

NEWSBRIEF



Date: December 23, 2015

To: Council & Senior Staff

Turn the page for a list of what's included in this packet.

(Items are alphabetized)

1. January 25 Meeting: Station Area Planning in Crystal
2. AMM Metro Cities (December 22, 2015)
3. Bass Lake Road Station Area Planning Meeting on Jan. 25
4. Channel 12 article:
 - a. Crystal school outgrows building, plans move
5. LMC Cities Bulletin (December 21, 2015)
6. Market Commentary (December 22, 2015)
7. METRO Blue Line Extension Open House on Jan. 14, 2016
8. Percentage Change in Property Taxes
9. Recreation Department Update (December 23, 2015)

Anne Norris

From: Hennepin County [hennepin@public.govdelivery.com]
Sent: Wednesday, December 23, 2015 7:36 AM
To: Anne Norris
Subject: Save the date! January 25 meeting: station area planning in Crystal



Hennepin County

Help shape the future of Crystal

Join us to see and discuss new plans for the area surrounding the city's light rail transit station!



View of Bass Lake Road looking east to County Road 81, along a promenade connecting shops with the proposed LRT station.

Monday, January 25, 6:30 to 8:30 p.m.

**[Crystal Community Center – Gymnasium](#)
4800 Douglas Drive North**

[Metro Transit bus route 717](#)

- Hear a presentation and see drawings on ideas for the area around Crystal's light rail transit (LRT) station, including:
 - Concepts for Becker Park and for Bass Lake Rd. between West Broadway and County Rd. 81
 - Concepts for pedestrian crossings at County Rd. 81
 - Biking, walking and land use plans for the half-mile area around the LRT station
- Share your comments and ask questions

Background

Station area planning for the Bass Lake Road light rail transit (LRT) station launched in September with a community-wide meeting, where Crystal residents talked about the strengths and weaknesses of the station area and their vision for it. The process continued in early November at a three-day design workshop, where the community input was used to develop initial design concepts for the station area, which were shared at a November 5 community meeting. Join us to see how that feedback has informed the latest concept plans, and to share your comments.

Co-hosted by
[Hennepin County - Bottineau LRT Community Works](#)
[City of Crystal](#)

More information
Contact bottineau@hennepin.us or Denise Engen at 612-348-4454.

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Metro Cities News

December 22, 2015

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Metro Cities Board Adopts 2016 Legislative Priorities

The Metro Cities Board of Directors has adopted priorities for the organization's 2016 work at the Legislature, Executive Branch and Metropolitan Council. The priorities take into account discussions during our policy setting process, member input, and anticipated activity at the Legislature and Metropolitan Council. The priorities for 2016 include:

- Support for funding for transportation/transit that includes resources and support for local road needs, including street improvement district authority.
- Support for streamlining the sales tax exemption on construction materials.
- Support for a capital appropriation for inflow-infiltration mitigation.
- Support for redevelopment and economic development program funding.
- Support for increased funding to Local Government Aid (LGA) and continued support for recent program changes that improve geographic equity in the program.

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- Support for state funding and tools that address various housing needs in communities.
- Support for statutory changes to the Governor's nominating process for Met Council members to maximize input by local government officials.
- Support for staggered terms of Met Council members.
- Monitoring and responding to any proposed new state requirements or policies around groundwater, surface water and storm water in a manner consistent with our policies.
- Opposition to capturing and redistributing local property tax bases to fund housing programs. Metro Cities supports using existing funding mechanisms for this purpose.
- Support broadband program criteria that ensures metro cities are eligible to apply for funding.

At the Met Council:

- Continued support for enhancing streamlining comprehensive planning processes and increasing resources and guidance to local governments for comprehensive planning.
- Work with a task force to review the inflow-infiltration program and identify potential solutions to assist with private property I/I mitigation
- Monitoring and responding in a manner consistent with our policies to any proposed changes for comprehensive planning requirements. Metro Cities continues to support cooperative and timely resolutions to issues, and opposition to any proposed requirements that would exceed the Council's statutory authority.

These priorities represent a focus for upcoming work but do not include the full scope of work for Metro Cities at the Legislature, Executive Branch and Metropolitan Council for 2016. Please contact Patricia Nauman at 651-215-4002 with any questions.

Legislature Sets Committee Deadlines

The legislative leaders in the Senate and

House have agreed to committee deadlines for the 2016 legislative session, which begins March 8. The deadlines are established by legislative rule each session, and govern the processing of bills through legislative committees. They are as follows:

- First deadline: Friday, April 1, 2106 at midnight. This deadline is for committees to act favorably on bills in their house of origin.
- Second deadline: Friday, April 8, 2016 at midnight. This deadline is for committees to act favorably on bills, or companions of bills, that met first deadline in the other body.
- Third deadline: Thursday, April 21, 2016 at midnight. This deadline is for the House Committee on Ways and Means, and the Senate Committee on Finance, to act favorably on major appropriations and finance bills.

Council Approves Land Acquisition Funds for Affordable Housing

The Metropolitan Council Community Development Committee approved a joint powers agreement with Minnesota Housing Finance Agency to support a \$1 million grant to the Twin Cities Community Land Bank to support a revolving fund for site acquisitions for future affordable housing development.. Affordable housing development on the sites will be built for units affordable to residents earning up to 80 percent AMI (\$44,750 for an individual, \$63,900 for a family of four) with a preference for incomes up to 50 percent AMI (\$29,050 for an individual, \$41,450 for a family of four).

The investment guidelines instruct the allocations to be made across the region. Sites will be eligible regardless of transit access and can be used for sites which will have owner-occupied or rental housing.

Livable Communities Grants Announced

The Community Development Committee recommended awards for two Livable Communities grant programs, the Transit Oriented Development (TOD) Pre-Development grants and Tax Base

Revitalization Account (TBRA) grants.

The TOD Pre-Development grants went to a project on St. Paul's East Side for a "tiny house" pocket neighborhood with nine units affordable to households earning up to 60 percent of AMI, 26 units at 80 percent AMI and one unit at market rate. Council staff explained this project will provide demonstration value of a new housing product that does not currently exist in the metro.

Twelve TBRA grant awards totaling \$3.44 million were recommended for funding. The projects are in Fridley, Minneapolis and St. Paul. The TBRA funds are used to clean and redevelop contaminated land and buildings. Since the cleanup grant category was oversubscribed with requests, \$873,000 from the \$2 million TBRA-TOD fund was used for this round. The Council did not award any funds from the separate TBRA-TOD account in 2015. The committee discussed the future of the TBRA-TOD account and it will be reviewed in 2016.

Council Discusses Economic Competitiveness Efforts and Assistance

The Metropolitan Council has incorporated new research into the region's economic competitiveness as part of the Local Planning Handbook for communities to use as they prepare their comprehensive plan updates. The Council has noted that including this information in comp plans is not required. Council analysis of industry clusters and data on the region's workforce and occupations have been included in the Handbook, as well as surveys of site selectors who provided feedback on real estate requirements of the region's primary industries.

The Council's goal in these efforts is to provide technical assistance and feedback to cities that choose to incorporate economic competitiveness information in their plan updates. Council staff said they will be available to help identify a community's opportunities by helping to understand industry characteristics.

Please contact Charlie Vander Aarde with any questions at (651) 215-4001 or charlie@metrocitiesmn.org

Met Council Releases New Findings on Poverty Concentrations and Affordable Housing Production

The Metropolitan Council released two new MetroStats research documents this month. One publication shows [changes to the region's poverty concentrations](#) from 2000 to 2014 and the other shows [affordable housing production trends](#).

Areas of Concentrated Poverty

Council research staff used American Community Survey data from the U.S. Census Bureau to analyze areas of concentrated poverty. In the report, poverty is defined as 185 percent of the federal poverty level (or \$44,826 for a family of four in 2014). Areas of concentrated poverty are census tracts where at least forty percent of residents live with incomes below the 185 percent threshold.

The report issued a number of findings, including:

- Poverty rates outside the urban core have grown. In 2000, there were 61 areas of concentrated poverty, 60 of which were in Minneapolis and St. Paul. In the 2010-2014 data, there were 112 areas of concentrated poverty in 16 cities.
- Eighty of the 112 areas of concentrated poverty are made up of a majority of people of color. In 2000, 51 of the 61 census tracts were made up of a majority of people of color.
- In 2000, seven percent of metro residents lived in an area of concentrated poverty; in the latest data from 2010-2014 it was 13 percent of metro residents.
- The region's poverty rate increased from 19 percent of residents (in the 2005-2009 data) to 23 percent (in the 2010-2014 data).
- In the region, 32 percent of residents experience housing cost burden (paying 30% or more of monthly income for housing). That number

rises to 48 percent in areas of concentrated poverty and 49 percent in where the areas of concentrated poverty are made up of a majority of people of color.

Affordable Housing Production

The Council released data on recent affordable housing production in the metro. The data shows that production has declined. Affordability is defined as housing that is affordable to households earning up to 60 percent area median income (AMI) without spending more than 30 percent of their income on housing. 60 percent of AMI in 2014 was \$32,000 for an individual and \$49,740 for a family of four. In 2014, the region added 759 affordable units, which represented seven percent of all new housing units. 690 were rental units and 69 were owner-occupied units.

The report shows that much of the new affordable unit production was tied to projects that also included market rate units. 91 percent of new affordable units were rental units, while nine percent were owner-occupied. Of the total number of new rental units built, 87 percent were market rate and 13 percent were considered affordable. For more information, contact the Met Council at research@metc.state.mn.us.

Happy Holidays!

The Metro Cities Board of Directors and staff wish you a happy, safe holiday season and New Year!

Metro Cities News is emailed periodically to all Metro Cities member mayors, councilmembers, city managers and administrators to keep officials abreast of important metro city issues. This information is also intended to be shared with city staff.

If you'd like to sign up to receive Metro Cities News, please email Laurie@metrocitiesmn.org and provide the following: Name, Title, Employer and Email address. Thank you.



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FOR IMMEDIATE RELEASE
December 22, 2015

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Bass Lake Road Station Area Planning Meeting on Jan. 25

The METRO Blue Line Extension (Bottineau Light Rail Transit) would have one station in Crystal near the southwest corner of the intersection of Bass Lake Rd. and County Rd. 81 (Bottineau Blvd). Hennepin County is partnering with Crystal to plan for the area around the station.

A community meeting will be held on Monday, Jan. 25, 2016 from 6:30 - 8:30 p.m. at Crystal Community Center, 4800 Douglas Dr N. The meeting will show proposed plans for the area around the Bass Lake Road station. This will include updates on the materials from the November meeting which can be viewed at <http://www.crystalmn.gov/stationplan1115.pdf>. For more information about station area planning, visit the project website at www.hennepin.us/bottineau or contact City Planner Dan Olson at dan.olson@crystalmn.gov or 763-531-1142.

In 2013, the Metropolitan Council amended its regional transportation plan to include the METRO Blue Line Extension, also known as the Bottineau light rail transit (LRT) line, which would run from Target Field Station in Minneapolis to the west then north through the cities of Golden Valley, Robbinsdale, Crystal and Brooklyn Park. The line would provide direct service from Crystal to Downtown Minneapolis, MSP International Airport and the Mall of America. It would also provide connecting service to the Green Line LRT which serves the University of Minnesota and St. Paul with an extension from Minneapolis to the southwest suburbs currently in development.

Construction on the METRO Blue Line Extension is expected to start in 2018 with the line opening in 2021.

About Crystal

The City of Crystal is a fully-developed, first tier suburban community just west of Minneapolis in Hennepin County. The City became a Charter City in 1960 and has a population of 22,151 residents. Crystal enjoys an extensive park system, healthy residential neighborhoods and commercial areas that provide for the needs of a diverse population.

Channel 12 12-18-15

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Crystal school outgrows building, plans move



Many families are willing to drive a long way to Lionsgate Academy in Crystal for the personalized educational approach the public charter school offers to students on the autism spectrum. For the last eight years, the school has served students from nine counties and 50 cities.

Autism is a fast growing developmental disability. The Minnesota Department of Health says it affects one in 88 children. The number of students enrolled at Lionsgate Academy, with a primary campus in Crystal at Cornerstone Church and a smaller one in St. Paul, totals more than 150 students, but the waiting list stretches just as long. This year the school could only accept 14 seventh graders because they don't have enough space to accommodate more.

"There's a much larger demand out there than we ever anticipated," says Brandy Dougherty, assistant director. "We are kind of falling on top of each other."

Teachers share classrooms with other classes as well as office spaces. The facility was built for elementary students, but the students are in junior high and high school.

A new home for Lionsgate

However, the school has been searching for a solution and it's now only months away. This week the school closed on a property on Green Circle Drive on the border of Minnetonka and Hopkins.

"It's set up really nicely to transform into a school, however the warehouse needs to be transformed into a gym," says Dougherty.

To make that space operate as a gymnasium, the roof must be raised by about eight feet to be at standard height.

A gym is more important than ever for students at Lionsgate. Many come to school with negative experiences or attitudes about playing sports. Here physical education teachers stress social and team building skills to encourage lifelong physical activity over athletic ability and strategy.

"If we can get the kids active, engaged, experiencing success, they are more likely to stay with it," says Brad Gran, physical education teacher. "We may never have high school volleyball players, but that's not what we're shooting for. We are shooting for developing that lifetime activity."

Since the school is a charter school, they cannot go to voters and ask for a levy to raise funds for campus improvements. So, they are conducting a two-week fundraiser to raise \$50,000 to cover the cost of the "Raise the Roof" project. Donations are tax deductible and the school welcomes corporate matching grants. You can donate through the [Lionsgate Academy website](#).

Shannon Slatton, reporting

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CITIES BULLETIN



Issue 34

Dec. 21, 2015



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PERA Board Considers a Range of General Plan Funding Solutions

The Board delayed taking final action on recommendations to the Legislature until January.

In Other News

Elections Emergency Planning Task Force Makes Final Recommendations

Among the recommendations is that counties consult with cities and other units of local government when developing an elections emergency plan.

House and Senate Leaders Announce 2016 Committee Deadlines

A late session start followed by quick committee deadlines will translate into packed committee agendas in March and early April.

ACA Reporting Requirements—Part One

Depending on their employee insurance benefits and their size, cities may need to comply with new reporting requirements under the Affordable Care Act.

Reminders About City Authority to Regulate Guns

In light of recent national news, city officials may want to enact new gun regulations, but it's important to remember that cities' authority to do so is limited by state law.

Tips to Prevent and Detect Employee Theft

Make sure you implement procedures that reduce the risk of theft and increase the chance of early detection.

Featured Events

Newly Elected Officials: 2016 Leadership Conference
Jan. 22-23—Brooklyn Center

Experienced Officials: 2016 Leadership Conference
Jan. 22-23—Brooklyn Center

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PERA Board Considers a Range of General Plan Funding Solutions



The Board delayed taking final action on recommendations to the Legislature until January.

The **Public Employees Retirement Association** (*Link to: <http://www.mnpera.org/>*) (PERA) Board of Trustees discussed several options to address a deficiency in the PERA General Plan at its Dec. 10 meeting. The General Plan currently has an estimated contribution deficiency equal to 1.5 percent of salary.

That estimated deficiency is based on a combination of factors, including:

- The latest General Plan annual valuation from July 1, 2015.
- The recent experience study, which included revised assumptions on life expectancy.
- A delay in the expected date of triggering the return to a 2.5 percent annual cost-of-living adjustment (COLA) for retirees.

PERA staff gave the Board of Trustees a list of seven initial options to address the funding deficiency, including scenarios with changes such as extending the General Plan amortization date; permanently eliminating the current law 2.5 percent COLA trigger; replacing the current law COLA with a modified COLA that would be smaller but would occur earlier; increasing employee and employer contributions; and modifying the early retirement calculations to eliminate any subsidy to early retirees.

COLA adjustment for retirees

Nearly all of the discussed options included an elimination of the current law retiree COLA adjustment due to challenges created by the COLA trigger. Currently, the annual retiree COLA is set at 1 percent, but the adjustment will increase to 2.5 percent when the plan reaches 90 percent funding for two consecutive years.

Based on the most recent valuation of the plan and the effects of the recent experience study, the plan's actuaries estimate that the increase to a 2.5 percent COLA will not occur until 2045. However, if legislative action is taken to address the current deficiency, the 90 percent funding COLA trigger will be reached earlier, which will increase the cost of the COLA and result in the need for additional actions to fund the plan. This circular calculation feature of the current COLA trigger can result in actions that could create generational shifts in pension resources from active employees to retirees.

Amortization date extension

The delay in the plan's amortization date would allow more time to fund the current unfunded actuarial accrued liability. Currently, the amortization date for the PERA General Plan is 2033, or 18 remaining years.

In theory, the unfunded actuarial accrued liability should be amortized over a period that does not exceed the average remaining working lifetime of the active membership. However, some factors contributing to the unfunded accrued liability, such as the impact of mortality assumption changes, have a longer impact and could be amortized over a longer period. The PERA staff have discussed a layered approach to the amortization date that would amortize costs associated with different contributing factors over appropriate timeframes.

Contribution increases

The other major policy change could involve increases in employer and employee contributions. One scenario would solve most of the funding deficiency with contribution increases. Under that scenario, employee and employer contributions would each be increased by 0.75 percent of salary.

A second option would include a more modest 0.25 percent increase from the employee and employer, but would include a number of other plan changes as well as an extension of the amortization period. Although it is unclear whether the PERA Board will recommend a contribution increase to the Legislature, if an increase is recommended, the earliest it would take effect would be Jan. 1, 2017.

Revisit in the new year

In January, the PERA Board will again consider these and other scenarios, with an eye toward trying to spread the impact among retirees, active employees, and possibly the state. In addition, the board will consider intergenerational equity to balance the impacts across active employees and retirees and also to make sure that the response is consistent with the cause of the funding deficiency.

League staff will attend the January PERA Board of Trustees meeting to monitor and react to discussions. However, any decision by the PERA Board will only be a recommendation that will then be forwarded to the Legislature for discussion and possible action during the 2016 legislative session.

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

Elections Emergency Planning Task Force Makes Final Recommendations



Among the recommendations is that counties consult with cities and other units of local government when developing an elections emergency plan. (Published Dec 21, 2015)

The Elections Emergency Planning Task Force completed its work this week and adopted final recommendations. The final report, prepared by the Office of the Secretary of State (OSS), will be submitted to the Legislature by Jan. 1.

The task force, created by the 2015 Legislature, was tasked with making sure that Minnesota is prepared if a natural disaster, blizzard, or other large-scale incident affects an election. The task force had a total of six meetings with the first four dedicated to understanding current election procedures and processes; declaration of emergency authority and contingency planning; and elections emergency plans in other states.

During the last two meetings, the group focused its work on discussing and finalizing recommendations. The final report will include draft legislation to implement the recommendations of the task force.

The first set of recommendations pertains to the creation of elections emergency plans:

- The OSS should be required to create a state elections emergency plan as well as a model emergency plan and guide for counties and local jurisdictions to assist in the development of local elections emergency plans.
- Each county should create a local elections emergency plan for use in all elections within the county. Because the county elections emergency plan would apply to all elections within the county, the task force recommends that counties be required to consult with the cities, towns, and school districts within the county in the development of the plan.
- Cities, towns, and school districts should be permitted to create their own elections emergency plan if those plans meet the same requirements as a county elections emergency plan.
- Counties and those local jurisdictions that create an emergency plan must file the plan with the OSS. This recommendation is not suggesting that the OSS should have any authority to reject, approve, or otherwise edit the emergency plans.
- The effective date for legislation should require elections emergency plans no sooner than Sept. 1, 2016.

The second set of recommendations focuses on elections emergency procedures and authority:

- Local election officials should have expanded authority to relocate or consolidate polling locations in cases of an emergency. Providing this authority directly to election officials will allow local election officials to respond rapidly in cases of an emergency, and allow the resumption of voting activity as quickly as possible.
- Local election officials should have the authority to expand polling place hours in very limited circumstances. The task force recommends that this authority only be granted to local election officials if it is accompanied by strong restrictions on its use and there are parameters to ensure that it is applied consistently throughout the state.
- State officials should have expanded authority to address emergencies impacting elections. Minnesota Statutes, chapter 12 vests most emergency authority in the hands of the governor, but in light of the potential for the governor to be on the ballot during an emergency and because of the sensitive nature of elections, the task force recommends that the power to declare an emergency authorizing emergency election procedures be held jointly by the governor and another state official or officials. The additional election emergency procedures are:
 - Postponement of Election Day.
 - Extension of absentee ballot deadlines.
 - Alternative methods for absentee ballot acceptance.
 - Expansion of Uniformed and Overseas Citizens Voter Empowerment Act voting procedures.
 - A statewide increase in polling place hours.

View the task force report (pdf) *(Link to:*

http://www.lcc.leg.mn/eep/f/meetings/151215/Draft_Elections_Emergency_Planning_Report.pdf)

Read the current issue of the Cities Bulletin *(Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>)*

Your LMC Resource

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House and Senate Leaders Announce 2016 Committee Deadlines



A late session start followed by quick committee deadlines will translate into packed committee agendas in March and early April. (Published Dec 21, 2015)

House Speaker Kurt Daudt (*Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=15345>*) (R-Crown) and **Senate Majority Leader Tom Bakk** (*Link to: http://www.senate.mn/members/member_bio.php?mem_id=1003*) (DFL-Cook) last week announced that they had reached agreement and set a committee deadline calendar for the 2016 legislative session. Although there is no yearly deadline for the introduction of bills, the Legislature establishes committee deadlines for action on bills to focus legislative activity on legislation that has general support in the committee process.

First deadline

The 2016 session is scheduled to convene at noon on March 8. House and Senate committees will have just over three weeks before the first committee deadline, which will be midnight on April 1. By this date, a bill or its companion bill in the other body must be reported out of all committees in the house of origin.

The deadline generally applies to legislation before policy committees, but specifically does not apply to the House committees on Capital Investment, Ways and Means, Taxes, or Rules and Legislative Administration, nor to the Senate committees on Capital Investment, Finance, Taxes, or Rules and Administration.

Second deadline

The second committee deadline is midnight on April 8, and requires that committees must act favorably on bills or companion bills that met the first deadline in the other house. Similarly, the second deadline does not apply to the House committees on Capital Investment, Ways and Means, Taxes, or Rules and Legislative Administration, nor to the Senate committees on Capital Investment, Finance, Taxes, or Rules and Administration.

Third deadline

The third committee deadline is midnight on April 21. Under that deadline, the House Ways and Means Committee and the Senate Finance Committee must act favorably on major appropriation and finance bills.

By law, the Legislature must adjourn by the first Monday after the third Saturday in May, which is May 23, 2016.

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin->*

newsletter.jsp

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ACA Reporting Requirements—Part One



Depending on their employee insurance benefits and their size, cities may need to comply with new reporting requirements under the Affordable Care Act.

(Published Dec 21, 2015)

The Affordable Care Act (ACA) has left many human resources professionals and benefits managers feeling confused and frazzled. With new legislation comes increased compliance reporting responsibilities. Among those, the reporting requirements for Internal Revenue Codes 6055 and 6056.

This article is intended to help you understand the difference between the two reports and who is responsible for reporting. A future article, "ACA Reporting Requirements—Part Two," will outline the forms to use, how to file, deadlines, and more.

Section 6055: Minimum essential coverage

Section 6055 requires insurers, self-insured health plan sponsors, certain governmental agencies, and any other entity that provides “minimum essential coverage” (MEC) to report information on that coverage to the IRS and to covered individuals.

In general, most employer group health plans qualify as MEC. The reporting is intended to assist the IRS in determining which individuals have complied with the individual mandate and have obtained MEC.

Section 6056: Coverage by applicable large employers

Section 6056 requires “applicable large employers” (ALE) to report information about group health plan coverage offered to their full-time employees to the IRS. Employers are considered to be an ALE if they have more than 50 full-time equivalent employees. Full-time is generally defined as working 30 hours or more per week.

The 6056 reporting is intended to assist the IRS in determining which employers have complied with the ACA’s employer shared responsibility mandate. The reporting will also help the IRS in determining who is eligible for premium tax credits.

Is your city an ALE?

When trying to determine whether or not your city is an ALE, it is important to have a uniform methodology for counting hours. This is especially pertinent when it comes to volunteers, including volunteer firefighters, and elected officials. It is

important to review the list of job duties and estimate the amount of time that would be spent in total.

Hours of service do not include hours worked as a “bona fide volunteer.” Bona fide volunteers include any volunteer who is an employee of a government entity or an organization that is exempt from taxation.

For on-call employees, you will be required to use one of the reasonable methods for crediting hours of service for any on-call hour for which:

- Payment is made or due.
- The employee is required to remain on-call on your premises.
- The employee’s activities while remaining on-call are subject to substantial restrictions that prevent the employee from using the time effectively for the employee’s own purposes.

Reporting obligations at a glance

The following overview is designed to help you determine your reporting obligations, if any.

Determining Reporting Obligations Under ACA

	6055 Reporting	6056 Reporting
What ACA Provision Enforces?	Individual mandate	Employer mandate
Who is Reported?	Enrolled (includes non-employees such as COBRA, dependents, and officers)	Eligible (can include COBRA and part-time employees)
Who is Responsible?	If fully-insured, carrier handles. All employers with at least 50 full-time equivalent employees must complete the forms.	If self-funded, plan sponsor handles.

Access more information from the Arthur J. Gallagher website *(Link to:*

http://www.ajg.com/knowledge-center/toolkits/sections-6055-and-6056-reporting-requirements-toolkit)

Read the current issue of the Cities Bulletin *(Link to: http://www.lmc.org/page/1/cities-bulletin-*

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Reminders About City Authority to Regulate Guns



In light of recent national news, city officials may want to enact new gun regulations, but it's important to remember that cities' authority to do so is limited by state law.

(Published Dec 21, 2015)

In light of recent national news, we all hear calls for cities to enact new gun regulations. This article is intended to briefly refresh city officials and residents on the authority of Minnesota cities with respect to some of the common questions on firearm regulation.

Banning assault weapons or high capacity ammunition

Minnesota cities have no authority to ban assault weapons, high capacity magazines, or any other firearm, ammunition, or component thereof unless already banned by state law. Under **Minnesota Statutes, section 471.633** (*Link to:*

<https://www.revisor.mn.gov/statutes/?id=471.633>), the Legislature explicitly disallows cities from regulating “firearms, ammunition, or their respective components” with two exceptions. First, cities may regulate the discharge of firearms. Second, cities may adopt regulations identical to state law.

Recently the U.S. Supreme Court declined to review a lower court's approval of an Illinois city's ordinance banning assault weapons and high-capacity ammunition. Some Minnesota city officials or residents may wonder if consequently such a city ordinance could be valid in their city. However, unless the law changes, cities are pre-empted by the state from enacting any such regulation.

It's important to note that according to state code **section 624.7181** (*Link to:*

<https://www.revisor.mn.gov/statutes/?id=624.7181>), in most cases carrying a BB gun, rifle, or shotgun into a public place (private or publicly owned) is a crime. Any person under 21 who brings a “semi-automatic military-style assault weapon” to a public place commits a felony. Cities have authority to reproduce these regulations in the city code.

Prohibiting city employees from carrying permitted pistols into city facilities **The Minnesota Citizens' Personal Protection Act of 2003** (*Link to:*

<https://www.revisor.mn.gov/statutes/?id=624.714>) (the so-called “conceal and carry” law) allows individuals to carry any number of pistols in their vehicle or clothing as long as they have a valid permit to do so. Additionally, **Minnesota Statutes, section 624.717** (*Link to: <https://www.revisor.mn.gov/statutes/?id=624.717>*) provides state law supersedes any municipal regulation of the carrying of pistols. That said, any city may prohibit city employees from bringing guns into the workplace.

According to the law, any employer may establish policies that restrict the carry or possession of firearms by its employees while acting in the course and scope of employment. Employment-related civil sanctions may be invoked for a violation. The one caveat is that an employer cannot prohibit an employee from carrying or possessing firearms in a parking area or parking structure.

Prohibiting citizens from carrying permitted pistols into city facilities

Cities cannot likely keep citizens from carrying pistols into most city facilities or even into a council meeting. Under state statute, a person who carries a pistol into a *private, non-governmental* establishment that has a sign at the door banning firearms must follow an order to leave or face a petty misdemeanor. However, there is no analogous provision pertaining to governmental property, or any other clear authority for cities to disallow permitted pistols from being carried into the city.

As previously mentioned, municipal regulation of the carrying of pistols is superseded by state law except with regard to city employees. Additionally, under an exclusivity provision in the conceal and carry law, no city official or employee or other person or body acting under color of law or governmental authority may change, modify, or supplement the statute, or otherwise limit the exercise of a permit to carry. Any city action to prohibit permitted pistols on public property would likely constitute an additional limit on the permit to carry.

When the conceal and carry law was re-enacted in 2005, an amendment was proposed in the House to give cities authority to “restrict the possession or carry of a firearm, including prohibiting the possession of a firearm in local government property.” The amendment failed by a vote of 86 to 46. Given this legislative history, there’s a presumption cities lack authority to prohibit permitted pistols from being carried onto city property.

Lastly, under other state law, there are some places in the city where guns are not allowed and which may or may not be owned by the city. Whether on city-owned property or not, no dangerous weapons (including permitted pistols) are allowed in schools or daycares (**Minnesota Statutes, section 609.66** ([Link to: https://www.revisor.mn.gov/statutes/?id=609.66](https://www.revisor.mn.gov/statutes/?id=609.66))), jail, lockup, or correctional facilities (**Minnesota Statutes, section 641.165** ([Link to: https://www.revisor.mn.gov/statutes/?id=641.165](https://www.revisor.mn.gov/statutes/?id=641.165))), or any courthouse where the judiciary have banned all weapons (**Minnesota Statutes, section 609.66** ([Link to: https://www.revisor.mn.gov/statutes/?id=609.66](https://www.revisor.mn.gov/statutes/?id=609.66))), and inherent authority separate from the powers of the Legislature).

Read the current issue of the Cities Bulletin ([Link to: http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp](http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp))

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Tips to Prevent and Detect Employee Theft



Make sure you implement procedures that reduce the risk of theft and increase the chance of early detection.

(Published Dec 21, 2015)

By Rebecca Otto, Minnesota State Auditor

As a city official, the last thing you want to have happen under your watch is theft of city funds. Some think, “It would never happen in our community.” Unfortunately, employee theft happens.

Therefore, to be proactive and prevent employee theft, it is important to have sound internal controls in place. Make sure you implement procedures that reduce the risk of theft and increase the chance of early detection.

Types of employee theft

Employee theft may take several forms. It may be as simple as a city employee writing a check to him- or herself, but recording it in the city records as a check to a vendor or that the check is “void.” It may involve a failure to deposit all city funds into city accounts, or depositing a check intended for the city into a personal account. It may involve submitting personal expenses as employee expenses, or altering invoices presented to the city for payment.

Procedures to reduce the risk of theft

To reduce the risk of employee theft, every city should implement basic safeguards. An environment of accountability should be created and communicated. The following are some important safeguards.

Segregation of duties. Simply put, no employee should be in a position to commit an irregularity and then conceal it. A concrete example of segregation of duties is a movie theater, where one person sells tickets and another person collects the tickets. This separation of duties helps prevent the person selling the tickets from: (1) collecting the price of the ticket, but allowing entry without a ticket (allowing the ticket seller to pocket the ticket payment without being detected), or (2) allowing entrance without the purchase of a ticket.

Examples of incompatible duties that should be performed by separate individuals are:

- Receipting collections, posting collections to registers, and making bank deposits.
- Signing checks and reconciling the bank accounts.

Internal control procedures. Many internal control procedures are common-sense methods used to track city funds. Here are a few procedures that may help prevent thefts or allow earlier detection of thefts:

- Require that checks be made out to the city.
- Endorse checks for deposit as they are received.
- Make daily deposits.
- Reconcile receipts with deposits.
- Instruct your bank to prohibit cash withdrawals and check cashing from the city account.
- Be sure that authorized signatures at the bank are up-to-date.
- Reference approved claims and amounts in meeting minutes.
- Do not pre-sign any checks.
- Reconcile bank statements monthly.
- Require detailed original receipts for the reimbursement of employee expenses.
- Have written policies (e.g., checks may only be for the amount of purchase; no cashing of personal checks).

If possible, we also encourage cities to obtain the city's canceled checks or optical images of the checks from their banks. By comparing the canceled checks with the register each month, discrepancies will be detected.

Situations involving cash transactions present special risks and require extra diligence. When a city receives cash, it must implement internal control procedures to prevent theft.

Environment. Finally, cities should promote an environment of accountability. Everyone should comply with the city's internal control procedures, no exceptions.

Red flags in detecting theft

Theft can result from poor segregation of duties. Red flags may be raised when employees:

- Take records home.
- Take on duties that should be segregated.
- Work hours when others are absent.
- Refuse to take vacations.

Theft can result from noncompliance with internal control procedures. Some red flags to watch out for:

- Copies of invoices being submitted for payment, rather than the original invoices, may indicate that an altered document is being submitted.

- Deposits are late.
- Old checks remain outstanding.
- Receipts are not reconciling with deposits.
- Checks are written out of order.

When theft is suspected

Whenever a city employee or officer discovers evidence of theft, embezzlement, or the unlawful use of public funds or property, that person is required to promptly submit a written report to the Office of the State Auditor providing a detailed description of the alleged incident(s). (See Minnesota Statutes, section 609.456, subdivision 1. The person must also report the incident(s) to law enforcement.

Employee theft may implicate disciplinary actions as well as criminal charges. As a result, Tennessee Warnings may be required. Before approaching the employee or officer involved, consult with a supervisor, the city attorney, local law enforcement, or the Office of the State Auditor for guidance on what actions to take.

- **Learn more about internal controls from the Office of the State Auditor website** (*Link to: <http://www.auditor.state.mn.us/default.aspx?page=statements#InternalControls>*)
- **Learn more about reporting financial concerns from the Office of the State Auditor website** (*Link to: <http://www.auditor.state.mn.us/default.aspx?page=reportingfinancialconcerns>*)

If you have questions or would like to report evidence of employee theft, contact the Office of the State Auditor at (651) 296-2551 or **state.auditor@osa.state.mn.us** (*Link to: <mailto:state.auditor@osa.state.mn.us>*).

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

For More Information

Contact the Office of the State Auditor

(651) 296-2551

state.auditor@osa.state.mn.us (*Link to: <mailto:state.auditor@osa.state.mn.us>*)

New Online Drone Registration System Not Meant for City Use

The Federal Aviation Administration (FAA) has a new online registration system (*Link to: <http://www.faa.gov/uas/registration/>*) for recreational unmanned aircraft systems (UAS), often called “drones.” It may be tempting for cities to use this more convenient online form, but unfortunately, it should not be used for city drones.

Though city residents using drones as a hobby will likely need to register using the new system, drones used by cities for public purposes should use a different registration process. Any city interested in using a drone for a public use must follow the procedures the FAA has established for public aircraft operations. While there is a registration process for government-owned drones, the registration can only be done in paper form.

Access the procedures for public aircraft operations (*Link to: http://www.faa.gov/uas/public_operations/*)

Drones are a new and exciting area of the law, but regulations are quickly changing. The FAA has been tasked with working to incorporate drones safely into U.S. airspace. The new registration requirement for hobbyist users is one of the methods the FAA is utilizing to ensure safety in the skies, as well as the safety of individuals on the ground. The registration will assist the FAA in its task to ensure those piloting drones are following the rule of law and are flying safely.

If you have any questions regarding drones or the FAA’s regulations, contact LMC staff attorney Quinn O’Reilly at qoreilly@lmc.org (*Link to: <mailto:qoreilly@lmc.org>*), or the FAA office in Minneapolis at (612) 253-4400.

Read the latest issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

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Parks and Trails Legacy Advisory Committee Seeks New Members

The Department of Natural Resources (DNR), the Metropolitan Council, and the Greater Minnesota Regional Parks and Trails Commission are seeking qualified applicants to serve on the Parks and Trails Legacy Advisory Committee. The deadline to apply is **Jan. 7**.

The purpose of the Legacy Advisory Committee is to promote and coordinate implementation of the 25 Year Parks and Trails Legacy Plan (pdf) (*Link to: http://www.legacy.leg.mn/sites/default/files/resources/parks_trails_legacy_plan_0.pdf?inline=true*). Funding recommendations for individual projects is not a part of this committee's work.

The committee is made up of 17 members, including, to the practical extent possible, diverse geographical and demographic representation. The committee has a mixture of park and trail professionals and citizens. Committee members should have expertise in two or more of the following areas:

Connecting people and the outdoors

Acquiring land and creating opportunities

Taking care of what we have

Coordinating among partners Terms are two years with the option of being reappointed a maximum of three terms. Meetings are scheduled every two months around the state and can be attended remotely. Those interested may complete the application form online or print it out and return it to Paul Purman, Department of Natural Resources, Box 39, 500 Lafayette Road, St. Paul, MN 55155.

Access the online application form (*Link to: <http://www.legacy.leg.mn/ptlac/parks-and-trails-legacy-advisory-committee-member-application-webform>*)

For more information, contact Paul Purman at (651) 259-5643 or paul.purman@state.mn.us (*Link to: <mailto:paul.purman@state.mn.us>*).

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

For More Information

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Department of Natural Resources

(651) 259-5643

paul.purman@state.mn.us (*Link to: <mailto:paul.purman@state.mn.us>*)

Workshop to Provide Information on Legacy and Environment Grants

The 2016 Clean Water, Land, Legacy, and Environment Grants & Funding Workshop will be held on Jan. 13 at The McKnight Foundation in Minneapolis.

This workshop will provide potential grant applicants with information regarding funding available from the Clean Water, Land, and Legacy sales tax initiated in 2009 and the Environmental Trust Fund. The information will help applicants define which programs may best fit their needs. This workshop will also provide a networking opportunity to potential applicants and funding source representatives.

The workshop will begin with a short introduction/plenary session, during which representatives from Clean Water Fund, Arts & Cultural Heritage Fund, Outdoor Heritage Fund, Conservation Partners Legacy Grant Program, Parks and Trails Fund, and Environmental and Natural Resources Trust Fund will briefly speak to the sources, procedures, and missions of their respective programs. The introduction will be followed by a break-out session during which representatives will provide further details and respond to questions.

For more information and to RSVP, contact Sarah Marquardt at smarquardt@mcknight.org (*Link to: <mailto:smarquardt@mcknight.org>*).

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

For More Information

For more information and to RSVP:

Contact Sarah Marquardt
The McKnight Foundation
smarquardt@mcknight.org (*Link to: <mailto:smarquardt@mcknight.org>*)

MCPA Accepting Nominations for Excellence in Innovation Award

The Minnesota Chiefs of Police Association (*Link to: <http://www.mnchiefs.org/>*) (MCPA) is accepting nominations for its Excellence in Innovation Award, which recognizes Minnesota municipal police agencies and their chief law enforcement officers for superior achievement and innovation.

This award program is designed to recognize exceptional, innovative, and extraordinary achievement in law enforcement programs, efforts, or initiatives that benefit law enforcement as a profession. The award highlights the achievement of an agency in implementing an innovative program or initiative that enhances the effectiveness of law enforcement and the communities they are sworn to protect and serve.

Nominations may be submitted by any Minnesota municipal police agency, city, or county official through an online application on the MCPA website. The deadline to submit applications is **Feb. 1**.

Criteria and judging

The MCPA's Executive Committee of its Board of Directors and possibly a representative from an industry sponsor will judge applications. The following four criteria areas will be used to judge nomination submissions:

Level of innovation

Effectiveness

Ability to replicate

Overall impact

All nominations should explicitly address these four categories. The award will be presented at the MCPA's annual Executive Training Institute, which will take place April 17-20 in St. Cloud.

Access the application form (*Link to: https://mcpa.memberclicks.net/index.php?option=com_mc&view=mc&mcid=form_209416&test=1*)

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

Current Grant Opportunities

Improving Community Forests Through Citizen Engagement Grant

The Minnesota Department of Natural Resources is accepting proposals for grants to use volunteers for work on community forests, such as planting, pruning, and watering trees. The Improving Community Forests Through Citizen Engagement program provides grants of up to \$50,000 to cities, towns, counties, and nongovernment organizations to engage volunteers in improving their community forests. A 25 percent match is required, of which 50 percent can be in-kind contributions. The deadline to apply is **Feb. 8**.

Learn more and apply (*Link to: <http://www.mndnr.gov/cfgrant/index.html>*)

Arts Learning Grant

The Minnesota State Arts Board is now accepting applications for Arts Learning grants. Arts Learning is a program that offers funding for projects that help lifelong learners acquire knowledge and understanding of and skills in the arts. Projects must provide participatory learning and engage learners with skilled teaching artists and high quality artistic experiences. Nonprofit organizations; public agencies or divisions of local, state, or tribal government; educational institutions; artists; and arts organizations may apply. The deadline to apply is **Feb. 12**.

Learn more and apply for the grant (*Link to: <http://www.arts.state.mn.us/grants/machf-al.htm>*)

Minnesota State Arts Board Operating Support Grant

The Minnesota State Arts Board is now accepting applications for fiscal year (FY) FY 2017 Operating Support grants. This grant provides general operating support to high quality, established arts organizations that produce, present, or exhibit works of art; to organizations that provide a broad range of services to artists; and to community arts schools and conservatories that make arts learning available to Minnesotans of all ages and abilities. The Arts Board is offering a free informational webinar (*Link to: <http://www.arts.state.mn.us/calendar/information-sessions.htm>*) about the FY 2017 Operating Support grant opportunity on Dec. 16, at 3:00 p.m. The deadline to apply is 4:30 p.m. on **Jan. 22**.

Learn more and apply (*Link to: <http://www.arts.state.mn.us/grants/operating-support.htm>*)

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

3-2-1 LIFTOFF!

The big day finally arrived last Wednesday when the Federal Open Market Committee (FOMC) of the Federal Reserve voted to raise short-term interest rates for the first time since 2006. The move officially raises the Fed's interest rate target from 0.00 - 0.25% to 0.25 - 0.50%. In some ways the vote was momentous. On the other hand, it was widely expected. The FOMC had clearly broadcast ahead of time its intention to raise rates and would have risked shocking the markets had it not followed through with the rate hike.

The immediate response of financial markets was measured compared to the lead-up to recent FOMC meetings where there had been a perceived possibility of an increase. The 10-year Treasury yield increased only modestly from 2.23% on Monday to 2.30% after the announcement. This is well below the 2015 peak of 2.50% reached in June and similar to rates for that benchmark seen through much of the summer and fall. The two-year Treasury yield, a more direct reflection of sentiment related to moves by the Fed, only increased five basis points from 0.97% at the beginning of the week to 1.02% after the announcement. Some observers speculated that a rate increase was already built into existing rates. Indeed, two-year Treasuries increased significantly from around 0.60% in the middle of October to near the current levels by mid-November. Meanwhile, stocks shot up on the day of the announcement, with the Dow Jones Industrial average gaining 1.3% and the S&P 500 1.5%. It seemed market participants were relieved that the first rate increase had finally arrived.

All of that is not to say that markets have been calm. Treasury yields actually came back down as the week progressed, with the 10-year Note settling at 2.20% and two-year rate dropping back to 0.97% as of the end of the day on Friday. Stock markets followed their gains on Wednesday with back-to-back days of similarly-sized losses. However, these shifts were largely related to other economic factors besides the increase in the Federal Funds rate. Continued declines in the price of oil and the poor outlook for international growth have put pressure on stock prices.

These same forces have been at work in the bond market. Low yields for many years pushed some investors to purchase high yield bonds, often referred to as "junk bonds." These bonds are issued by companies deemed to be at a higher risk of default, with energy and commodity firms heavily represented. The poor outlook for those sectors has caused many investors to begin selling their junk bond investments. The selloff forced a large mutual fund managed by Third Avenue Capital Management to close and halt



investor redemptions, which further exacerbated withdrawals in the junk bond sector. The flight to safer assets like Treasuries has put downward pressure on Treasury yields, even as the Fed begins its efforts to increase rates.

The Effect on Municipal Issuers

The main question most of our clients will have is: how will this affect our community? We won't venture to guess exactly where interest rates will go, but some broader guidance is possible. The immediate impact has been minimal. As the chart below shows, overall municipal yields have actually come down somewhat over the last two weeks. Similar to Treasuries, municipal bonds are considered relatively secure investments and have benefitted from the jitters in the bond market. Additionally, the supply of municipal bonds has been low recently.

Trends in Municipal Bond Yields December 4th to December 18th, 2015

	December 4, 2015	December 18, 2015	Change
AAA Yields*			
5 Years	1.27%	1.26%	-0.01%
10 Years	2.01%	1.93%	-0.08%
20 Years	2.70%	2.56%	-0.14%
30 Years	2.96%	2.81%	-0.15%
Bond Buyer 20 Bond Index**	3.57%	3.57%	0.00%

Source:

* Thomson Reuters Municipal Market Data

** The Bond Buyer. Average yield on a portfolio of municipal bonds maturing in 20 years, with an average rating of A/Aa2.

Another possibility is that an increase in short-term rates may improve some advance refunding opportunities. Advance refundings are those undertaken more than 90 days before the call date of your bonds. They require the funding of an escrow account to pay debt service between the date of issue of the new bonds and the call date on the old bonds. An increase in short-term rates relative to long-term rates means greater interest earnings in the escrow fund, which reduces the amount of new bonds issued and consequently increases savings.

It probably goes without saying that speculation is already swirling about what the Fed will do in the medium-term through 2016. *The Bond Buyer* reported that Standard & Poor's is forecasting four, quarter point (0.25%) increases in 2016 with the year ending at a target Federal Funds Rate of 1.25%. Meanwhile, the average of forecasts from FOMC



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voters is that the year ends at 1.40%. That effectively means a target rate of either 1.25% or 1.50% because the Fed typically targets quarter point intervals. We would be remiss not to add a disclaimer that a forecast now does not guarantee what will happen over the course of the year. Many market experts predicted four increases in 2015, and only one occurred. At the same time, the FOMC meets eight times in 2016 and could choose to increase rates at more than four meetings and/or to increase rates greater than a quarter of a point at any of those times.

Where to Go from Here

We realize that the potential of a rising interest rate environment may create some pressure to complete 2016 borrowing sooner rather than later. Our advice is that it is usually in an issuer's best interest to plan a bond issue well and sell when preparations are complete, rather than rushing to beat interest rate increases that may or may not occur. Future rate increases are not likely to be so large that they would mean the difference between being able to undertake a project or not. Selling bonds too early can mean borrowing too little or too much, both of which come with their own problems that can be bigger than paying a little more in interest each year. Refundings are more sensitive to rates than the feasibility of new projects, but your municipal advisor can help you make an informed decision about when to refund existing debt.

We will be taking a break from the *Market Commentary* for the holidays. You can expect our next installment on January 11. Until then, happy holidays and happy New Year!

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Investment Trends – Ehlers Investment Partners

Fed Makes Its Move

The Federal Reserve finally made the decision to increase short-term interest rates a quarter of a percent last Wednesday. Generally, there was little impact on rates as this move was heavily anticipated and had been "built into" rates by the time the Fed made the official announcement. The move is the first step in what market experts expect to be a gradual process. It is important to note that this rate increase, and any subsequent increases in the upcoming months, will not necessarily trickle down entirely to investors. Yields on money-market mutual funds barely increased after the decision as money fund managers have been deferring fees for years due to low rates, and are now finally able to make up for losses. Municipal entities need to keep this information in mind when considering potential investments. Check with your investment advisor at Ehlers Investment Partners to make certain that your community is optimizing returns while retaining liquidity.

Source:

Maxy, Daisy. "Money-Fund Yields Are Rising After the Fed Move." *Wall Street Journal* 19 Dec. 2015, Money & Investing sec. Print.

	1 Year Ago	1 Month Ago	Today
1 Yr Certificate of Deposit	0.5000%	0.5250%	0.7500%
3 Yr Certificate of Deposit	1.5000%	1.5750%	1.6500%
5 Yr US Agency Note	2.1000%	1.8250%	1.9750%
Money Market Funds	0.15% - 0.35%	0.10%- .20%	0.15%-.35%

Source :Bloomberg

IMPORTANT INFORMATION: PLEASE READ

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FOR IMMEDIATE RELEASE
December 22, 2015

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METRO Blue Line Extension Open House on Jan. 14, 2016

The Metro Blue Line Extension (Bottineau LRT) project is currently in the municipal consent phase meaning each city along the line is being asked to approve the preliminary design plans for the part of the line that would pass through the city. Crystal will host an open house on the plans on Thursday, Jan. 14 from 5:30 – 7 p.m. followed by a City Council work session at 7 p.m. Both meetings are in the Community Room at Crystal City Hall, 4141 Douglas Dr. N.

The Jan. 14 open house is an opportunity for citizens to view plans and ask questions of Blue Line project staff one-on-one in an informal setting. A printed set of the plans can be viewed during normal business hours at Rockford Road Library, 6401 42nd Ave. N., Crystal Community Center, 4800 Douglas Dr. N. and Crystal City Hall, 4141 Douglas Dr. N. The municipal consent plans and municipal consent guide are available online at metro council.org or by visiting <http://tinyurl.com/nngheeg> and <http://tinyurl.com/o7qnhoc>.

The Crystal City Council is also scheduled to hold a formal public hearing on the preliminary design plans on Tuesday, Feb. 2 at 7 p.m. in the Council Chambers.

In 2013, the Metropolitan Council amended its regional transportation plan to include the METRO Blue Line Extension, also known as the Bottineau light rail transit (LRT) line, which would run from Target Field Station in Minneapolis to the west then north through the cities of Golden Valley, Robbinsdale, Crystal and Brooklyn Park. The line would provide direct service from Crystal to Downtown Minneapolis, MSP International Airport and the Mall of America. It would also provide connecting service to the Green Line LRT which serves the University of Minnesota and St. Paul with an extension from Minneapolis to the southwest suburbs currently in development.

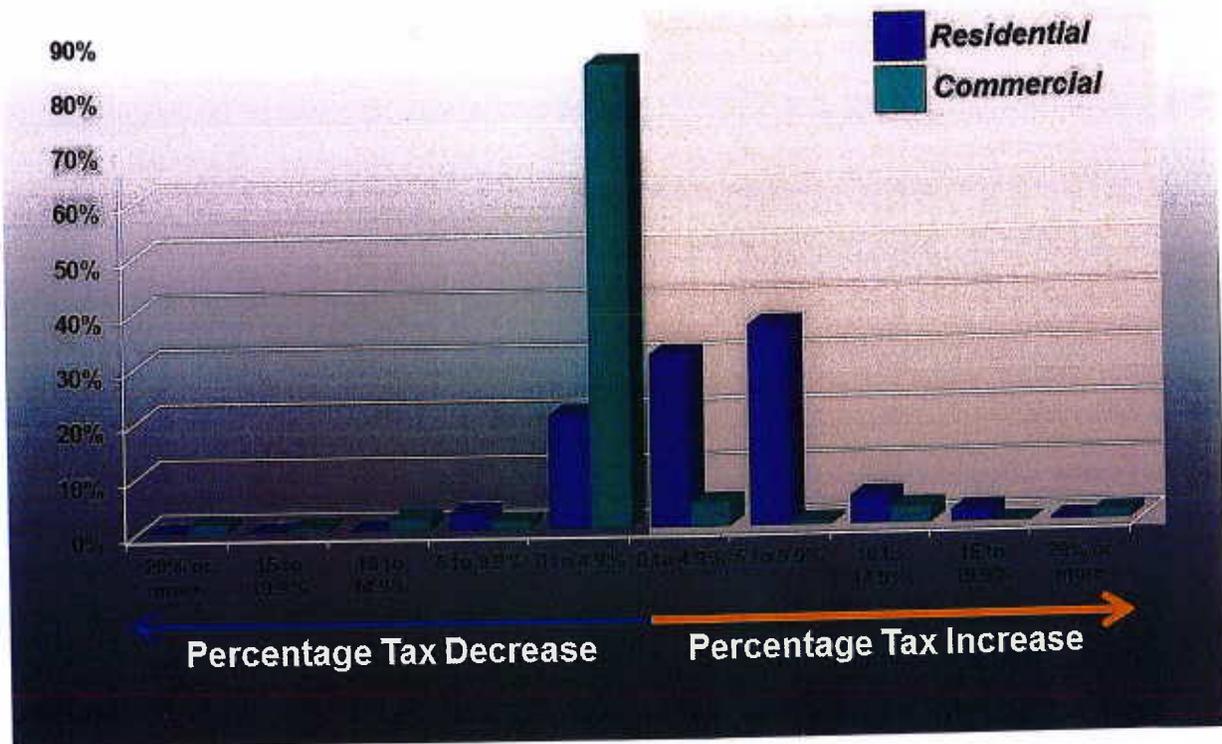
Construction on the METRO Blue Line Extension is expected to start in 2018 with the line opening in 2021. Previous open houses on the Blue Line Extension were May 28, July 27 and Oct. 19, 2015 at the Crystal Community Center.

About Crystal

The City of Crystal is a fully-developed, first tier suburban community just west of Minneapolis in Hennepin County. The City became a Charter City in 1960 and has a population of 22,151 residents. Crystal enjoys an extensive park system, healthy residential neighborhoods and commercial areas that provide for the needs of a diverse population.



Percentage Change in Property Taxes



The graph above shows how 2016 property taxes increased or decreased compared to 2015 property taxes for individual properties in the City of Crystal.

In any given year, the total taxable value of all property in the City may increase or decrease. Taxable value of some individual properties will increase while the taxable value of other properties will decrease. This mixture of taxable value increases and decreases is a major factor in determining whether the property tax payable of each property increases or decreases.

The City of Crystal's property tax levy is increasing by 2.99% for 2016. The graph shows that very few properties will see a 2.99% increase in the City of Crystal's part of their total property tax bill.

During 2015, the taxable value of most commercial properties remained about the same or decreased by a small amount. The taxable value of most residential properties remained about the same or increased by between 0% and 10%.

Properties with increasing taxable values receive a larger share of the tax levy. Many residential properties are seeing an increase of more than 3% for both the City of Crystal's part of the property tax bill and the total property tax bill.

Recreation Department Update

12-23-15

Senior Holiday Tea

The annual Holiday Tea was held at the Brookview Community Center in Golden Valley on Monday, December 14. There were 80 seniors who enjoyed entertainment by the "Happy Notes!"

Winterfest

Winterfest was another big success this year, drawing around 850 parents, grandparents and children. Festivities included: musical entertainment by Kidsdance, horse drawn hayrides, crafts for kids to make and take, Santa and Mrs. Claus arriving by fire truck, an ice sculpture carving created from a 300lb. block of ice, a visit by "Peter" the Penguin and a candy cane walk for the whole family to enjoy.

Sounds of laughter and excitement filled the air. The Park and Recreation Advisory Commission, along with Team McDaniel and Almstead's Fresh Market helped run the event.

Warming House Update

Due to the weather, we are looking at a January opening.

Wayfinding

Thanks to a grant from Hennepin County, directional street signs to Crystal's major parks were installed early December. Signs for the Community Center, Becker, Welcome, Bassett Creek and Lions Valley Place parks are located at key intersections in the city. This pilot program is part of the Park and Recreation Commission's Long Range Plan.

