to be in line with the current forecast through March, at an increase of 5 to 6 percent, however MVST is likely to start declining sharply. MnDOT is currently assuming a 50% drop for the rest of the fiscal year, and a 25% drop in FY2021. For tab fees are estimated to see a 10% decline for the rest of FY2020 and a 5% decline in FY2021.

## **House Ways & Means Committee Discusses State Budget Outlook**

MN Management and Budget Commissioner Myron Frans and Minnesota's State Economist Dr. Kalambokidis testified before the Ways and Means Committee on Monday. Dr. Kalambokidis gave a similar update on the state of the U.S. economy as she did for the Senate COVID-19 Response Working Group last week. A major theme of her testimony was the uncertainty that hangs over attempts to project economic trends during this pandemic. Dr. Kalambokidis stated that while a lot depends on how the virus plays out, growth should begin to accelerate next year, but even with that growth the economy will not catch up to where it would have been without the virus.

According to the latest [report](#), the state's general fund receipts were \$103 million less than projected in February. The department told members to expect these shortfalls to grow, but they could not say by how much given the incomplete information at their disposal. The delays in tax deadlines mean not only that money is not coming in at its usual time, but that crucial signals used for forecasting are also missing from the analysis.

Some committee members raised questions concerning the process of extending the Governor's peacetime emergency declaration. Other questions concerned the use of budget reserves. Members are beginning to consider how to balance the state's budget given the decreased revenues and increased spending in response to COVID-19. A review of the [statute](#) that outlines the process by which the state's budget reserve can be used was discussed. It was pointed out by Representative Liebling that the Governor has the power of un-allotment, and Commissioner Frans confirmed that if there is an existing deficit after the reserve has been exhausted, the Governor can balance the budget "by reducing unexpended allotments of any prior appropriation or transfer."

There was interest from members on the Governor's position on a bonding bill. Commissioner Frans noted that a unique aspect of a bonding bill is that it takes several years to be implemented. The House's non-partisan Chief Fiscal Analyst Bill Marx provided a [spreadsheet](#) and [memo](#) describing the federal funding that Minnesota is set to receive.

### **Senate COVID-19 Working Group**

The Senate COVID-19 Working Group, chaired by Senate Majority Leader Paul Gazelka, met on Monday to consider a range of issues, including health emergency powers, medical assistance eligibility, coroner access to information, open meeting law modifications on remote participation, marriage licenses and federal transportation funds. Click [HERE](#) for a video recording of the meeting. Metro Cities signed a joint letter of support for the proposed open meeting law modifications that was provided to the working group.

### **Governor's COVID-19 Briefings**

Below are highlights from this week's Monday and Tuesday briefings from Governor Walz. See the state's [COVID-19 web page](#) for the latest specific health data.

#### *Monday:*

The Governor discussed the extension of the state's peacetime emergency declaration for an additional 30 days and reiterated the goal of buying time to build hospital capacity. The Governor indicated he has called on the state to dramatically build up its own testing capabilities. The Governor repeated his mantra of "test, trace, isolate, open back up," throughout the briefing.

Director of Homeland Security and Emergency Management Joe Kelly announced that FEMA has approved a request for non-congregate shelters that will allow sheltering and isolation of individuals who do not have a safe place to be quarantined. FEMA will typically fund *congregate* shelters during disasters, but congregate conditions are not conducive to a public health emergency of this kind. Metropolitan Council Chair Charlie Zelle discussed Metro Transit's reduced service levels and said Metro Mobility is delivering food and will provide free rides to and from work for individuals working at a health care facility.

Management and Budget (MMB) Commissioner Myron Frans spoke about the state budget and

said a new budget forecast will be prepared in May. The department has also issued a hiring freeze on all executive branch positions, and the Governor and agency commissioners will take a 10 percent pay cut for this year. See below for a more information on the state budget outlook delivered by MMB to the House Ways and Means Committee.

*Tuesday:*

Governor Walz discussed the process for declaring a peacetime emergency which allows a governor to declare an emergency, and after five days provides that the executive council can extend the emergency to 30 days. The governor can then extend an order, but the legislature can eliminate the extension if both bodies vote to do so. If the governor elects to extend a declaration while the legislature is not in session, they must be called in for a special session to be allowed to vote on the matter. The Governor also clarified the differences in the peacetime emergency declaration and the Stay at Home order.

The Governor provided updates on conversations with agriculture leaders and United Food and Commercial Workers and said maintaining the integrity of Minnesota's food supply is a top priority.

Administration official Joe Kelly spoke about the recently established public-facing dashboard show and a high level of site traffic. He also mentioned that he participates in regular calls with county, tribal, and city emergency managers to coordinate efforts. Steve Grove, Commissioner of the Department of Employment and Economic Development (DEED), gave an update on the number of people applying for unemployment insurance and repeated his advice that self-employed workers apply for UI now, even though they will be denied, because the department will reach back out to those workers as soon as the system is ready to process their applications.

## **Metropolitan Council Environment Committee Approves Emergency Declaration**

The Metropolitan Council Environment Committee on Tuesday ratified an Emergency Declaration for Metropolitan Council Environment Services (MCES) to do flood preparation and mitigation for wastewater conveyance and treatment facilities. Staff explained the declaration is necessary to mitigate impacts of seasonal flooding at the Metropolitan Wastewater Treatment Plant, and other plants. This will allow MCES to create temporary roads to and from the plant and to implement mitigation measures to ensure the plant can operate. The Committee's action will be forwarded to the full Metropolitan Council for consideration and action. To see the business item, click [here](#)

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**Metro Cities News** is emailed periodically to Metro Cities member mayors, councilmembers, city managers/administrators, and city staff to keep officials and staff abreast of important metro city issues.

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