

## **Governor Moves State Into “Phase II” of Stay Safe Plan**

On Wednesday, Governor Walz outlined what the next phase of reopening the state will look like with the announcement of Phase II. Beginning on June 1, the administration will allow restaurants and bars to open for outdoor dine-in service. Tables must be at least 6 feet apart and no more than 50 customers can be served at any given time. All patrons will need reservations and employees will be required to wear masks. Patrons are strongly encouraged to wear masks as well. Department of Employment and Economic Development (DEED) Commissioner Grove acknowledged that many restaurants are not currently set up with outdoor or patio seating. The administration is asking cities to work with their local businesses to make it possible for these establishments to find creative solutions to allow for outdoor seating. Grove said MnDOT is exploring ways to help free up useable space for this purpose and are expected to release guidance soon.

The Metropolitan Council released a memo today that indicates they do not anticipate needing to adjust or change SAC (sewer availability charge), given that operations would remain within current capacity and without statutory guidance. There will be no SAC due for restaurants that temporarily set up outdoor seating due to the Governor’s order. Metropolitan Council Environment Services (MCES) will set up tracking for each city, where they will report names, addresses and new or expanded square feet for each restaurant that sets up temporary facilities. Cities will be asked to confirm whether the outdoor capacity is temporary or permanent.

Also included in Phase II is the opening of salons, barbershops, and other personal service establishments. These businesses will have to operate at 25% capacity and maintain adequate social distancing. Appointments and masks are required here as well. Finally, Campgrounds and charter boats will be allowed to resume service. Under Phase II several conditions remain the same. Those able to telework should continue to do so, retail shops should continue to operate at 50% capacity, and churches are limited to 10 people or less. Click [HERE](#) for DEED’s Guidance on Safely Reopening Minnesota Businesses.

Future phases of the Stay Safe Plan include increased capacity for retail businesses, gatherings of 20 people or less, indoor dining at restaurants, and increased capacity for churches. Gyms and movie theaters will be some of the last establishments to reopen. The administration was careful not to assign dates to these future phases. If the data shows that the changes implemented on May 18 and June 1 are moving the state in the wrong direction the dial will be turned back.

Click [HERE](#) for a description of past, current, and future phases of Minnesota’s Stay Safe Plan.

## **2020 Legislative Session Concludes**

The 2020 legislative session concluded at midnight Sunday, May 17th, with advancement on an array of bills as the bodies inched toward *sine die* adjournment, and without passage of a capital investment bill or omnibus tax bill, and without the appropriation of any funds from the Federal Cares Act. There is expectation that a special session could be called June 12. An extension of statewide health orders must provide the Legislature with an opportunity to act; if the Legislature is not in session, as they will not be in June, the Governor is required to call a session to allow them to act on any extension.

See below for an update of legislative activity of interest to Metro Cities as the session drew to a close. Metro Cities will provide a comprehensive legislative update in an upcoming newsletter.

## **Federal CARES Act Funding and Local Governments**

[SF 4564-Rosen](#), which appropriated \$667 million of the state's share of federal funds received through the Federal Coronavirus Relief Fund to local governments, passed the Senate on Sunday evening. [HF 4673-Marquart](#), which funded \$667 million to local governments under a separate distribution formula, passed the House Taxes Committee late last week, but was not brought up on the House floor prior to the House's final adjournment. See [Metro Cities' May 15th newsletter](#) for details on the two proposals. The Executive Branch has the authority to distribute any funds using the Legislative Advisory Commission, and it is possible funds could be distributed prior to the return of the Legislature in a special session. Metro Cities is continuing to work with other city organizations to support a direct, expedient distribution of \$667 million to local governments, with an equitable, per capita distribution, with funds allowed for local expenses determined to be eligible under the federal law. Metro Cities also supports a mechanism by which any unneeded funds can be returned for redistribution to other local governments that have extraordinary expenses above their initial distribution. Please stay tuned for further information. Questions? Contact Patricia Nauman at 651-215-4002, or [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org)

## **Housing Proposals and Local Authority**

The Senate released a draft housing policy amendment the final Tuesday of session, May 12. Metro Cities, the League of Minnesota Cities and other city organizations wrote letters to House and Senate leadership and key housing-interested lawmakers to express opposition to several provisions and to highlight concerns about others.

Metro Cities reached out and received feedback from metro city officials on how the proposals could impact planning, city operations and applications for state housing funds. That feedback informed continued outreach by Metro Cities staff with policymakers in providing opposition to preemption provisions and other problematic language. Thanks to the city officials who contacted local legislators to share their opposition to the policy provisions.

The Senate [consolidated several of the proposals](#) into H.F. 2542 – Weber, a housing policy and finance bill, on May 17th, the last night of session. The bill also included \$100 million in housing infrastructure bonds and \$100 million in housing assistance. The bill passed 35-32. It was not considered by the House before *sine die* adjournment. Contact Charlie Vander Aarde at 651-366-7564 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

## **Capital Investment Bills: No Agreement Prior to Adjournment**

Capital investment bills were debated as the session was nearing its conclusion, but bills did not ultimately pass the Legislature in the 2020 session. There was general bi-partisan agreement that a bonding package would help stimulate the economy, but disagreements on a scope and timing for a bill remained as the session constitutional deadline for adjournment approached Sunday. Bonding bills require a three-fifths majority vote in each body in order to pass

Governor Walz released his [bonding recommendations](#) in January. His proposal included a total of \$2.03 billion in general obligation bonds and \$571 million in additional financing. Click [HERE](#) for a spreadsheet comparing the Governor's capital budget with the House and Senate proposals. See below for information on the bills that each body voted on in the final days of the session.

## House

[HF 2529](#)-Murphy proposed a \$2.03 billion bill. The bill included \$201 million for the Department of Natural Resources, \$53 million for the Pollution Control Agency, and \$54 million for the Department of Public Safety. The bill provided \$453 million to the Department of Transportation through a combination of funding types. The bill also included \$9.5 million for metropolitan inflow and infiltration mitigation, an initiative of Metro Cities. The Department of Employment and Economic Development was appropriated \$203 million and the Public Facilities Authority \$327 million. The bill included \$252 million in appropriation bonds, with \$200 million designated for housing infrastructure bonds. See below for specific programs and projects included in the House bill.

### Board of Water and Soil Resources

- \$15 million in general obligation bonds for the Local Government Roads Wetland Replacement Program
- \$8 million to the Local Government Roads Wetland Replacement Program from the general fund

### Transportation

- Total appropriation of \$453 million; \$102 million in Trunk Highway Bonds.
- \$53.2 million for the Local Road Improvement Fund (LRIF) for grants to construct and reconstruct local roads with statewide or regional significance.
- \$53.2 million for the Local Bridge Replacement and Rehabilitation program for projects that replace or rehabilitate local deficient bridges. Two local bridge projects were included in the bill.
- \$10 million for the Safe Routes to School program for projects that create nonmotorized transportation for students to and from school
- \$5 million for the replacement of railroad warning devices
- \$3 million to DEED for the Transportation Economic Development Infrastructure Program
- \$2 million to install electric vehicle charging stations on public property

### Metropolitan Council

- \$9.5 million for Inflow and Infiltration for metropolitan cities
- \$10 million for Metro Regional Parks

### Public Facilities Authority

- \$25 million for State grants to the Revolving Loan Fund
- \$100 million for the Water Infrastructure Funding Program. This includes \$60 million for the Clean Water Infrastructure program and \$40 million for the Drinking Water Infrastructure program.

### Housing

- \$48 million for Public Housing Rehabilitation
- \$200 million in Housing Infrastructure Bonds
- \$14 million for emergency shelters

Chair Murphy said the bill's focus was on basic infrastructure, asset preservation, and deferred maintenance. House Minority Leader Daudt had publicly stated that support by his caucus for a bill was contingent upon the Governor ending the state's peacetime emergency. When the bill was debated, arguments also ensued against its size amid economic uncertainty. The bill failed to meet the necessary three-fifths majority, with a vote of 75 to 58 as it was heard on the House floor last weekend.

## Senate

[SF 3463](#)-Senjem was released last weekend, totaling \$998 million. The bill's focus was wastewater and transportation. The package included \$85 million for the Department of Natural Resources, and \$14 million for the Pollution Control Agency. The bill provided \$688 million to the Department of Transportation and included \$5 million for metropolitan inflow and infiltration mitigation. The Department of Employment and Economic Development were appropriated \$105 million and the Public Facilities Authority received \$202 million. Apart from \$2 million for Public Housing Rehabilitation, housing funding was handled in a separate piece of legislation. See below for specific programs and projects included in the Senate bill.

### Board of Water and Soil Resources

- \$18 million for Local Government Roads Wetland Replacement Program

### Transportation

- A total appropriation of \$688.4 million; \$400 million in Trunk Highway Bonds.
- \$25 million Local Bridge Program and \$50 million for projects
- \$80 million Local Road Improvement Program and \$30 million in earmarked projects for a total of \$111 million
- \$1 million Railroad Warning Device
- \$2 million Safe Routes to School Program
- \$10 million for Anoka Rail grade separation
- \$1.5 million for Chanhassen Roundabout
- \$1.5 million to DEED for Transportation Economic Development Infrastructure Program
- Directs MnDOT to develop and implement a project selection process. This provision does not apply to the Local Road or Local Bridge Programs.

### Metropolitan Council

- \$5 million for local metropolitan Inflow and Infiltration mitigation
- \$4 million for Metro Regional Parks

### Public Facilities Authority

- \$17.8 million for State grants to the Revolving Loan Fund
- \$63.8 million for the Water Infrastructure Funding Program. \$38.3 million for the Clean Water Infrastructure program and \$25.5 million for the Drinking Water Infrastructure program.

### Housing

- \$2 million in GO bonds for Public Housing Rehabilitation

A separate package by the Senate DFL minority was offered as an [amendment](#) as the omnibus bill was heard, and also on the floor. On the final day of the session the bill failed to clear the three-fifths threshold with a vote of 38-29.

It is possible a special session will be called in June. Stay tuned for further information.

## Governor Signs Bills into Law

The Governor signed four bills of interest to cities into law this week. Governor Walz signed HF 331, the Tobacco 21 legislation, SF 3072, the Data Practices Omnibus Bill, SF 3298, changes to city charter commissions, and HF 4605 electronic signatures.

[HF 331 - Edelson](#) Chapter 88, will raise the legal age to purchase tobacco in MN to 21. The law will put Minnesota into compliance with federal law. The bill includes changes to penalties for

selling tobacco or other regulated products to those under 21, and includes a provision that allows local units of government to consult with interested persons to develop alternative penalties for using a fake ID to buy tobacco, tobacco-related devices, electronic delivery devices, or other products. This law will be in effect August 1<sup>st</sup>, 2020.

[SF 3072-Limmer/Lesch](#) Chapter 82, makes changes to statutes regulating law enforcement's use of unmanned aerial vehicles (UAV's or drones), and provides limitations on the use of UAV's, including prohibitions on the use of facial recognition technology and data collection on public protests. The new law also requires a law enforcement agency to document each use of a UAV, create a written policy, and collect public comment. Additionally, SF 3072 requires a government entity to obtain a search warrant prior to accessing electronic communication information. Sections 6 and 13 related to warrants are in effect. All other sections are effective August 1, 2020.

[SF 3298-Senjem/Sauke](#) Chapter 87, changes laws related to appointment of charter commission members. A district court judge may now reappoint a commission member within 60 days rather than 30 days. The bill eliminates the authority of a city council to appoint a replacement if the district court judge fails to do so within the allotted time. An amendment was adopted to the bill that would change the amount of charter city commission expenses paid by the city to be the greater of .07 percent of the city's current property tax levy or \$1,500 and not to exceed \$20,000 in a year. Currently the costs could be \$10,000 for a city of the first class and \$1,500 for other cities. In MN 107 cities are charter cities. This law will be in effect August 1<sup>st</sup>, 2020.

[HF4605-Freiberg/Kiffmeyer](#) Chapter 92 in session law, a bill that allows local governments, including cities, to accept documents and signatures electronically, by mail or fax during a peacetime public health emergency. The filings include documents for planning and zoning, land use, documents that require the signature of an architect, engineer, or landscape architect, birth and death certificates, and recording a notary commission. This authority would expire January 6th, 2021 or 60 days after the peacetime public health emergency is terminated, whichever is earlier. This law is now in effect.

[HF 462-Hornstein](#), Chapter 100, a transportation policy and technical bill. HF 462 includes language that directs a road authority to notify the owner of any work or improvements being made on the road and directs MnDOT and Public Safety Commissioners as well as the Metropolitan Council Chair to report COVID-19 related expenditures for which entities are receiving federal funds, to the Legislature.

## **TAB Approves Release of TPP Draft for Public Comment, Receives Regional Solicitation Update**

The Transportation Advisory Board (TAB) has recommended approval of a draft Transportation Policy Plan (TPP) for public comment. The TPP plays a central role in the regional transportation planning process and is updated every four years. See the draft [here](#). The TPP is being updated to better conform with federal planning deadlines. The draft includes updates to incorporate the results of planning and corridor studies, changes to major projects, updated data and the inclusion of studies to measure the impacts of COVID-19 on the transportation system. Met Council staff has said that while COVID-19 has been acknowledged in this draft, a future amendment to the TPP to incorporate COVID-19 impacts to the transportation system will be included when impacts are more fully understood. Travel Behavior Study participants are also being re-surveyed to better understand how the virus has changed travel. This information is likely to be available in late 2021.

The Metropolitan Council Transportation Committee will consider the release of this draft for public

comment at their June 8th meeting. To view the TAB business item on the TPP update, click [here](#). To view the staff presentation, click [here](#). Questions? Please contact Steve Huser at [steven@metrocitiesmn.org](mailto:steven@metrocitiesmn.org).

The TAB also received an update on the Regional Solicitation process. TAB staff reported that 132 applications in total for a total ask of \$466.3 million in federal funds and \$344.8 million in local funds for a total regional ask of \$809.5 million. Approximately \$180 million will likely be available for this solicitation. There were 26 city applicants. Staff are currently reviewing applications. The TAC Funding and Programming will meet to confirm qualification of applicants at their June 18<sup>th</sup> meeting. Scoring committees will meet from June 25<sup>th</sup> to Aug. 3<sup>rd</sup>. To view statistics related to Regional Solicitation applications, click [here](#).

## **MCES Budget Workshop and Proposed Wastewater Rates**

The Metropolitan Council Environmental Services (MCES) conducted the first of two scheduled remote budget webinars Thursday. MCES staff presented information on the rate setting process and wastewater capital improvement needs. Council staff stated that the proposed municipal wastewater charge (MWC) is proposed at 2% for 2021. The Sewer Availability Charge (SAC) is proposed to remain flat for 2021-22. The total operating budget of MCES is \$323 million, with \$240 million coming from the MWC. Staff will present feedback and the proposed MWC rate to the Metropolitan Council Environment Committee at their July 14<sup>th</sup> meeting. The Metropolitan Council will consider rate setting at their meeting on July 22<sup>nd</sup>. Metro Cities will post the webinar slides once they are available.

Information for the next webinar is below. Click on the link “register” event at the bottom of the event page. Registration is required.

- Thursday, June 11 from 2:00 – 3:00 p.m.  
[Click here to register for the June 11 Webinar](#)  
Event Password: MCESBudget2020

Questions about the municipal wastewater charge can be directed to [MWC@metc.state.mn.us](mailto:MWC@metc.state.mn.us). Questions about the 2020 MCES Budget Webinar can be directed to Kate Nyquist at [kate.nyquist@metc.state.mn.us](mailto:kate.nyquist@metc.state.mn.us).

## **2020 Metro Cities Policy Committees**

Metro Cities is preparing for its 2020 policy committees and your participation is encouraged! All meetings will be conducted remotely this year. Meetings will be held in July, August, and September with four committees that cover Transportation and General Government, Municipal Revenues, Metropolitan Agencies, Housing and Economic Development. Committees recommend legislative policies that serve as the foundation of our work in the coming year. Committee participation is a great opportunity for your city to have a voice in recommending policies.

Policy committees are open for participation by member city elected officials and staff. A form to sign-up can be found on the Policy Committees page of the website. Whether you are new to the process or have participated in a committee in the past, we welcome your participation in one or more of the committees in 2020.

Remember:

- Committees will meet either Monday, Tuesday, or Wednesday in the morning from 9:00-11:30 am or the afternoon from 1:00-3:30. Committees and dates are listed below and on our [website](#). Additional information, including remote meeting processes and access, will be posted on these pages as it becomes available.
- Please be sure to sign up for the committee(s) you wish to attend, even if you have been on the committee in the past. This will help us keep our rosters current and accurate.
- Again, due to the COVID-19 Pandemic, meetings will be conducted virtually.

We look forward to seeing you this summer!

### **Transportation & General Government**

*Mondays: July 20, August 17, September 21 / 9-11:30a.m.*

*Chair: **Jason Gadd**, Mayor, Hopkins*

### **Municipal Revenues**

*Tuesdays: July 21, August 18, September 22 / 9-11:30a.m.*

*Chair: **Patrick Trudgeon**, City Manager, Roseville*

### **Metropolitan Agencies**

*Wednesdays: July 22, August 19, September 23 / 9-11:30a.m.*

*Chair: **Gary Hansen**, Councilmember, Eagan*

### **Housing & Economic Development**

*Wednesdays: July 22, August 19, September 23 / 1-3:30p.m.*

*Chair: **Bryan Hartman**, HRA Program Manager, Bloomington*

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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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