



May 5, 2021

The Honorable Senators Kiffmeyer, Lang, Koran, Howe, and Carlson  
The Honorable Representatives Nelson M., Xiong T., Masin, Greenman, and Nash

**Re: Omnibus State Government Finance and Policy Bill (HF 1952 – Nelson, M/Kiffmeyer)**

Dear Conferees,

The Municipal Legislative Commission (MLC) is a coalition of 19 suburban communities with over 880,000 residents and the workplace for more than half a million employees. Our association was founded to advocate for sound fiscal and local government policy for our Minnesota communities, and we have spent over thirty years advocating for legislative initiatives which further that goal.

We appreciate the opportunity to provide our thoughts on the Omnibus State Government Bill, and would like to express our support for the repeal of the salary cap provision in HF 1952. Locally elected officials are in the best position to determine the 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 The law was put into place in 1997, repealed in 1980, and reinstated in 1983.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 considering the legislative priorities of the MLC as you move forward with your work. The repeal of the salary cap will remove decision-making authority and responsibility from the Department of Management and Budget and leave these personnel decisions to be made at the local level. Please feel free to contact us if you have any follow-up questions.

Sincerely,

A handwritten signature in black ink, appearing to read "James Hovland", written over a horizontal line.

James Hovland  
Chair, MLC  
Mayor, City of Edina

**Member Cities:** Apple Valley, Bloomington, Burnsville, Chanhausen, Eagan, Eden Prairie, Edina, Golden Valley, Inver Grove Heights, Lakeville, Maple Grove, Minnetonka, Plymouth, Prior Lake, Rosemount, Savage, Shakopee, Shoreview, Woodbury