BLUE EARTH COUNTY

BOARD OF COMMISSIONERS
BOARD WORK SESSION AGENDA
JUNE 10, 2014

11:00 A.M. 1. Public Works (1)
Mr. Al Forsberg, County Engineer

12:00 P.M. Lunch Break

12:30 P.M. 2. Administrative Services
Mr. Robert Meyer, County Administrator

- Local Option Sales Tax/Wheelage Tax Discussion (2)
- Preliminary Budget Information
- County Services on Display at the County Fair
- Other

1:30 P.M. 3. Regional Center for Entrepreneurial Facilitation (RCEF) Annual Report
Mr. Bryan Stading, Executive Director

2:00 P.M. 4. Soil and Water Conservation District Update
Mr. Jared Bach, District Manager

2:25 P.M. Break

2:30 P.M. 5. County Attorney's Office Update
Mr. Ross Arneson, County Attorney

3:15 P.M. 6. DVS Claims Discussion:
The Blue Earth County Board of Commissioners will hold a closed meeting to protect attorney-client privileged communications as permitted by MN State Statute 13D.05, subdivision 3(b) to discuss pending lawsuits involving claimed accesses of the Driver and Vehicle Services Database (DVS system). The cases are *Brooke Bass v. Anoka County, et al*. (Case #13-CV-00860), *Jessica Leah Kampschroer (fka Miles) v. Anoka County, et al*. (Case #13-CV-02512), *Dorie Shoutz Jessen, et al. v. Blue Earth County, et al.* (Case #14-CV-01065), *Jared Taylor v. City of Amboy, et al*. (Case #14-CV-00722).

** Next proposed Work Session: July 8, 2014 following the County Board Meeting

BLUE EARTH COUNTY
PUBLIC WORKS AGENDA
WORKSHOP
June 10, 2014

1) 2015 Parks budget special items
    a. Bray and Duck sanitary sewer assessments $300,000. Propose paying with one time increase in Parks budget for 2015.
    a. CSAH 26 Park improvements; $50,000 MnDNR grant and $50,000 existing Parks reserve.
    b. Rapidan Dam Park canoe and access road improvements; $50,000 MnDNR grant and $50,000 existing Parks reserve.
    c. Due to pressing need, Wildwood bridge deck replacement moved to 2014 using existing Parks reserve funds. Approximately $20,000.
2) CSAH 12 Stage 5 Environmental Documents
    a. Environmental Assessment Worksheet, EAW, meeting State EQB requirements. This is a large document and is available upon request in County Administration or Public Works.
    b. Project Memorandum, PM, meeting Federal requirements. This is a large document and is available upon request in County Administration or Public Works.
    c. Public review of EAW, PM. Open house optional.
3) TH 66 potential transfer from State to County jurisdiction
    a. Individual landowner meetings. See attached notes.
    b. Public open house. Briefing sheet attached, annotated maps from open house meeting available at workshop.
    c. Future Action, Board concurrence to proceed with drafting agreement with MnDot. Future Board resolution would be needed to enter into agreement.

*Note - The following item will be discussed after the lunch break in conjunction with the Administrative Services items.

4) Potential Transportation Program with Additional Sales Tax / Wheelage Tax Revenue.
    a. Alternative transportation uses. See attachment.
    b. Indicators of CSAH construction need. See attachment.
    c. R&B budget trends for Work for Others, Administration and Capital, Maintenance and Construction.
    d. Transit Information. See attachment.

April 16, 2014

TH 66 Potential Transfer to Blue Earth County

Summary of Meetings with Significantly Affected Landowners

1) D. Goedtel with V. Hanson.
    a. Road problems:
        i. Wider road needed for shoulders, flatter ditch slopes.
        ii. Three sharp curves, no tangent separation, poor sight distance.
        iii. Bluff on west side.
    b. Landowner concerns:
        i. Drainage issues with ravine on west side of road.
        ii. Driveway steep.
        iii. Septic tank.
        iv. Retain tree buffer between house and road. Preserve conservation land.
        v. Requests conservation zoning be changed to ag so several lots with houses on piling could be built.
2) Sahlstrom
    a. Road problems:
        i. Wider road needed for shoulders, flatter ditch slopes.
        ii. Bluff on west side.
        iii. Retain safe intersection with CSAH 90.
        iv. Retain safe access for home and canoe landing.
    b. Landowner concerns:
        i. Retain driveway to parcel.
        ii. Road is close to house, consider moving house.
        iii. Floodplain area, new house site may require fill.
        iv. Drainage under TH 66, culvert plugs.
        v. Preserve trees.

3) Swanson parcel being purchased by Joe Koberoski on CD. Met with Joe and Burton. Map attached with comments.
    a. Road problems:
        i. Wider road needed for shoulders, flatter ditch slopes.
        ii. Unstable, steep slopes.
        iii. Sharp 25 and 30 mph curves, limited sight distance from town road.
    b. Landowner concerns:
        i. Similar to earlier MnDot plan about 30 years ago.
        ii. City owns some row on west side, north of town road.
        iii. Whelan house gone.
        iv. Town road intersection needs flat landing, sight distance, right angle for trucks.
        v. Access during construction.
        vi. Higher speeds after reconstruction, need traffic calming.
4) Tony DeSantiago.
    a. Road problems:
        i. Wider road needed for shoulders, flatter ditch slopes.
        ii. Sharp 30 mph curves with no tangent.
        iii. Bluff on west side.
    b. Landowner concerns / comments:
        i. Fishermen park on shoulder now, road deer kills, need guard rail.
        ii. Sue and Dave Denzel have access easement on west side of road.
        iii. Springs in side hill and under road create soft road bed and frost heaves.
        iv. Land in CREP program would need release.
        v. 42” tile from TH 66 east ditch outlets near his land.
        vi. Driveway grade.
        vii. Prefers old road be obliterated, would like trees for firewood.
5) Aaron Ihrke.
    a. Road problems:
        i. Wider road needed for shoulders, flatter ditch slopes.
        ii. B luff on west side.
        iii. River to north with bluff
        iv. Sharp curves.
    b. Landowner concerns / comments:
        i. Drainage and frost heave problems.
        ii. Well on future row.
        iii. Rocks and debris from bluff fall on road.

iv. Retain tree buffer, first line of coniferous trees.
v. Tile outlet works OK.
vi. Move from centerline south of house to reduce curve and house.

6) Dean Ulrig with sons Nathan and Garrett
   a. Road problems:
      i. Wider road needed for shoulders, flatter ditch slopes.
      ii. Poor drainage.
      iii. Home on west side, farm buildings on east side of road.
   b. Landowner concerns / comments:
      i. Prefers option between farm site buildings rather than west of site.
      ii. Preserve surface and subsurface drainage pattern west of farm site.
      iii. Two tile mains outlet in west ditch. 12” Hipps tile in west ditch.
      iv. Son Garrett buying site.
      v. Ag tile outlet to north eroding ravine.
      vi. Two water and one power crossings between buildings on west and east side.
      vii. Snow trap at barn.
      viii. Narrow road, no recovery area.
      ix. Prefers paved shoulder; BEC practice is pave first 2’, steep grades, inside of curves.
7) Nathan Ulrig at site 1 mile north with 3 blue silos.
   a. Road problems:
      i. Above
   b. Landowner concerns:
      i. Scale poured concrete slab near road.
      ii. Existing centerline culvert floods.
8) Paul Speck
   a. Road problems:
      i. Wider road needed for shoulders, flatter ditch slopes.
      ii. 70’ bluff on east side.
      iii. Drainage problems.
   b. Landowner concerns:
      i. Presented three preliminary options.
         1. Blue route behind farm site concerned about point rows, uneconomic remnants, effect on drainage patterns.
         2. Yellow route requires house and silo relocation, needs adequate area to load out of silo and feed bunkers.
         3. Green route over bluff tall fill stability.

        4. Connections to township road and impact on fields.
        5. Utilities on row would need relocation.

9) Mt. Kato, see Drew Campbell e-mail.

10) Lachmiller, D

    a. Road problems:
        i. Wider road needed for shoulders, flatter slopes
        ii. Curves
        iii. Transmission power poles
        iv. Review options to reduce impact
            1. Move road east
            2. Grade
            3. Walls
    b. Landowner concerns:
        i. Trees buffer sound and sight of road
        ii. Sight distance at Town Road intersection
        iii. Septic system.

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Forsberg, Alan

From: Forsberg, Alan
Sent: Thursday, April 17, 2014 11:15 AM
To: Campbell, Drew
Cc: All County Commissioners
Subject: RE: Hwy 66 or County Hwy #1 Potential

Drew –

Thanks for sharing the information from Mt. Kato.

The road width is constrained by retaining walls on both the east and west sides, so it may be difficult to add separate left turn lanes. However, widening the should to allow vehicles to bypass left turning vehicles may be possible. We would look at options if the project moves forward.

We would review options for the curves immediately south of Mankato. People are used to them and they seem to have an appeal. However, they create blind sight distance from driveways and with no shoulders are hazardous. MnDot's MnCMAT shows 50 crashes between 2003 and 2013 on this section. The crashes are typical of sharp curves and no shoulders - run off the road, sideswipe, head-on. In addition, there are steep, tall unstable slopes here.

The access fee was charged by MnDot, not Blue Earth County. You could inquire with Steve Schoeb, MnDot Mankato permits.

alforsberg

From: Campbell, Drew
Sent: Thursday, April 17, 2014 10:51 AM
To: Forsberg, Alan
Cc: All County Commissioners
Subject: Hwy 66 or County Hwy #1 Potential

Dear Al,

Just a quick update from my view regarding an inquiry I had given to you Al regarding the intersection of Hwy 66 and Mount Kato. I had thought they might need a new style or some special consideration regarding a possible need for an extra lane for turning there at Mount Kato. You had acknowledged looking into that possibility too, and keeping an open mind as to how to look at that intersection if in deed we agree to a turnback with MnDOT.

I stopped out there at Mount Kato two days and had a nice conversation with the manager, a "Jeff Petrah", asking him if he had any ideas or concerns that Hwy 66 intersect and Mount Kato's driveway. He said that in all the years they have been operating, there has been no concerns and people seem to get in and out nicely. He said the road was improved some years ago, and so there is plenty of sight distance for the lower speeds of that road. He also said he has never once gotten a complaint about that turn off. The only complaint he hears is is that people, buses and others, do not like that Carney has put in the partial bump-outs and made that road too narrow now. Mr. Petrah stated that since County Rd 90 was installed and that from Mount Kato to Hwy 90 on Hwy 66 was improved, buses seem to use that route more.

The rest of our conversation did include some discussion of possible turnback, and Mr. Petrah stated he has never heard anyone ever complain once about the curves going into Mankato on Hwy 66, but has only heard complaints about how they engineered Carney Ave there in Mankato, as it seems too narrow. He did say that people have made positive

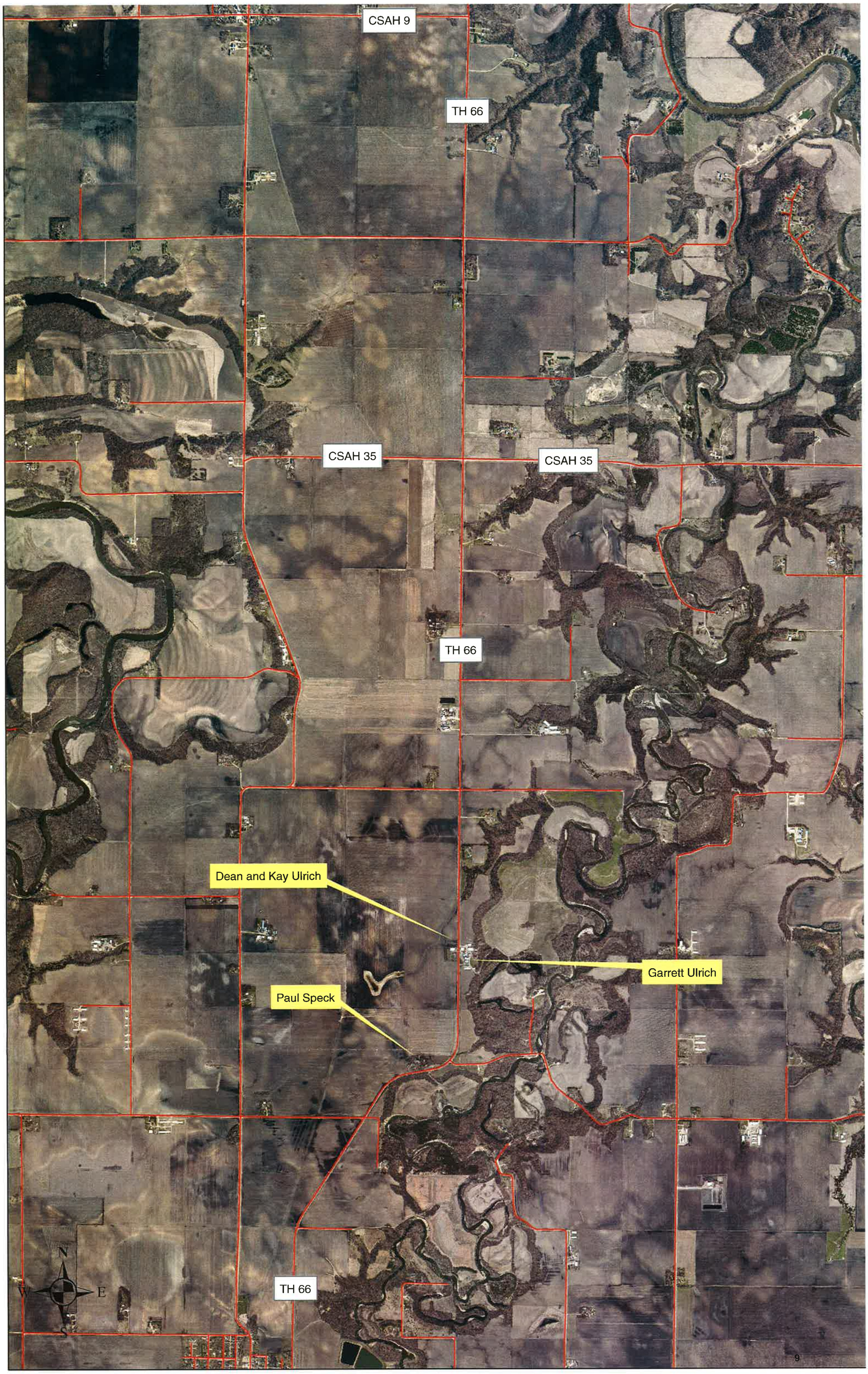
comments about the curves, and that people love taking that route to Mount Kato, as it is slow and has a nice country and scenic feel to the road, scenic, etc..

Sincerely,

Drew

PS: Mr. Petrah was unhappy that last year he wanted to bring a large vehicle to his work site, taking the route off off County 90, a wide road, and then taking the improved section on hwy 66 from 90 to Mount Kato, and the county charged $800 for access permit, stating that Hwy 66 was considered a narrow road. I wonder if an error was made as that portion was improved and is not as narrow as the other portions of Hwy 66? How could this be followed up with ?

Cc: Commissioners


CSAH 9
TH 66
CSAH 35
CSAH 35
TH 66
Dean and Kay Ulrich
Garrett Ulrich
Paul Speck
TH 66
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Wesley and Patricia Swanson
CFD Joe Koberoski
Stefan and Melanie Burton
Dennis and Jana Goedtel
CSAH 33
TH 66
CSAH 90
Dan and Kathy Sallstrom
TH 66
Anthony and Amy Desantiago
Aaron and Carolyn Urke
Daryl and Lynn Lachmiller
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PROJECT BRIEFING SHEET
TH 66 POTENTIAL TRANSFER
SAFETY IMPROVEMENT AND REHABILITATION PROJECT

Potential Transfer:

Blue Earth County is considering MnDot's request that TH 66 be transferred from State jurisdiction to the County. The transfer would include State funds to reconstruct the road to current, safe farm to market standards. The road would become a County State Aid Highway to assist with future maintenance costs. Without transfer, it is unlikely significant improvements to the road would be made in the foreseeable future.

In order to make an informed decision, the County Board has requested we develop a conceptual design, meet individually with significantly affected landowners and hold a public open house.

Project Purpose:

If the road is transferred, the reconstruction project would have several purposes:

1) Replace old and deteriorated pavement.
2) Improve drainage by replacing deteriorated pipes, reshaping ditches obstructed with sediment and controlling run off in steep ravine areas.
3) Improve safety by providing wider shoulders, softer curves and hills, flatter ditch slopes and better sight distance.
4) Improve road embankment stability at bluffs and eroding river banks.

Project Description:

The road would be an improved two lane rural highway with 12' driving lanes and 6' shoulders with the first 2' of shoulder paved. The bituminous pavement would meet 10 ton farm to market standards. Where feasible, the existing pavement would be cold in place recycled and a new layer of bituminous pavement wearing course placed. In other areas, new gravel base and bituminous pavement would be constructed.

Rural highway ditches would be used for most of the project. Ditches would be seeded in grass and have softer slopes to improve safety and facilitate mowing. However, in some areas, retaining walls, reinforced earth slopes, curb and gutter and storm sewer would be used to minimize the affects on adjacent land uses, amount of right of way needed and control erosion. The road grade would be raised from the top of the ravine north of CSAH 9 to the bottom of the ravine in order to provide sufficient road width while minimizing impact to the steep ravine walls.

The road would remain on the current centerline except for areas where hills are softened to improve safety. In other areas, the road must be shifted to provide shoulders and a stable road embankment due to bluffs, steep slopes, and eroding river banks.

The conceptual road design was developed to meet minimum County State Aid Highway design standards; with the segment from Good Thunder to CSAH 9 designed to 55 mph standards, CSAH 9 to CSAH 90 45 mph and CSAH 90 to Mankato 40 mph. We have also developed an option with a 30 mph design speed from CSAH 90 to Mankato. This design would require a variance to standards or designation of the road as a Natural Preservation route. Some considerations for the two options:

Thirty miles per hour design option compared to 40 miles per hour

Pro
- follows existing road more closely resulting in less right of way needed.
- slightly slower traffic entering Mankato

Con
- blind sight distance for some driveways and town roads
- driver expectation in rural / suburban area is for a higher safe speed
- more distracted driver run off the road crashes
- requires CSAH rule variance or Natural Preservation Route designation

Implementation

If the project proceeds, individual meetings would be held with each adjacent landowner to discuss special concerns such as agricultural drain tile, driveway locations, fences and the right of way acquisition process.

Construction would take place over two years, with pipes placed, shoulders widened and areas on shifted alignment graded. The following year, the pavement would be reconstructed. The earliest dates would be 2016 and 2017. Construction would be funded by MnDot Trunk Highway turnback funds.

Permits which may be required include Minnesota Wetland Conservation Act, Minnesota Department of Natural Resources Public Water, Minnesota Pollution Control Agency Storm Water Discharge and US Army Corps of Engineers Section 404. The construction plans and funding would need to be approved by MnDot.

THANK YOU for attending the meeting. We are pleased to share the work done to date and appreciate the important information you share with us.

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Frequently Asked Questions

New County Transportation Revenue Sources

July 1, 2013

LOCAL OPTION SALES TAX FOR TRANSPORTATION

How Do Counties Enact the Local Option Sales Tax for Transportation?

- County boards may, after a public hearing, levy a sales tax for transportation and transit by resolution.
- This sales tax is levied on anything that is currently subject to sales tax in your county.
- The imposition of the tax is project/improvement specific and that project must be identified during the public hearing and in the resolution.
- Timing for implementation and notification to the Department of Revenue is governed by **Minnesota Statute 297A.99, Subdivision 12:**

> Effective dates; notification.
>
> (a) A political subdivision may impose a tax under this section starting only on the first day of a calendar quarter. A political subdivision may repeal a tax under this section stopping only on the last day of a calendar quarter.
>
> (b) The political subdivision shall notify the commissioner of revenue at least 90 days before imposing, changing the rate of, or repealing a tax under this section.
>
> (c) The political subdivision shall change the rate of tax imposed under this section starting only on the first day of a calendar quarter, and only after the commissioner has notified sellers at least 60 days prior to the change.
>
> (d) The political subdivision shall apply the rate change for sales tax imposed under this section to purchases from printed catalogs, wherein the purchaser computed the tax based upon local tax rates published in the catalog, starting only on the first day of a calendar quarter, and only after the commissioner has notified sellers at least 120 days prior to the change.
>
> (e) The political subdivision shall apply local jurisdiction boundary changes to taxes imposed under this section starting only on the first day of a calendar quarter, and only after the commissioner has notified sellers at least 60 days prior to the change.

How Can Counties Use the Local Option Sales Tax for Transportation Funds?

- The tax may only be used for the following purposes:
  - Payment of the capital cost of a specific transportation project or improvement;
  - Payment of the costs, which may include both capital and operating costs, of a specific transit project or improvement;
  - Payment of the capital costs of a safe routes to school program under section 174.40; or
  - Payment of transit operating costs.
- The taxes must terminate when revenues raised are sufficient to finance the project, except for taxes for operating costs of a transit project or improvement, or for transit operations.

How Will the Local Option Sales Tax for Transportation Be Collected?

- Per Minnesota Statute 297A.99, Subdivision 11, the tax must be remitted to the county by the state at least quarterly.
- The state is entitled to recover administrative costs for collection. These are taken out of the collections by the state prior to payment so there is no additional transaction between the state and the county.

Local Sales and Use Taxes

164
Sales Tax
Fact Sheet

What's New in 2014

Starting April 1, 2014:

- Beltrami and Wadena Counties have a 0.50 percent Transit Sales and Use Tax
- Beltrami County Transit Excise Tax is $20 per vehicle sold

Starting Jan. 1, 2014:

- Olmsted County has a 0.25 percent Transit Sales and Use Tax
- Rice County has a 0.5 percent Transit Sales and Use Tax
- The Rochester Lodging Tax rate is 7 percent. (It was previously 4 percent.)

Local Sales and Use Taxes (and Special Local Taxes)

City/County	Type of Tax	Begin Date	Rate
Albert Lea	Sales and Use Tax	4/1/06	0.50%
Austin	Sales and Use Tax	4/1/07	0.50%
Baxter	Sales and Use Tax	10/1/06	0.50%
Beltrami County	Transit Sales and Use Tax	4/1/14	0.50%
Bemidji	Sales and Use Tax	1/1/06	0.50%
Brainerd	Sales and Use Tax	4/1/07	0.50%
Clearwater	Sales and Use Tax	10/1/08	0.50%
Cloquet	Sales and Use Tax	4/1/13	0.50%
Cook County	Sales and Use Tax	4/1/10 (1)	1.00%
Detroit Lakes	Food and Beverage Tax*	4/1/11	1.00%
Duluth	Sales and Use Tax	1/1/70 (2)	1.00%
Fergus Falls	Sales and Use Tax	1/1/12	0.50%
Giants Ridge Recreation Area (city of Biwabik)	Admissions and Recreation Tax* Food and Beverage Tax* Lodging Tax*	7/1/11 7/1/11 7/1/11	2.00% 1.00% 2.00%
Hennepin County	Sales and Use Tax	1/1/07	0.15%
Hermantown (3)	Sales and Use Tax Sales and Use Tax	4/1/13 1/1/00 – 3/31/13	1.00% 0.50%
Hutchinson	Sales and Use Tax	1/1/12	0.50%
Lanesboro	Sales and Use Tax	1/1/12	0.50%
Mankato	Sales Tax Use Tax Food and Beverage Tax* Entertainment Tax*	4/1/92 1/1/00 4/1/09 4/1/09	0.50% 0.50% 0.50% 0.50%

Sales and Use Tax Division – Mail Station 6330 – St. Paul, MN 55146-6330
Phone: 651-296-6181 or 1-800-657-3777
Minnesota Relay (TTY) 711
Email: salesuse.tax@state.mn.us

This fact sheet is intended to help you become more familiar with Minnesota tax laws and your rights and responsibilities under the laws. Nothing in this fact sheet supersedes, alters, or otherwise changes any provisions of the tax law, administrative rules, court decisions, or revenue notices. Alternative formats available upon request.

City/County	Type of Tax	Begin Date	Rate
Marshall	Sales and Use Tax Food and Beverage Tax*	4/1/13 7/1/13	0.50% 1.5%
Medford	Sales and Use Tax	4/1/13	0.50%
Minneapolis	Sales and Use Tax Downtown Liquor Tax* Lodging Tax* Downtown Restaurant Tax* Entertainment Tax*	2/1/87 2/1/87 4/1/02 (4) 2/1/87 10/1/69	0.50% 3.00% 2.625% 3.00% 3.00%
New Ulm	Sales and Use Tax	4/1/01	0.50%
North Mankato	Sales and Use Tax	10/1/08	0.50%
Olmsted County	Transit Sales and Use Tax	1/1/14	0.25%
Owatonna	Sales and Use Tax	4/1/07 – 6/30/11	0.50%
Proctor	Sales and Use Tax	4/1/00	0.50%
Rice County	Transit Sales and Use Tax	1/1/14	0.50%
Rochester	Sales and Use Tax Lodging Tax*	1/1/93 9/1/71 (6)	0.50% 7.00%
St. Cloud Area (5)	Sales and Use Tax	1/1/03	0.50%
St. Cloud	Liquor Tax* Food Tax*	2/1/87 2/1/87	1.00% 1.00%
St. Paul	Sales Tax Use Tax Lodging Tax 50+ rooms* Lodging Tax less than 50 rooms*	9/1/93 1/1/00 4/1/04 4/1/04	0.50% 0.50% 6.00% 3.00%
Transit Improvement Area (*includes the counties of Anoka, Dakota, Hennepin, Ramsey and Washington*)	Sales and Use Tax	7/1/08	0.25%
Two Harbors	Sales and Use Tax	4/1/99	0.50%
Wadena County	Transit Sales and Use Tax	4/1/14	0.50%
Willmar	Sales and Use Tax	1/1/06 – 12/31/12	0.50%
Worthington	Sales and Use Tax	4/1/09	0.50%

(1) Cook County 1.0% sales and use taxes originally began 1994 and 2001 respectively, and ended 3/31/08. The taxes resumed 4/1/10.

(2) Duluth sales and use tax originally began 1/1/70. Minnesota Department of Revenue began administration 1/1/06.

(3) Hermantown sales and use tax increased 1% (from 0.5%) effective 4/1/13.

(4) Minneapolis lodging tax rate prior to 7/1/09 was 3.0%.

(5) St. Cloud, Sartell, Sauk Rapids, and St. Augusta were original participants in this tax. Beginning 1/1/06, St. Joseph and Waite Park also became participating cities.

(6) Beginning 1/1/14, the Rochester lodging tax rate is 7%. Prior to 1/1/14, the Rochester lodging tax rate was 4%.

* For more information about the special local taxes, see Sales Tax Fact Sheets 164M, Minneapolis Special Local Taxes and 164S, Special Local Taxes: Detroit Lakes, Giants Ridge Recreation Area, Mankato, Marshall, Rochester, St. Cloud and St. Paul.

Local sales tax

The Minnesota Department of Revenue currently administers the local taxes shown in the chart above. Local sales tax applies to retail sales made and taxable services provided within the local taxing area. The tax applies to the same items that are taxed by the Minnesota sales and use tax law.

To figure the tax, combine the state tax rate and the local rate(s). Apply the combined rate to the taxable sales price and round to the nearest full cent. Rate charts are available on our web site or upon request.

Report local taxes when you electronically file your Minnesota sales and use tax. The figures are reported separately from state taxes.

Who is required to collect

All retailers who are registered to collect Minnesota sales tax and are doing business in an area with a local tax must be registered with the Minnesota Department of Revenue to collect that local tax. This includes any

MINNESOTA · REVENUE

Current Local Option Sales Tax

City	Year Authorized	Tax Rate	Amount Collected FY11
Albert Lea	2005	0.5%	1,385,185
Austin	2006	0.5%	1,602,890
Baxter	2006	0.5%	1,842,188
Bemidji	2005	0.5%	1,962,085
Brainerd	2006	0.5%	839,153
Central MN Cities (St. Cloud, Sauk Rapids, Sartell, St. Augusta, St. Joseph and Waite Park)	2002	0.5%	8,714,584
Clearwater	2008	0.5%	301,999
Cook County	2008	1%	1,145,291
Duluth	1973	1%	12,708,709
Fergus Falls	2011	0.5%	NA
Hennepin County	2006	0.15%	31,063,976
Hermantown	1996	0.5%	1,169,932
Hutchinson	2011	0.5%	NA
Lanesboro	2011	0.5%	NA
Mankato	1991	0.5%	4,682,420
Minneapolis	1986	0.5%	32,670,864
New Ulm	1999	0.5%	1,022,880
North Mankato	2008	0.5%	488,382
Owatonna	2006	0.5%	1,224,809
Proctor	1999	0.5%	151,106
Rochester	1983	0.5%	9,658,017
St. Paul	1993	0.5%	16,383,063
Two Harbors	1998	0.5%	311,437
Willmar	2005	0.5%	1,870,799
Worthington	2006	0.5%	804,606

Amount collected is total collected before the reduction for the Department of Revenue administrative costs.

Frequently Asked Questions

New County Transportation Revenue Sources

July 1, 2013

WHEELAGE TAX

How Do Counties Enact the Wheelage Tax?

- County boards may levy a wheelage tax by resolution.
- Once enacted, the county board may choose to collect the tax directly or have the state collect the tax on their behalf as part of the tab renewal process (all of the counties that currently have a wheelage tax have chosen to have the state do collection).
- **Counties that intend to enact the tax and have the state do collection beginning on January 1, 2014, must notify the state of their intent by August 1, 2013.** Contact Patricia McCormack, Director of DPS's Driver and Vehicle Services Division at patricia.mccormack@state.mn.us or 651-201-7580.
- If a county does not choose to implement a wheelage tax in 2014, they still have the option to do so in future years by letting the state know by August 1 of any year for enactment the following year.

How Can Counties Use the Wheelage Tax Funds?

- Taxes may be used for "highway purposes" within the meaning outlined in Article 14 of the Minnesota Constitution.
- Funds must be deposited in the county's Road and Bridge fund. There is no requirement for an off-set of county road and bridge or general levies for the wheelage tax, nor does the wheelage tax affect the CSAH distribution formula.

How Will the Wheelage Tax Funds Be Collected and Distributed?

- Taxes collected by the state will be paid to counties monthly.
- Taxes will be sent to the county where the vehicle is kept, regardless of whether the tabs are renewed in a different county or online.
- The state is entitled to recover administrative costs for collection. These are taken out of the collections by the state prior to payment so there is no additional transaction between the state and the county. Cost of collection has been between .5% and .7% (or 5-7 cents of every $10), though that is based on just five counties and a $5 wheelage tax. AMC has contacted the state to learn if all counties can assume similar levels of administrative costs and we will share that information when available.

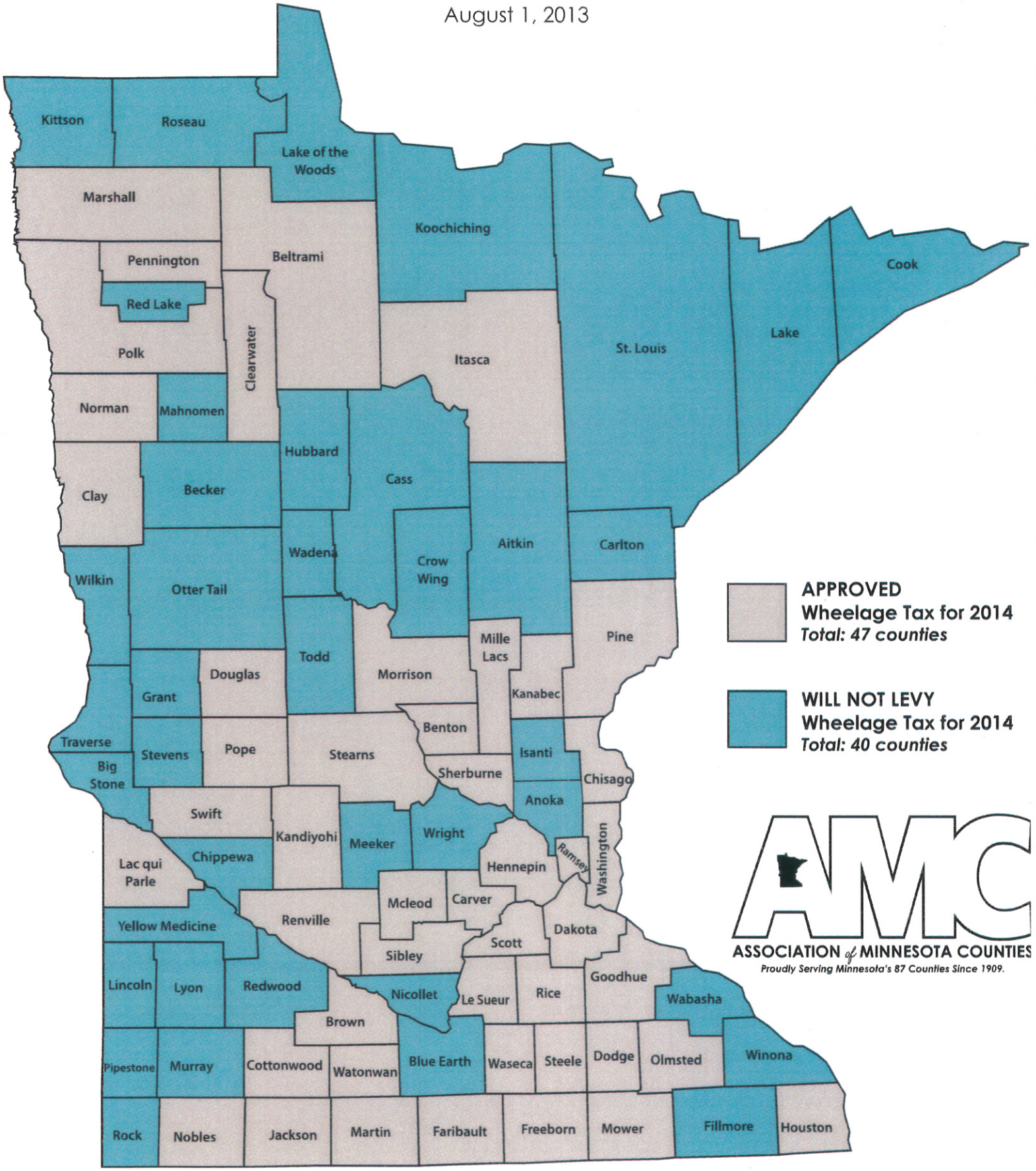
How Will the Wheelage Tax Revenue Be Calculated?

- The tax will be $10. The county's only option is to levy the tax or not, but the amount may not vary. Beginning in 2018, the cap will be raised to $20 and counties will have the flexibility to set the amount of the tax anywhere up to the cap.
- Vehicles are taxed in the county that corresponds to the address on the tab statement. If the vehicle is kept outside the county (i.e. at the owner's cabin), the owners can indicate change in the location where the vehicle is kept at the time of tab renewal.
- Several categories of vehicle are not subject to the wheelage tax, including: motorcycles and mopeds, trailers and semitrailers, vehicles not subject to annual registration (i.e. collector vehicles), tax exempt, and state owned vehicles.
- For revenue estimates for your county, please contact Ryan Erdmann at AMC at Erdmann@mncounties.org or 651-789-4345.

Association of Minnesota Counties | 125 Charles Avenue, St. Paul, MN 55103-2108 | Main Line: 651-224-3344, Fax: 651-224-6540
www.mncounties.org

Wheelage Tax in 2014 By County

August 1, 2013



ASSOCIATION of MINNESOTA COUNTIES

Estimated Revenue from a $10 Wheelage Tax – District VII Counties

County	Approximate Vehicle Registrations Subject to Wheelage Tax*	Approximate Revenue from Wheelage Tax
Blue Earth	50,500	$505,000
Brown	28,600	$286,000
Faribault	16,500	$165,000
Le Sueur	31,300	$313,000
Martin	21,400	$214,000
McLeod	36,000	$360,000
Nicollet	26,100	$261,000
Sibley	14,800	$148,000
Waseca	18,300	$183,000
Watonwan	11,400	$114,000

Please note: estimates were developed by AMC Staff for planning purposes only.

*All vehicle registration data is taken from a DPS summary report of registrations by county dated 2/12/2013. Several categories of vehicle are not subject to the wheelage tax. These include: motorcycles and mopeds, trailers and semitrailers, vehicles not subject to annual registration (i.e. collector vehicles, etc.), tax exempt, and state owned vehicles.

Notes

- County Boards may levy a wheelage tax by resolution.
- The tax will be $10, the county's only option is to levy the tax or not, the amount is not optional. Beginning in 2018, the cap will be raised to $20 and counties will have the flexibility to set the amount of the tax anywhere up to the cap.
- Once enacted, the Board may choose to collect the tax directly or have state collect the tax on their behalf as part of the tab renewal process (all of the counties that currently have a wheelage tax have chosen to have the state do collection).
- Counties that intend to enact the tax and have the state do collection beginning on January 1, 2014 must notify the state of their intent by August 1, 2013.
- Taxes collected by the state will be paid to counties monthly.

Potential Blue Earth County

Transportation Program

With Additional

Sales Tax / Wheelage Tax Revenue

ROAD AND BRIDGE CONSTRUCTION

1) Rural Blue Earth County CSAH System of 420 miles. New funding for farm to market safety improvement and pavement rehab projects. $600,000 per mile.
2) Rural Blue Earth County CSAH and paved County Road System "catch-up" maintenance overlays. $135,000 per mile
3) Rural Blue Earth County Road System of 300 miles. New funding for bituminous stabilized gravel roads. $100,000 per mile.
4) City of Mankato CSAH System, Stadium Road, Stoltzman Road, Monks; options:
   a. Mill 2" and inlay $1,000,000
   b. Mill, cold in place recycle, 4" new hot mix inlay $3,000,000
5) Mankato area major expansion project, CSAH 12 #5 $6,000,000

ROAD AND BRIDGE MAINTENANCE

1) Renovate four County Highway truck stations to meet current standards, modeled after Mapleton shop renovations. $200,000 each
2) Add snowplow route truck and driver. $175,000 equipment + $60,000 / YR

RURAL TRANSIT

1) Capital cost, typically 80% State or Federal, 20% Local
2) Operating cost, typically fares and deficit 80% State or Federal and 20% Local

SALES TAX / WHEELAGE TAX REVENUE, MTA 2013 Source

1) Wheelage tax; $501,850 / yr
2) Sales tax; $7,432,000 / yr

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BLUE EARTH ROAD AND BRIDGE

INDICATORS OF NEED

CSAH CONSTRUCTION

1) MnDot State Aid for Local Transportation estimate to build our 420 mile CSAH system to current standards; annual cost if done over 25 years; $10,382,178 per year.

2) MnDot State Aid for Local Transportation estimate of annual life cycle cost based on our actual constructions costs and new Needs system under development; $11,023,000.

    a. Assumes the following life times:
        i. Grading 60 years
        ii. Right of way 100 years
        iii. Bridges 85 years
        iv. Railroad crossings 25 years
        v. Signal lights 40 years
        vi. Interchanges 30 years
        vii. Bit. Overlays 15-20 years

3) Current annual construction income
    a. CSAH construction allocation; $4,800,000
    b. R&B construction; $2,000,000

4) Gap for CSAH system; $3,582,000 to $4,223,000.

5) Gap does not include need for improvements to County Road system or expansion projects in Mankato area.

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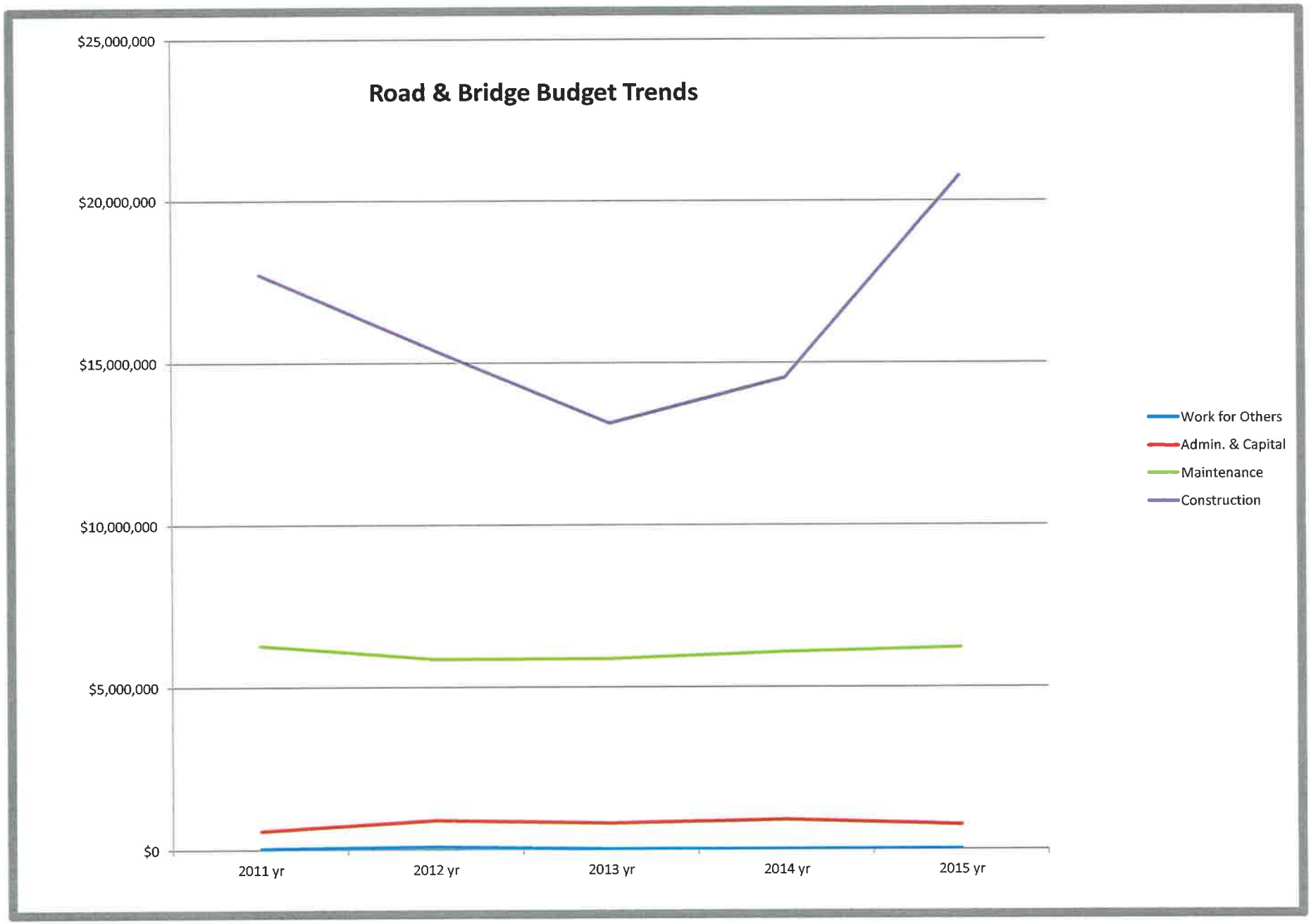
Road & Bridge Budget Trends
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
2011 yr
2012 yr
2013 yr
2014 yr
2015 yr
Work for Others
Admin. & Capital
Maintenance
Construction

TELEPHONE CONVERSATION

Jan Klassen, MnDot #7 Project Manager for Transit

Alan Forsberg, P.E., Blue Earth County Engineer

Date: 05 June 14

Re: Rural Transit for Blue Earth County

Jan provided the following information:

1) MnDot has received planning funds and has requested proposals from consultants to plan for a multi-county rural transit system. Vine, a non-profit in BEC, the City of St. Peter, and the City of LeSueur have been meeting to discuss initial planning for a potential multi-county rural transit system. Because of efficiency of operation and administration, MnDot prefers regional multi-county rural transit systems.
2) Vine has been providing some rural transit in the County including use of volunteer drivers. They have a good organization and are interested in expanding and providing full rural transit services. In order to use State and Federal transit funds, they would need to become a section 5311 organization or BEC would need to serve as financial agent.
3) Some very approximate costs:
    a. Capital bus purchase cost 80% State/Federal and 20% Local
    b. Operating cost 85% State/Federal and 15% fare plus local subsidy. Some counties the fare raises entire 15% and minimal or no local operating subsidy is needed.
    c. Small buses cost about $70,000; local 20% share is about $14,000. Three buses for Blue Earth County with costs spread over allowed 5 years would have a local cost of about $8,400 per year.
    d. Operating cost is about $50.00 to $60.00 per hour for a small bus. Brown County example:
        i. Total operating cost $621,921
        ii. Fare raised 98,510
        iii. 15% fare+local need 93,300; no local subsidy needed.
        iv. Martin County total operating cost about $500,000 per year; 12,000 hr.
        v. Austin/ Mower County operating cost about $634,000; 18,000 hr.

4) Jan would envision a possible deviated bus route system supplemented with volunteer auto drivers. For example, a bus would be scheduled for Mapleton to Mankato mall on Thursday AM with return PM. Volunteer drivers for other trips.
5) If the Board is interested in more information, I would suggest we invite Jan to a future Board meeting. Jan said the planning group would also be interested in having a Commissioner attend its meetings.

Alforsberg

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