February 19, 2019

Rep. Sandra Masin

543 State Office Building

St. Paul, MN 55155

**RE: Support for HF 703 – Political subdivision compensation limit repealed**

Dear Rep. Masin,

On behalf of the Municipal Legislative Commission (MLC), a coalition of 16 suburban communities, I write in support of HF 703 (Masin), which repeals the salary cap for local units of government.

The MLC strongly believes locally elected officials are in the best position to determine the needs of their communities, and as such, supports policies that empower these officials to do so. One such decision is the ability for local officials to determine compensation of city employees. Currently, Minnesota law limits salaries of city employees to 110% of the governor’s salary, without a waiver from the state. The law was put into place in 1997, repealed in 1980, and reinstated in 1983.

This artificial salary cap puts cities at a disadvantage when attracting and retaining talented high level individuals to help lead their cities. Minnesota cities face significant challenges competing nationally, as we are the only state in the country that has a local government salary cap.

Further, the salary cap law has also not been applied in a uniform way – exemptions have been granted for school districts, hospitals, clinics and HMOs owned by political subdivisions, and most recently, the Metropolitan Airports Commission.

Thank you for your leadership in addressing this issue and offering a solution to equip localities with an additional tool necessary to attract and retain the best talent. The MLC looks forward to working with you to move this legislation forward.

Sincerely,

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James Hovland

Chair, MLC

Mayor, City of Edina