

**Joe Radinovich**  
State Representative

District 10B  
Aitkin and Crow Wing Counties



# Minnesota House of Representatives

June 21, 2013

Patrick Wussow  
217 2<sup>nd</sup> St NW Room 134  
Aitkin, MN 56431

JUN 26 2013

Dear Patrick:

Now that the 2013 legislative session has drawn to a close, I want to take this opportunity to update you on actions taken that affect local governments in our community.

The 2013 Minnesota Legislature adjourned on May 20 after responsibly balancing and stabilizing the state budget. We erased our current budget shortfall and addressed the ongoing structural deficit without gimmicks, provided property tax relief, and made strategic investments in education and jobs.

Listed below are some (although not an exhaustive list) of the actions taken by the 2013 Legislature that affect local governments in our district:

- **Local government aid:** The current LGA formula was replaced with a new formula that makes adjustments to an individual city's aid based on its "aid gap" or the difference between its current aid and its unmet need as measured by the new formula. LGA was increased \$80 million.
- **County program aid:** Increased \$40 million.
- **Township aid:** \$10 million was allocated for this reinstated aid.
- **Sales tax exemption for counties and cities:** Exempted most purchases by cities and counties from the sales tax.
- **Greater Minnesota sales tax exemption:** In order to encourage business expansion, qualifying businesses in Greater Minnesota can obtain a sales tax exemption for certain purchases.
- **Wheelage tax:** Authorized all counties to impose an annual \$10 wheelage tax by adoption of a resolution. Currently, such a tax can be imposed only in the Twin Cities metro area and is capped at \$5. On January 1, 2018 the tax can increase up to \$20 per year.
- **Local option transportation sales tax:** County boards in Greater Minnesota may impose a local option transportation sales tax of up to ½% for road and transit projects.

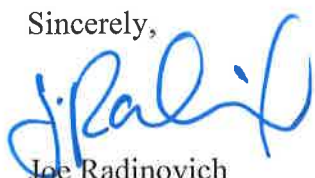


- **Voting by mail:** Towns of any size, or a city having fewer than 400 registered voters on June 1 of an election year, are authorized to conduct the election by mail provided the town or city is located outside of the 7-county metropolitan area.
- **No-excuse absentee ballots:** Authorized “no-excuse” absentee balloting. Voters can now vote absentee for any reason or no reason at all. Previously, a person could vote via absentee ballot only in limited circumstances.
- **County Veteran Service Officers:** Increased CVSO funding to \$2 million to: 1) provide outreach to veterans; 2) assist in the reintegration of combat veterans into society; 3) collaborate with social service agencies, educational institutions, and other community organizations to enhance services offered to veterans; 4) reduce homelessness among veterans; and 5) enhance the operations of the county veterans’ service offices.
- **Local government veterans’ preference:** Cities and towns are authorized to implement a veterans’ preference program in the awarding of contracts to designated veteran-owned small businesses.
- **Government employee military leave:** Prior to July 1, 2013, law provides that public employees may take up to 15 days annually of paid leave from their public employment for active military service, whether for purposes of training or deployment. This session the Legislature clarified that law to make clear that the public employer must allow the employee to take such leave at the person’s discretion, whether all at once or spread throughout the year.
- **Hiring of former military members for public positions:** Current law provides that a person can be disqualified from public employment, or from receiving a state-issued professional license, if the position being sought directly relates to a crime for which the person has previously been convicted, unless the person can show “sufficient evidence of rehabilitation.” That law was modified this year to provide that “competent evidence of sufficient rehabilitation,” includes having been honorably discharged from the United States armed forces for military service rendered following conviction for any crime that would otherwise disqualify the person from the public employment or the license sought.
- **County fairs:** \$2 million allocated for distribution in equal amounts to each of the state’s county fairs to enhance arts access and education, and to preserve and promote Minnesota’s history and cultural heritage.
- **Beer educator:** Authorized the issuance of on-sale liquor licenses to “malt liquor educators.” Local units of government granted the authority to prohibit “malt liquor education” within their jurisdictions. “Malt liquor educators” teach others about the various aspects of beer in order for them to gain a greater appreciation for “barley pop.” This new law mirrors an existing law governing “wine educators.”
- **Gas payments at stations:** Prohibited local units of government from requiring any particular form of payment for motor fuel sales, such as pre-pay.

- **Personal contact information for governmental alerts:** Classifies telephone numbers, e-mail addresses, internet user names, and any other similar data as private data if the data is collected, maintained or received by a government entity for notification purposes, such as receiving snow emergency information, city council meeting agendas, etc. at the individual's request.
- **Personal contact information for community crime prevention:** Classified the mailing addresses, e-mail addresses, GPS locations, and internet account information of volunteers participating in community crime prevention programs as private data.
- **Product stewardship:** Required paint manufacturers to establish waste collection and recycling programs in Minnesota for their products. The goal of this product stewardship requirement is to reduce the financial burden on counties for disposal of unused paint. This same approach has been used in the past to collect and recycle electronic products. Local governments are encouraged to participate in the program.
- **Frac sand mining ordinance library:** Directed the Environmental Quality Board to create and maintain a library on local government ordinances and local government permits that have been approved for regulation of silica sand projects for reference by local governments.
- **Frac sand mining standards and criteria:** Directed the Environmental Quality Board to develop model standards and criteria for mining, processing, and transporting silica sand. These standards and criteria can be used by local units of government in developing their own ordinances.
- **Frac sand mining technical assistance team:** Directed the Environmental Quality Board to assemble a silica sand technical assistance team to provide local units of government, at their request, assistance with ordinance development, zoning, environmental review and permitting, monitoring, or other issues arising from silica sand mining and processing operations. The Board will also develop model standards and criteria for mining, processing, and transporting of silica sand.
- **Frac sand mining – local moratorium may be extended:** Notwithstanding MN Statutes, sections 394.34 and 462.355, subdivision 4, until March 1, 2015, a local unit of government may extend for one year an interim ordinance or renew an expired ordinance prohibiting new or expanded silica sand projects, as defined in MN Statutes, section 116C.99, and extend the ordinance an additional year by resolution of the local unit of government.

Thank you for your dedicated work for our community; I look forward to our continued association. Please always feel free to contact me whenever I can be of assistance.

Sincerely,



Joe Radinovich  
State Representative



Currently ☀️ 82°	Today ☀️ 91°	Tonight ☁️ 72°
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## County to hire seven financial assistance specialists

By Sun Focus Editor on July 3, 2013 at 1:58 pm

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*Positions will prepare county for Affordable Care Act implementation*

By Peter Bodley-ABC Newspapers

Anoka County continues to gear up to handle changes that will come with implementation of the federal Affordable Care Act later this year.

Anticipating a significant increase in the number of applicants for health care coverage through the Medical Assistance program starting Oct. 1, the Anoka County Board in March approved hiring ahead 14 financial assistance specialist positions in the economic assistance department.

On the recommendation of its management committee, the board June 25 authorized the hiring ahead of seven more.

According to Jerry Vitzthum, the county's economic assistance department and job training center director, 13 of the 14 positions approved by the board in March have been filled.

But the county has lost nine financial assistance specialists since then, Vitzthum said.

"So we are only ahead by four," he said.

The department employs about 100 financial assistance specialists, according to Vitzthum.

There is also a long training period for the new hires, which is exacerbated by the caseload growth and the need for staff to work in multiple systems, Vitzthum said.

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For new hires, there is a three-month classroom training process before they are ready to take on even a small caseload with staff working with them and it is usually a year before they are fully up to speed, according to Vitzthum.

All the training takes place in-house, Vitzthum said.

"The expansion of eligibility for the Medical Assistance program is estimated to increase Anoka County's Medical Assistance workload by 20-30 percent," he said.

"This is on top of the significant caseload growth of 40 percent over the past five years."

In fact, Vitzthum said he expects the growth spike to continue for some 18 months to April 2015.

Those that apply for coverage and are eligible will be managed by the counties under the federal legislation, he said.

Besides the jump in caseload, all current cases have to be converted to a new web-based eligibility platform starting in October, according to Vitzthum.

This will take place in stages with cash and food programs to be done last in a time frame that is not known at this time, but completion is expected by 2016, Vitzthum said.

"This will require staff to work in multiple systems until the conversion is completed," he told the county board.

This means double entry into systems of data for households on Medical Assistance, food stamps or cash programs, which will increase the time to process applications and changes, Vitzthum said.

While receiving authorization to hire ahead the seven new positions, Vitzthum anticipated some of them will be left vacant if the workload decreases, he said.

"This will be evaluated on an ongoing basis," Vitzthum said.

According to Vitzthum, an increase in federal dollars for Medical Assistance is expected to pay most of the cost of the new hires.

But that is by no means certain, Vitzthum said. "The devil lies in the details," he said.

However, there is also one-time funding available in the department's budget through temporary salary dollars, he said.

Commissioner Scott Schulte said he read in a recent StarTribune story about other counties, notably Hennepin County, hiring ahead to deal with the Affordable Care Act impacts.

"The pool appears to be small and getting smaller," he said.

In his presentation to the county board in March, Vitzthum said that a preliminary analysis of additional staff and overtime needs associated with the Affordable Care Act implementation shows the potential for unfunded costs between \$1.2 million and \$1.4 million over a three-year period.

*Editor's note: Peter Bodley is managing editor of ABC Newspapers. Peter Bodley is at peter.bodley@ecm-inc.com.*

**Tags:** Columbia Heights, Fridley

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Public Informational Meeting Notice  
County-State-Aid Highway 12 Construction Project

The Aitkin County Highway Department will be hosting a public meeting to provide information regarding road construction on a 2-mile segment of County State-Aid Highway 12 from State Highway 47 to the north junction of County State-Aid Highway 39. Construction is scheduled to begin in July, 2013 with anticipated completion in October, 2013. This meeting will be held at 7:00 pm on Tuesday, July 23, 2013 at the Aitkin City Hall – 109 First Avenue NW – Aitkin, MN 56431.

John Welle, P.E.  
Aitkin County Engineer

JUL 02 2013

# Minnesota Council of Airports (MCOA)

644 Bayfield Street, Suite #120  
St. Paul, MN 55107

JUL 02 2013

## Monthly News Update (MNU) for July 2013

**The MCOA Board . . .** met June 14<sup>th</sup> at MNDOT and the agenda was completed as presented. There is no scheduled Board meeting for July. **The next MCOA Board meeting will be at 9:30 AM, August 9<sup>th</sup> at the MNDOT Office of Aeronautics.**

**MNDOT Update . . .** The House Appropriations Committee has approved FY 2014 DOT/FAA Funding bill and full details are on the MCOA web site published under "Airport Alerts." Summarily - \$216 million for EAS, \$140 million for contract towers and no funding for Small Community Air Service Development. The House bill now moves to consideration by the Full House of Representatives, although the timing is unclear.

**Foxx Confirmed as USDOT Secretary . . .** Anthony Foxx, Mayor of Charlotte, NC, has been confirmed as the 17<sup>th</sup> U.S. Secretary of Transportation, and could hold a meeting as early as next week once he resigns his mayoral position.

**Airport News . . .** Saab has received site acceptance for its remote tower system after testing in Norway and Sweden. The technology uses cameras and sensors to link several small airports to one facility, offering air-traffic control functions where there was previously no manned tower. "Remote towers hold great potential for safe, cost-effective delivery of air traffic services to new locations and could be a replacement for outdated facilities," said Ken Kaminski, Saab ATM general manager.

### **FAA Encapsulated News . . .**

**Unleaded Fuel by 2018** – The FAA is asking for industry proposals to create a new unleaded fuel that the GA fleet – noncommercial airplanes – can burn by 2018. "We need to work with industry to develop an unleaded fuel that advances aviation safety and improves the environment," said Transportation Secretary Ray Hood.

**FAA Publishes NextGen Plan Update** – FAA has published the 2013 update to its NextGen Plan, which summarizes the past 18 months of activity and outlines what steps are ahead. The document is electronic this year, with no printed copy available and may be downloaded and viewed at [www.faa.gov/nextgen/implementation](http://www.faa.gov/nextgen/implementation)

**FAA Publication Highlights GA/Environmental** - The May/June 2013 issue of FAA Safety Briefing focuses on environmental advances in general aviation. Articles explore ways to "fly green" through new technology and by following environmentally sound practices.

**Meeting Notices . . .** Registration for the National Airports Conference (NAC) is now open at <http://events.aaae.org/sites/130901/>. Scheduled for October 20 – 22 at the Sheraton Nashville Downtown in Nashville, TN, the NAC offers speakers and panel topics that address the needs of airport

officials for strategies that work in today's dynamic aviation environment.

### **In Other News . . .**

**Delta to purchase 49% stake in Virgin Atlantic** – Delta has gained approval from the European Union to purchase a 49% stake in Virgin Atlantic Airways. The move will help Delta expand its trans-Atlantic flights.

**Sun Country to Add Minneapolis – Washington Flights** – Sun Country Airlines announced new non-stop service between MSP/STP Intl and Reagan Washington National, effective August 20<sup>th</sup>. Six non-stop flights and four trips via Lansing, MI., will operate between the two cities each week.

**Wisconsin Sales Tax Hinders Growth in State's Aviation Industry** – A WI state sales tax on parts and labor for the maintenance of privately-owned aircraft puts businesses at a competitive disadvantage to neighboring states, business owners say. Michigan, Ohio, Missouri and Indiana do not charge taxes on maintenance work for private aircraft (recently MN has joined this group).

**Is It Wise to Teach Your Spouse to Fly?** – Flight Instructor Ron Rapp discusses the pros and cons of teaching a spouse to fly. He writes that while it might be less expensive, it is necessary for an instructor to be an authority figure, a task that can be extra difficult when the student is their spouse. It is a call only you can make depending on your situation!

**MCOA Seeks Input . . .** from you each month for articles about you, your airport or airport projects recently completed for the MCOA Monthly News update. All aviation enthusiasts, airports, air shows, communities, and aviation purveyors of service are encouraged to send in news of their airport, community or services to GENAVCON [genavcon@charter.net](mailto:genavcon@charter.net) for publication. If you have news of importance to MN and the MCOA membership about your events or accomplishments, submit your articles including digital pictures to [genavcon@charter.net](mailto:genavcon@charter.net) NLT the 30<sup>th</sup> of each month.

**“Good character, like good soup, is usually made at home”  
Unknown**



**STATEMENT OF BUSINESS TRANSACTED IN  
OFFICE OF COUNTY RECORDER, AITKIN COUNTY**

DURING June, 2013  
DEPOSIT OF CHECK OR CASH \$ 29,353.50 TO AITKIN CO TREASURER

NATURE OF BUSINESS TRANSACTED		AMOUNT OF FEES RECEIVED
UCC		0.00
NOTARY		20.00
NOTARY SURCHARGE	9.2030	Expired 8/1/10
TORRENS		117.00
TORRENS ASSURANCE	9.2031	13.50 ***
COUNTY GENERAL FUND		7714.00
STATE GENERAL FUND	9.2036	5680.50 ***
RECORDER TECH FEE		5410.00
UNALLOCATED		5951.00
STATE WELL CERT.	9.2027	892.50 ***
COUNTY WELL CERT		157.50
BIRTH CERTIFICATES		216.00
CHILDREN'S SURCH.	9.2024	72.00 ***
BIRTH/DEATH SURCH.	9.2022	408.00 *** (96/312)
DEATH CERT.		289.00
2010 LEG. SURCH 144.226 SUBD 3 (b)		240.00 ***
COPIES & C/COPIES		2172.50
<b>TOTAL</b>		<b>29353.50</b>

**WORK DONE FOR VARIOUS COUNTY AGENCIES  
FOR WHICH NO PAYMENT WAS RECEIVED**

RECORDING HONORABLE DISCHARGES	0.00
AITKIN COUNTY	0.00
AITKIN CO ROAD & BRIDGE	0.00
OTHERS	46.00
<b>TOTAL</b>	<b>46.00</b>

AITKIN, MN June 28, 2013

ZIP 537  
YEAR TO DATE 2936  
PREVIOUS YEAR \$28,023.90

*Diane M. Daffety* Recorder  
by *Ant C. Hoppe*, deputy

# Minnesota's 87 Counties Partners in Tax Reform

A publication of the Association of Minnesota Counties.

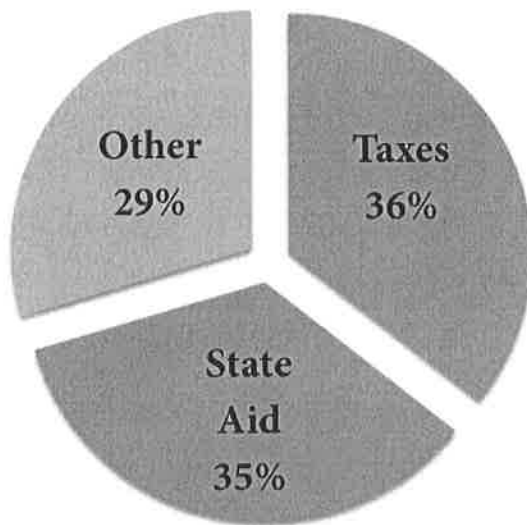
The Association of Minnesota Counties (AMC), which represents the state's 87 counties, wants to be a partner in enacting tax reform that will provide meaningful property tax relief for Minnesotans. **Counties are the most important and biggest piece of the property tax puzzle.** Not only are counties responsible for administering the property tax, counties also levy the largest portion of the tax.

## The Goal of Property Tax Reform

As all Minnesotans know, property tax levies in our state have nearly doubled in the past decade. At the same time, reliance on property taxes within the state's overall tax system has grown considerably. Minnesota's counties believe that state tax reform should prioritize reversing this trend, and reducing the pressures on property tax payers.

## The Roots of Higher Property Taxes

*Minnesota County Revenues 2002*



These dramatic cuts in state aid have shifted the cost of state mandates onto local property tax payers, and driven county levies higher even as real spending has stayed flat.

In order to enact tax reform that will bring real, lasting property tax relief to Minnesotans, the state needs to reestablish and strengthen its fiscal relationship with counties.

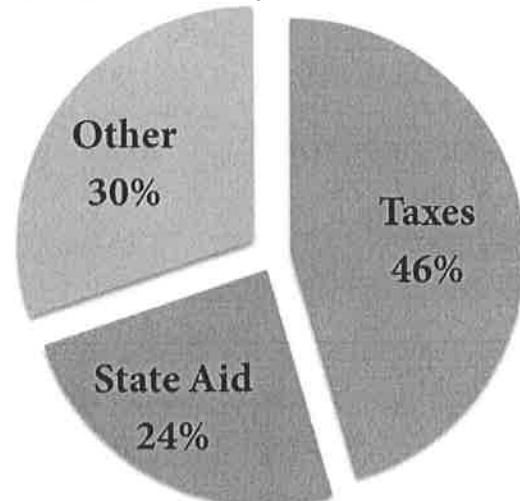
An examination of county finances can help explain the core causes of rising property taxes.

Between 2001 and 2010, inflation-adjusted spending by Minnesota counties *decreased* by 2.8%.

However, flat spending didn't translate to flat tax bills for Minnesota property owners.

That's because over that same time, total state aid to counties was cut by nearly 30%.

*Minnesota County Revenues 2010*



# Reform Strategies to Reduce Property Taxes

## Restore and Strengthen the State-County Fiscal Relationship

Over the past decade, state policymakers have increasingly responded to budget shortfalls not by raising state revenue or cutting services, but by slashing aid and shifting costs on to counties.

**County Program Aid:** This general purpose aid helps reduce property taxes and ensures counties of all sizes and wealth can maintain core services for their citizens. But County Program Aid has been cut by nearly 40% - over \$100 million in annual funding- since 2001. Because so much of a county's work is mandated by the state, counties have had little choice but to turn to property tax payers to make up this lost revenue.

**Shifting State Costs to Counties:** In addition to reducing aid to local governments, the state has also driven up property taxes by forcing counties to pick up a larger share of the costs of administering state-mandated programs and services. Local property tax payers are currently backfilling millions of dollars of state cuts to Sex Offender Civil Commitment, Nursing Homes, Treatment Centers, County-State Aid Roads, and many other areas.

**PILT:** The state of Minnesota makes Payment in Lieu of Taxes (PILT) to local communities to help offset the costs of maintaining, and the loss of tax base from, publicly-owned natural resource lands. AMC supports full funding for PILT, and asks the Legislature to restore the annual inflationary adjustments to flat-rate PILT payments which were eliminated in 2011.

**Reduce Reliance on Property Taxes:** AMC also believes the state should stop requiring local governments to use local property tax dollars to pay state sales taxes on purchases, and grant local governments more authority to explore non-property tax revenue, such as local option sales taxes and wheelage taxes.

**By restoring these deep aid cuts and undoing recent cost shifts, the state can provide real, lasting property tax relief to Minnesotans.**

## Provide Stability and Avoid Volatility

Efficient budgeting requires stable, predictable revenues and costs. However, the state-county fiscal relationship has been anything but stable in recent years. Decreasing aid, last-minute funding cuts, and greater exposure to state-mandated costs have left county leaders struggling to make long-term budgeting and planning decisions.

**This is why AMC recommends the state stop providing homestead property tax benefits through the existing Market Value Homestead Exclusion, and avoid a return to the Market Value Homestead Credit, which too frequently was the target of state budget gimmicks.**

AMC suggests the state instead explore providing these benefits directly to homeowners, in the form of a state-paid credit or refund.

## Help Counties Redesign Government: Pass the MAGIC Act

AMC supports a broad range of government reform initiatives aimed at reducing costs and streamlining government. Freeing counties from costly mandates and providing more tools to spur collaboration will allow counties to explore long-term cost reducing strategies.

The Minnesota Accountable Government Innovation & Collaboration (MAGIC) Act represents the leading edge of government redesign. The MAGIC Act will allow counties and the state to creatively explore more efficient and effective ways of delivering services and responding to local challenges.

**AMC believes that the MAGIC Act and other local government redesign initiatives should be part of the state's overall efforts to reform government and bring down property taxes. ■**

December 2012



*The Association of Minnesota Counties (AMC) is a voluntary statewide organization that assists the state's 87 counties in providing effective county governance to the people of Minnesota by seeing that legislation and policies favorable to counties are enacted as well as by providing educational programs, training, research and communications for county officials and staff.*



## ***County Transportation Governance Bill***

**H.F. 709 (Sawatzky) / S.F. 583 (Pederson)**

The County Transportation Governance Bill is a bipartisan initiative supported by the Association of Minnesota Counties (AMC) and the Minnesota County Engineers Association (MCEA) expanding two local government funding mechanisms that would help achieve regional equity and flexibility in local transportation funding.

- 1. Expands local government authority to impose a wheelage tax statewide, and raises the allowable amount to up to \$20 to be collected with annual vehicle registration.**

*Currently, wheelage tax authority exists only within the 7 county metro area at the amount of \$5. This bill would give the remaining 80 counties in Greater MN the authority to impose this fee by county board action and use the revenue for county road and bridge systems. It would also raise the allowable amount, giving the both the metro and Greater Minnesota flexibility in utilizing this revenue source.*

- 2. Removes the referendum requirement for the Local Option Sales Tax for Transportation in Greater Minnesota.**

*While both the Metro and Greater Minnesota counties have the authority to levy a sales tax on retail purchases for transportation needs, a referendum is required in Greater MN, while the metro area can impose the tax by county board. The metro area has successfully done so and formed the Counties Transit Improvement Board (CTIB). To date, no Greater MN county has utilized the local funding option (which could go to roads, bridges or transit needs) because of the referendum requirement. As county transportation needs are unmet by an increasing margin annually, locally initiated funding options should be equally available to all counties, to avoid continual property tax increases.*

*The allowable rate is up to one half of one percent, and includes a one-time \$20 excise fee on retail vehicle purchases, as the sales tax does not apply to this retail category. The tax is project specific and "blinks off" after project completion.*

Both of these proposals were specifically endorsed by the Governor's Transportation Finance Advisory Committee (TFAC), a diverse, bi-partisan committee of business, labor, legislative, local government, academic, and financial leaders.

**Please contact Abbey Bryduck, AMC Transportation & Infrastructure Policy Analyst,  
for more information: [abryduck@mncounties.org](mailto:abryduck@mncounties.org) (651)789-4339**

# 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](mailto: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](mailto:Erdmann@mncounties.org) or 651-789-4345.

# 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.

# Transportation & Infrastructure

For additional information on this section, please contact Abbey Bryduck, Policy Analyst, at 651-789-4339 or [abryduck@mncounties.org](mailto:abryduck@mncounties.org)

## TRANSPORTATION

### Transportation Governance Bill

#### *Wheelage Tax Expansion*

All 87 counties are now authorized to levy, by board resolution, a \$10 per vehicle wheelage tax. Previously, only the seven counties in the Twin Cities Metropolitan Area were authorized to levy this tax at \$5 per vehicle. The new legislation increases the amount to \$10 – an automatic change in those 5 counties that currently levy the tax – with the ability to impose a rate of up to \$20 per vehicle in 2018 and subsequent years. The wheelage tax does not apply to all vehicles registered in a county, exceptions include vehicles that are not renewed annually (i.e. collector vehicles), trailers and semitrailers, motorcycles and tax exempt vehicles. Funds from the tax must be deposited in the county's road and bridge fund and can only be used for "highway purposes" as defined by Article 14 of the Minnesota Constitution. Counties have the option of collecting the tax themselves or delegating that to the registrar of motor vehicles to be collected as part of the tab renewal process. All of the counties that are currently collecting a wheelage tax have asked the state to do the collection and payments are issued to the counties on a monthly basis. If a county wishes to implement the tax for 2014 and have the state do the collection, they must notify the state by August 1 of this year.

#### *Removal of Referendum Requirement for Local Transportation Sales Tax*

Greater Minnesota counties can now enact up to a ½-cent sales tax for transportation by board action, without holding a referendum. The language was also changed on the use of the funds so that the funds may be used for both capital and operating costs for transit as well as capital costs related to the Safe Routes to School program.

**Status:** *Signed into law; Chapter 117*

### Transportation Finance Bill

After many stops and starts, the Transportation Omnibus Finance Bill passed without a gas tax increase or a metro transit sales tax. The bill included two priority items from the AMC Transportation Governance bill described above, as well as the following items:

- **Corridors of Commerce Program:** While no ongoing funding is included, the Corridors of Commerce program is established in law and \$300 million in trunk highway bonds are authorized for the program. The bond authorization is not effective until July 1, 2014. This program is designed to fund to state highway projects that improve commerce in the state. MnDOT is directed to establish a process for project selection that involves accepting recommendations on potential projects from area transportation partnerships and other interested stakeholders in each MnDOT district. Potential projects would be classified as Capacity Development – two-lane segments in corridors with 4-lane segments, or Freight Improvement.

Aitkin County Board of Commissioners  
Request for County Board Action/Agenda Item Cover Sheet



To: Chairperson, Aitkin County Board of Commissioners Date: 7-2-13

Via: Patrick Wussow, County Administrator

From: John Welle

Title of Item: Wheelage Tax Discussion

Requested Meeting Date: 7-9-13 Estimated Presentation Time: 20 minutes

Presenter: John Welle

**Type of Action Requested** (check all that apply)

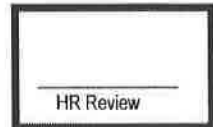
- For info only, no action requested
- For discussion only with possible future action
- Let/Award Bid or Quote (attach copy of basic bid/quote specs or summary of complex specs, each bid/quote received & bid/quote comparison)
- Approve/adopt proposal by motion
- Authorize filling vacant staff position
- Request to schedule public hearing or sale
- Request by member of the public to be heard
- Item should be addressed in closed session under MN Statute \_\_\_\_\_
- Approve under Routine Business
- Adopt Ordinance Revision
- Approve/adopt proposal by resolution (attach draft resolution)
- Other (please list) \_\_\_\_\_

**Fiscal Impact** (check all that apply)

- Is this item in the current approved budget?  Yes  No (attach explanation)
- What type of expenditure is this?  Operating  Capital  Other (attach explanation)
- Revenue line account # that funds this item is: \_\_\_\_\_
- Expenditure line account # for this item is: \_\_\_\_\_

**Staffing Impact** (Any yes answer requires a review by Human Resources Manager before going to the board)

- Duties of a department employee(s) may be materially affected.  Yes  No
- Applicable job description(s) may require revision.  Yes  No
- Item may impact a bargaining unit agreement or county work policy.  Yes  No
- Item may change the department's authorized staffing level.  Yes  No



**Supporting Attachment(s)**

- Memorandum Summary of Item
- Copy of applicable county policy and/or ordinance (excerpts acceptable)
- Copy of applicable state/federal statute/regulation (excerpts acceptable)
- Copy of applicable contract and/or agreement
- Original bid spec or quote request (excluding complex construction projects)
- Bids/quotes received (excluding complex construction projects, provide comparison worksheet)
- Bid/quote comparison worksheet
- Draft County Board resolution (1)
- Plat approval check-list and supporting documents
- Copy of previous minutes related to this issue
- Other supporting document(s) (please list) Informational document



## AITKIN COUNTY COMMISSIONER'S MEMO

**TO:** Aitkin County Commissioners  
Patrick Wussow, County Administrator

**FROM:** John Welle

**DATE:** July 2, 2013

**Regular Agenda Items:**

Wheelage Tax Discussion

**Summary:**

As discussed in the past months, legislative action this past session granted all counties the authority to collect a wheelage tax of \$10 per vehicle beginning in 2014, and any amount up to \$20 beginning in 2018. In addition, counties are authorized to collect an 0.5% local sales tax for transportation projects.

Attached is an informational sheet from the Minnesota Transportation Alliance providing more detailed information on these two new funding programs. Note from this document, it is estimated that Aitkin County would be able to collect approximately \$165,000 annually with the \$10 wheelage tax and approximately \$710,000 annually from the 0.5% sales tax.

With an August 1, 2013 deadline to collect the wheelage tax beginning in 2014, this item is being scheduled for discussion at this time..



MINNESOTA TRANSPORTATION ALLIANCE



**NEW FUNDING FOR  
LOCAL TRANSPORTATION  
-2013-  
WHEELAGE AND  
SALES TAX CHANGES  
FOR COUNTIES**

## -The Wheelage Tax-

The wheelage tax was authorized by the legislature in 1972 for counties in the Twin Cities metropolitan area at a rate of \$5 per vehicle. The authority to use this tax was not widely embraced because the law at that time required a reduction in the general levy equivalent to the revenue generated by the wheelage tax. The tax revenue must be deposited in the county road and bridge fund and must be used for highway purposes within the meaning of Article 14 of the Minnesota Constitution.

Transportation advocates including the Minnesota Transportation Alliance have been advocating for a number of years for changes to this law including the expansion of the authority and the repeal of the requirement for a corresponding reduction in the general levy. The first change to the law did repeal that requirement. Subsequent to that change in law, additional counties passed resolutions to impose the tax so that by 2013, five of the seven counties in the Twin Cities Metropolitan Area imposed the wheelage tax at \$5 per vehicle.

Advocates continued to push for expansion of the authority to all 87 counties and a change in the rate to allow the tax to be imposed by counties at a rate up to \$20 per vehicle.

During the 2013 Legislative Session, the Transportation Alliance worked to have a bill (SF891/HF931) introduced that would provide additional revenue for highways and transit and the language included the expansion of the wheelage tax to all 87 counties and the authority to charge up to \$20 per vehicle.

The Transportation Appropriations bill that was passed into law in 2013 – Chapter 117 (Article 3, section 4) - did include the expansion of the wheelage tax authority to all 87 counties. The rate was restricted to \$10 per vehicle from January 1, 2014 through December 31, 2017 due to computer programming issues at the Department of Public Safety. After January 1, 2018, all counties will be able to charge an amount up to \$20 per vehicle annually in any increment of a whole dollar. The new tax authority applies to a registration period starting on or after January 1, 2014.

The tax applies to most vehicles, but there are exemptions from the tax. The following vehicles are exempt from the wheelage tax: motorcycles, vertical motorcycles, recreational vehicles, prorate (MN trailer), moped, contract trailer, semi trailer, trailer (farm), state owned tax exempt and tax exempt vehicles, utility trailer, street rod, pioneer, classic, collector and classic motorcycle.

The wheelage tax does apply to: passenger vehicles, pick up trucks, one ton trucks, buses, class 2 city buses, school buses, farm trucks, concrete pump/sweepers, prorate trucks, commercial zone trucks, van pools, commercial trucks and prorate foreign trucks.

A county board may provide for the collection of the wheelage tax by resolution by county officials or it may request that the tax be collected by the state registrar of motor vehicles. If the tax is made collectible by the state registrar, it needs to be certified by the county auditor to the registrar no later than August 1 in the year before the calendar year or years for which the tax is levied.

The costs for each county are determined by the total costs of the program and the number of vehicles domiciled in each of the counties. Counties that pass a resolution imposing the wheelage tax should contact:

Patricia McCormack, Director  
Driver and Vehicle Services Division  
Minnesota Department of Public Safety  
(651) 201-7580  
[patricia.mccormack@state.mn.us](mailto:patricia.mccormack@state.mn.us)

Ms. McCormack will set up a meeting to discuss the costs involved and the set up process.

If all 87 counties were to impose the wheelage tax at the \$10 per vehicle rate, we estimate that the tax would generate approximately \$46.8 million in the coming year. A five-cent increase in the state motor fuel tax would generate approximately \$41 million for the County State Aid Fund. Money generated through the wheelage tax does not have to be spent exclusively on the State Aid system.

### Estimated Revenue of Wheelage Fee by County-2014

\*Estimate based on a \$10 charge per vehicle

DISCLAIMER: These numbers are estimates by Alliance staff for planning purposes only. These estimates were derived from information from the Department of Revenue, state budget forecast and Department of Public Safety.

Aitkin	-----	\$164,700
Anoka	-----	\$2,719,990
Becker	-----	\$313,980
Beltrami	-----	\$342,960
Benton	-----	\$316,240
Big Stone	-----	\$59,830
Blue Earth	-----	\$501,850
Brown	-----	\$284,280
Carlton	-----	\$318,880
Carver	-----	\$734,360
Cass	-----	\$257,940
Chippewa	-----	\$126,450
Chisago	-----	\$538,090
Clay	-----	\$464,070
Clearwater	-----	\$95,220
Cook	-----	\$52,780
Cottonwood	-----	\$122,670
Crow Wing	-----	\$602,430
Dakota	-----	\$3,347,760
Dodge	-----	\$193,600
Douglas	-----	\$360,420
Faribault	-----	\$163,840
Fillmore	-----	\$234,500
Freeborn	-----	\$288,100
Goodhue	-----	\$462,830
Grant	-----	\$73,430

Hennepin	\$8,923,970
Houston	\$196,110
Hubbard	\$190,350
Isanti	\$334,640
Itasca	\$422,630
Jackson	\$108,470
Kanabec	\$147,070
Kandiyohi	\$398,240
Kittson	\$54,560
Koochicking	\$130,110
Lac Qui Parle	\$80,960
Lake	\$108,410
Lake of the Woods	\$44,510
Le Sueur	\$309,940
Lincoln	\$67,610
Lyon	\$244,960
Mahnomen	\$40,540
Marshall	\$114,420
Martin	\$191,820
McLeod	\$356,820
Meeker	\$222,820
Mille Lacs	\$280,420
Morrison	\$344,080
Mower	\$353,010
Murray	\$101,770
Nicollet	\$259,500
Nobles	\$204,820
Norman	\$75,420
Olmsted	\$1,200,540
Otter Tail	\$568,650

Pennington	-\$136,350
Pine	-\$272,900
Pipestone	-\$106,680
Polk	-\$300,800
Pope	-\$114,910
Ramsey	-\$3,801,960
Red Lake	-\$47,440
Redwood	-\$172,220
Renville	-\$173,530
Rice	-\$530,690
Rock	-\$93,880
Roseau	-\$170,200
Scott	-\$1,048,040
Sherburne	-\$778,690
Sibley	-\$147,080
St. Louis	-\$1,687,700
Stearns	-\$1,336,410
Steele	-\$336,200
Stevens	-\$93,660
Swift	-\$112,970
Todd	-\$230,360
Traverse	-\$41,160
Wabasha	-\$236,900
Wadena	-\$150,790
Waseca	-\$181,440
Washington	-\$2,027,890
Watonwan	-\$113,440
Wilkin	-\$75,960
Winona	-\$390,190
Wright	-\$1,119,590
Yellow Medicine	-\$114,420

# -The Local Option Sales Tax-

The authority for a Local Option Sales tax for Transportation was enacted as part of the comprehensive transportation funding bill passed in 2008 – Chapter 152.

Local sales tax authority included in Chapter 152 allowed the seven counties in the Twin Cities Metropolitan Area to impose a ¼ cent local sales tax for transit purposes. Five of the seven counties in the Metropolitan Area have formed a joint powers board – the Counties Transit Improvement Board (CTIB) and have been levying this tax to fund transit projects.

For counties outside of the metropolitan transportation area, a single county or group of counties acting under a joint powers agreement, may impose a local sales tax of up to ½ of one percent and an excise tax of \$20 per motor vehicle. Motor vehicles are not included in the taxable sales that the increased sales tax would apply to so the \$20 per vehicle fee is imposed instead of increasing the sales tax rate on those vehicles.

The Minnesota Transportation Alliance supported removing the referendum requirement for imposition of the local option sales tax outside of the metropolitan transportation area and included this language in SF891/HF931 that was introduced during the 2013 Session.

Under the law passed in 2008, the local sales tax and excise tax authorized outside of the metropolitan transportation area were subject to approval of the voters in each county at a general election. The Transportation Appropriations bill passed in 2013 – Chapter 117 – removed the requirement for holding a referendum in order to impose the tax. Now the tax may be imposed by resolution of the county board or boards following a public hearing.

According to the new language passed in 2013, the proceeds of the tax must be dedicated exclusively to:

- 1) Payment of the capital cost of a specific transportation project or improvement;
- 2) Payment of the costs, which may include both capital and operating costs, of a specific transit project or improvement;
- 3) Payment of the capital costs of a safe routes to school program under section 174.40; or
- 4) Payment of transit operating costs.

The transportation or transit project or improvement must be designated by the board of the county or more than one county acting under a joint powers board. Except for taxes for operating costs of a transit project or improvement, or for transit operations, the taxes must terminate when revenues raised are sufficient to finance the project.

Given that the language refers to “a transportation project”, this precludes developing a list of projects. If the county would like to raise funds for another transportation project after the first one is completed, the Board would need to hold a public hearing and vote to impose the tax for that additional project. The new language was made effective the day following final enactment of the law.



**The administration, collection, and enforcement provisions in Minnesota Statutes section 297A.99, subdivisions 4 and 6 to 12, apply to all taxes imposed under this section.**

MS 291A.99, Subdivision 12 states that 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.

The project must serve a transportation purpose but the language does not specifically require the funding to be used for roadways or bridges. A building that served a transportation purpose would qualify. Bus purchases would not qualify but bus facilities would fall into the category of transit capital.

The 80 counties outside of the Twin Cities Metropolitan Area could generate over \$145 million in new revenue for transportation with the imposition of a ½ cent local sales tax in each county.

### Estimated New Revenue of 1/2 Cent Local Option Sales Tax by County

DISCLAIMER: These numbers are estimates by Alliance staff for planning purposes only. These estimates were derived from information from the Department of Revenue, state budget forecast and Department of Public Safety.

County	2014 Projection	2015 Forecast	2016 Forecast	2017 Forecast
Aitkin	\$710,657	\$732,862	\$755,550	\$775,928
Becker	\$1,965,684	\$2,027,104	\$2,089,860	\$2,146,225
Beltrami	\$2,958,212	\$3,050,643	\$3,145,087	\$3,229,912
Benton	\$2,270,491	\$2,341,434	\$2,413,921	\$2,479,026
Big Stone	\$155,042	\$159,886	\$164,836	\$169,281
Blue Earth	\$7,431,952	\$7,664,169	\$7,901,441	\$8,114,547
Brown	\$1,595,238	\$1,645,083	\$1,696,012	\$1,741,755
Carlton	\$1,492,892	\$1,539,538	\$1,587,200	\$1,630,008
Cass	\$1,335,145	\$1,376,863	\$1,419,489	\$1,457,773

County	2014 Projection	2015 Forecast	2016 Forecast	2017 Forecast
Chippewa	\$847,913	\$874,406	\$901,477	\$925,790
Chisago	\$1,501,782	\$1,548,706	\$1,596,652	\$1,639,715
Clay	\$2,697,808	\$2,782,103	\$2,868,233	\$2,945,591
Clearwater	\$238,281	\$245,726	\$253,334	\$260,166
Cook	\$640,149	\$660,151	\$680,589	\$698,945
Cottonwood	\$447,554	\$461,538	\$475,827	\$488,660
Crow Wing	\$5,565,039	\$5,738,923	\$5,916,592	\$6,076,166
Dodge	\$528,401	\$544,912	\$561,781	\$576,933
Douglas	\$3,350,872	\$3,455,572	\$3,562,552	\$3,658,636
Faribault	\$676,335	\$697,468	\$719,061	\$738,454
Fillmore	\$855,791	\$882,531	\$909,853	\$934,392
Freeborn	\$1,852,329	\$1,910,206	\$1,969,343	\$2,022,458
Goodhue	\$2,169,556	\$2,237,345	\$2,306,610	\$2,368,821
Grant	\$199,030	\$205,248	\$211,603	\$217,310
Houston	\$476,945	\$491,848	\$507,075	\$520,751
Hubbard	\$971,549	\$1,001,906	\$1,032,924	\$1,060,782
Isanti	\$2,185,815	\$2,254,112	\$2,323,896	\$2,386,573
Itasca	\$2,621,603	\$2,703,517	\$2,787,214	\$2,862,387
Jackson	\$421,983	\$435,168	\$448,641	\$460,741
Kanabec	\$403,520	\$416,128	\$429,011	\$440,582
Kandiyohi	\$3,707,096	\$3,822,927	\$3,941,280	\$4,047,578
Kittson	\$153,307	\$158,097	\$162,991	\$167,387
Koochicking	\$843,868	\$870,235	\$897,177	\$921,374
Lac Qui Parle	\$228,715	\$235,862	\$243,163	\$249,722
Lake	\$1,034,945	\$1,067,282	\$1,100,324	\$1,130,000
Lake of the Woods	\$367,650	\$379,137	\$390,875	\$401,417
Le Sueur	\$686,151	\$707,590	\$729,496	\$749,171
Lincoln	\$217,901	\$224,709	\$231,666	\$237,914
Lyon	\$3,012,592	\$3,106,723	\$3,202,903	\$3,289,287
Mahnomen	\$2,189,550	\$2,257,964	\$2,327,867	\$2,390,651
Marshall	\$333,651	\$344,077	\$354,729	\$364,296
Martin	\$272,753	\$281,276	\$289,983	\$297,804
McLeod	\$999,047	\$1,030,263	\$1,062,158	\$1,090,805
Meeker	\$960,449	\$990,459	\$1,021,122	\$1,048,663
Mille Lacs	\$956,073	\$985,946	\$1,016,469	\$1,043,884
Morrison	\$1,278,816	\$1,318,773	\$1,359,600	\$1,396,270

County	2014 Projection	2015 Forecast	2016 Forecast	2017 Forecast
Mower	\$1,645,381	\$1,696,792	\$1,749,322	\$1,796,502
Murray	\$297,729	\$307,031	\$316,537	\$325,074
Nicollet	\$1,210,139	\$1,247,950	\$1,286,585	\$1,321,285
Nobles	\$1,243,448	\$1,282,300	\$1,321,999	\$1,357,654
Norman	\$231,206	\$238,430	\$245,812	\$252,441
Olmsted	\$12,370,865	\$12,757,402	\$13,152,353	\$13,507,079
Otter Tail	\$4,250,850	\$4,383,671	\$4,519,383	\$4,641,274
Pennington	\$1,013,325	\$1,044,987	\$1,077,339	\$1,106,395
Pine	\$987,294	\$1,018,142	\$1,049,663	\$1,077,973
Pipestone	\$419,038	\$432,131	\$445,509	\$457,525
Polk	\$1,417,451	\$1,461,740	\$1,506,994	\$1,547,638
Pope	\$381,071	\$392,978	\$405,144	\$416,071
Red Lake	\$147,392	\$151,998	\$156,703	\$160,930
Redwood	\$944,642	\$974,159	\$1,004,317	\$1,031,404
Renville	\$539,592	\$556,452	\$573,679	\$589,152
Rice	\$2,710,126	\$2,794,806	\$2,881,329	\$2,959,040
Rock	\$319,699	\$329,688	\$339,895	\$349,062
Roseau	\$725,808	\$748,486	\$771,658	\$792,470
Sherburne	\$7,761,566	\$8,004,082	\$8,251,877	\$8,474,435
Sibley	\$3,830,620	\$3,950,311	\$4,072,607	\$4,182,447
St. Louis	\$301,989	\$311,425	\$321,066	\$329,725
Stearns	\$11,560,101	\$11,921,305	\$12,290,372	\$12,621,850
Steele	\$2,869,528	\$2,959,188	\$3,050,801	\$3,133,082
Stevens	\$616,754	\$636,025	\$655,715	\$673,400
Swift	\$457,405	\$471,697	\$486,300	\$499,416
Todd	\$505,402	\$521,194	\$537,329	\$551,821
Traverse	\$119,427	\$123,159	\$126,972	\$130,396
Wabasha	\$644,005	\$664,128	\$684,688	\$703,154
Wadena	\$796,674	\$821,566	\$847,001	\$869,845
Waseca	\$698,379	\$720,201	\$742,497	\$762,523
Watonwan	\$410,464	\$423,290	\$436,394	\$448,164
Wilkin	\$139,622	\$143,984	\$148,442	\$152,446
Winona	\$2,738,739	\$2,824,313	\$2,911,749	\$2,990,281
Wright	\$6,548,722	\$6,753,342	\$6,962,416	\$7,150,196
Yellow Medicine	\$355,330	\$366,432	\$377,776	\$387,965

**Joe Radinovich**  
State Representative

District 10B  
Aitkin and Crow Wing Counties



Handout  
Board Discussion  
**Minnesota**  
**House of**  
**Representatives**

June 28, 2013

Charlie Zelle, Commissioner  
Minnesota Department of Transportation  
395 John Ireland Boulevard  
St. Paul, MN 55155

Dear Commissioner Zelle:

I write to express my strong support for MnDOT reducing the speed limit from 50 miles per hour to 45 miles per hour on Highway 169 just south of Aitkin.

This stretch of roadway is the main route through Aitkin County and the City of Aitkin. Particularly during the summer months it sees an increased volume of tourist traffic. Highway 169 supports a great deal of commercial businesses, like Shopko. When pulling out from these stores motorists are faced with vehicles traveling at 50 mph or over, and it is difficult to safely enter the roadway under these conditions.

MnDOT has been reviewing survey data to support a reduction in the speed limit, but according to Tom Dumont of the St. Cloud District the data is insufficient at this point. Having said that, as a legislator from this district I know first-hand how crucial it is from a public safety standpoint that the speed limit be reduced, and respectfully request that MnDOT make such a change.

Thank you for your consideration of this request, and I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Radinovich".

Joe Radinovich  
State Representative

Cc: Mark Wedel, Chair of Aitkin County Board



**SCOTT A. TURNER**  
**SHERIFF OF AITKIN COUNTY**

217 Second Street NW  
Aitkin, MN 56431

218-927-2138 Emergency 911  
Sheriff Fax 218-927-7359 / Dispatch Fax 218-927-6887  
TOLL FREE 1-888-900-2138

Handout -  
Radio  
Update

MEMO

To: Aitkin County Board of Commissioners

Date: July 9, 2013

From: Sheriff Scott Turner

Re: Radio System Update

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Attached is six- page document from GeoComm for the local ARMER enhancement site in Aitkin. It also includes estimated costs associated with the enhancement site. It involves placing equipment on the local GRE Tower just south of Aitkin – not constructing another tower.

In those estimates is a line item for a shelter that will be needed to house the equipment. Also attached are some examples of pricing on “used” shelters. There is a significant savings by going with a used shelter.

Also, to bring everyone up-to-date on the project expenditures:

<b>Budget:</b>	\$3,300,000	
Project –to-date expenditures: (Aitkin County costs)	\$1,796, 208.51	(offset by grants in the amount of \$352,800 and some direct purchase end-user radios from grants)
Amount of original budget <b>Remaining:</b>	<b>\$1,503, 791.49</b>	

## **Aitkin County, Minnesota**

### **ARMER Local Enhancement Tower Site Implementation Plan**

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Since Aitkin County's conversion to the State of Minnesota 800 MHz ARMER in early 2013, it has been documented that the radio system coverage for portable (hand held) radios within the City of Aitkin has been less than required for reliable public safety communications, especially when the radio users are inside of the various building structures. This situation had been predicted in the project planning documents, but Aitkin County had elected to wait until the State's tower sites within Aitkin County were fully constructed and operational before making a commitment and expenditure on the development of a local enhancement tower site in the City of Aitkin area. Unfortunately, the distance from the closest ARMER tower sites to the City of Aitkin area (~10 miles) has resulted in the diminished in-building coverage. Some EMS/First Responder personnel located a mile or two southeast of Aitkin have also reported poor coverage in that general area. As such, Aitkin County has chosen to move forward with the implementation of an 800 MHz ARMER local enhancement tower site near the City of Aitkin to resolve these coverage issues.

This document presents a plan for Aitkin County to move forward with the purchase and installation of the needed equipment for this Local Enhancement site project.

### **Local Enhancement Site Requirements**

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The development of an ARMER Local Enhancement tower site requires numerous technical and administrative elements to be addressed, as follows:

1. State of Minnesota/MnDot approvals
2. Construction or leasing of local tower structure
3. Equipment shelter to house the radio system equipment; electrical service and emergency power generator
4. Purchase and installation of 800 MHz repeater system and network control/interface equipment
5. Microwave or T-1 connectivity of the site into the ARMER network
6. 800 MHz frequencies and FCC licensing

A review of each of these project elements is provided herein, along with the status of each item. Some work has already commenced on several of these project components, which is documented here. The following topics are also addressed in this plan:

7. Project cost estimates
8. Project schedule

## **I. State of Minnesota and Mn/Dot Approval**

The operation of any local enhancement tower site(s) must be approved by the State of Minnesota and MnDot, through the Operations and Technical Committee (OTC) and State Radio Board (SRB). The original ARMER Participation Plan that was developed for Aitkin County in 2010 and presented to the various State agencies included a new local enhancement tower site in the City of Aitkin area. However, upon the County's earlier decision not to implement this tower site, a letter was submitted to the OTC and SRB in October 2012 stating the County's revised plans.

Because of that documented change, and the County's now-revised intent to move forward with the new tower site, MnDot, the OTC and SRB must again be notified and approve of the County's plans for the new tower site.

- GeoComm submitted to MnDot on June 12, 2013 a notice of the County's plans to move forward with the new site, along with some basic technical information about the site. MnDot staff notified GeoComm on June 28, 2013 that they have no objection to the new site, and approve of its development.
- GeoComm has prepared a letter to the OTC and SRB, stating the County's revised plans, and will be presenting this to the OTC at their meeting on July 9, 2013. No objections are expected in response to the presentation of this revised tower plan.

## **2. Local Tower Site Structure**

The first and most logical choice for a local tower site is the existing GRE (Great River Energy) structure, which is located 2 miles south of downtown Aitkin. This is a 284-ft guyed tower that was constructed in 2011, and is in excellent condition. Aitkin County is currently a tenant on this tower, and operates both VHF and microwave system equipment. There is no monthly fee or rent that is currently being charged by GRE to Aitkin County for the use of the tower site.

GeoComm first contacted the GRE tower site management staff (Dennis Olson) on May 21, and he provided verbal approval for Aitkin County to utilize their Aitkin tower site for the installation of 800 MHz radio system equipment. He stated that the unused antenna mounts now on the tower at the 230 ft level, where Aitkin County currently has a VHF paging antenna installed, should be available for the installation of two 800 MHz antennas (one for transmitting, one for receiving). He directed us to submit a revised tower site lease/usage application to them with the proposed equipment configuration.

The 800 MHz RF coverage maps prepared by GeoComm and provided to Aitkin County, utilizing the GRE tower site, show excellent coverage throughout the city and surrounding areas.

- This revised tower site lease application was prepared and submitted to GRE on June 12, 2013. No further response has been received from GRE at the time this plan is being prepared.

The GRE staff advised that the tower structure was designed for additional antenna loading, and no structural analysis of the tower should be needed for the installation of the new Aitkin County antennas. However, Mr. Olson did state that their radio equipment shelter is relatively full, and that Aitkin County will be required to supply and install separate radio equipment shelter at the tower site for the County's radio system equipment.

### **3. Radio Equipment Shelter, Emergency Generator and Electrical Service**

As GRE has advised that their existing radio equipment shelter is full, and there is no room for the additional Aitkin County equipment, the county will be required to supply a shelter at the site for the new 800 MHz equipment. There are typically a few options for this, including the construction of a building on-site with local contractors, or the purchase and installation of a prefabricated shelter, which would be delivered to the site and installed complete. The prefabricated shelter is usually the preferred option, as the buildings are delivered prewired, with all electrical cabling, overhead cable ladders, HVAC equipment, antenna cable ports, and other items needed for a complete installation. The State of Minnesota has chosen to use this approach at most of their new tower sites established for the ARMER system.

We assume that in addition to the new 800 MHz equipment, the existing VHF and microwave radio equipment now in the GRE shelter would be relocated to the new Aitkin County shelter. Based on this information, we assume a shelter of 12 ft x 18 ft would be appropriate size, depending on the generator situation (refer to the next paragraphs).

Another factor that will need to be determined is whether Aitkin County will need to supply and install a propane-powered emergency electrical generator. GRE stated that it may be possible to connect the new Aitkin County shelter and equipment to GRE's existing generator, but it will depend on the total radio electrical power requirements. We are in the process of determining what the power load will be for all of the Aitkin County equipment, including the new 800 MHz stations, VHF paging station, and microwave radios.

If the calculated load exceeds what GRE is capable of providing, then the county will need to supply a generator. The typical size of generator used for these radio sites is 20kw or 25kw. The other decision to be made is whether to purchase an equipment shelter with a separate room to house the generator (to protect it from weather and animals) as has been done with the GRE shelter, or to install the generator outdoors in a weather-and-critter-proof housing.

The primary vendor for the radio equipment shelters being used by the State of MN is Thermobond, located near Sioux City, Iowa. We have contacted Thermobond to see what options are available, and how quickly a shelter could be supplied. All of their shelters are custom built to customer requirements, and as such they do not have any shelters on hand to be sold immediately. Their typical delivery time is 60 to 90 days.



Some electrical work will be needed to supply power to the new shelter. If the calculated electrical load allows connection to the GRE building, this will be simplified. If not, then new electrical service from the local power utility would be needed for the new shelter.

#### **4. 800 MHz Radio System Equipment**

The main 800 MHz repeater and network interface equipment needed for the new tower site will be purchased directly from Motorola. GeoComm initially contacted the Motorola staff and presented them with a brief overview of the new site on May 23, 2013. Motorola advised that the preferred approach would be for GeoComm to submit the site's technical requirements to Motorola via their "Statement of Requirements" (SOR) document.

- GeoComm prepared the required SOR and submitted it to Motorola on June 24, 2013. Staff Engineer Bre Krech has been assigned to this project; she had worked with Aitkin County on the original system implementation project.

Bre has responded with a few basic technical questions, and GeoComm provided responses to those questions. We are now waiting for a response from Chris Meier, the Motorola sales account rep, with information regarding how soon a proposal will be received from Motorola. Chris has indicated that a proposal should be ready before the end of July.

Once the proposal has been received and reviewed, a contract will be established between Aitkin County and Motorola for the equipment and services.

#### **5. Microwave/T-I Connectivity**

Connectivity from the GRE tower site to the State's Master Site in Duluth will be needed for operation of the new 800 MHz local enhancement tower site. Aitkin County currently has microwave equipment located at the GRE site which is linked to the Glen ARMER tower site; we have notified Granite Electronics of the need for this circuit, and they have advised that there is a "spare" T-I available in the county's existing microwave path to meet this need.

- GeoComm contacted the State of MN/MnDot staff on June 12 regarding the need for a T-I circuit "mapped out" from the Glen ARMER tower site to the Duluth MSO for operation of the new GRE tower site. MnDot staff advised on June 28 that a T-I circuit has been allocated from the Glen site to Duluth for operation of the new site, and this circuit should be ready for the county's use by the time the site equipment has been installed.

## 6. 800 MHz Frequencies and FCC Licensing

A set of five (5) 800 MHz repeater channels will be needed for the operation of the new tower site. The State of Minnesota/Region 22 NPSPAC channel plan, which was established many years ago, had allocated a group of five repeater channels for use by Aitkin County for this purpose.

- GeoComm is in the process of preparing an FCC license application for the use of these 800 MHz channels for the new GRE tower site. This application will first be submitted to the State of MN/Region 22 NPSPAC committee for approval, and then forwarded to APCO for processing, approval, and submission to the FCC. Aitkin County will be responsible for the payment of the application fees associated with this license.

## 7. Project Cost Estimates

GeoComm has developed the following cost estimates for the Aitkin County ARMER local tower site project:

Item No.	Item	Est Cost	Vendor
1.1	800 MHz Site Repeater and Network Equipment	\$178,000	Motorola
1.2	Implementation Services for new Site Equipment (Motorola)	\$133,000	Motorola
2.0	Antennas, transmission line, grounding and installation services	\$20,000	Granite
3.0	Microwave System Updates	\$5,000	Granite
4.0	Equipment Shelter with Generator (new, installed)	\$70,000	TBD
5.0	Misc. Electrical Work	\$10,000	TBD
6.0	FCC Licensing	\$2,000	GeoComm
7.0	5% Contingency	\$20,900	NA
	<b>Total Estimated Cost</b>	<b>\$438,900</b>	

The costs of the Motorola equipment are based on recent ARMER system equipment purchases made by other neighboring counties. The cost of the equipment shelter will vary depending on the size of the building, and the emergency generator options.

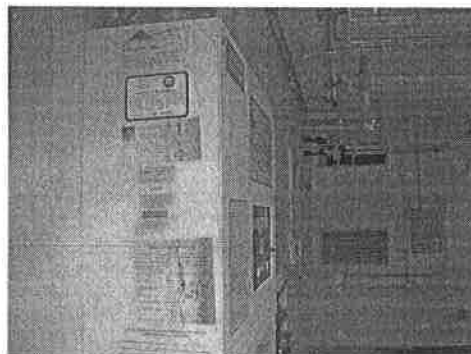
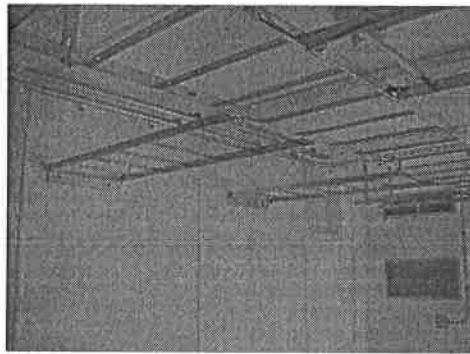
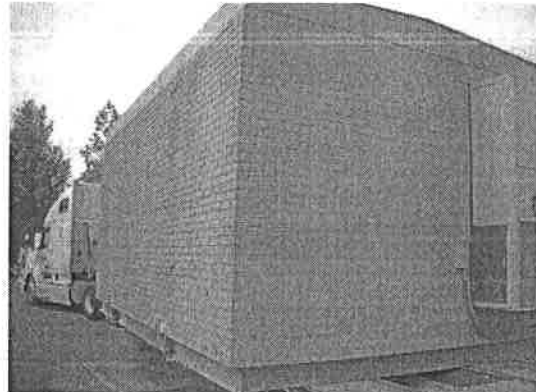
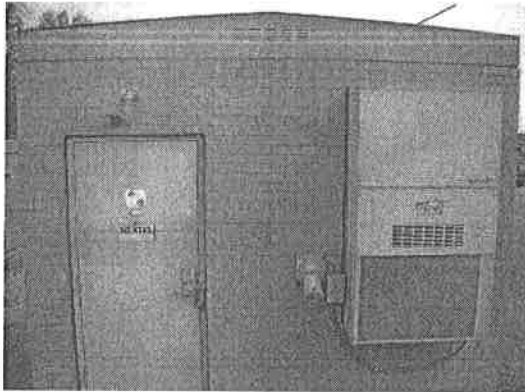
## 8. Project Schedule

The following estimated schedule has been established for this tower site project:

June 24	SOR submitted to Motorola
June 28	Approval received from State of MN
July 10	Present revised plan to State OTC
July 12	Submit FCC licensing application to Region 22 and APCO
July 16	Determine options for new equipment shelter
July 22	Proposals received from Motorola and Granite Electronics
August 7	Contract finalized with Motorola and Granite Electronics
August 9	Order/purchase equipment shelter
August 19	Finalize tower site lease agreement with GRE
September 2013	Delivery of equipment from Motorola and Granite
Sept/Oct 2013	Delivery and installation of equipment shelter
Sept/Oct 2013	Installation of antennas and transmission
October 2013	Installation of equipment from Motorola and Granite
Oct/Nov 2013	Optimize site equipment; site becomes operational

# Used 11.5 x 20 Precision Quincy

**\$6995 ( new \$51,000)**



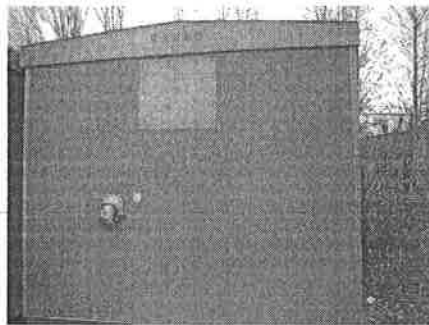
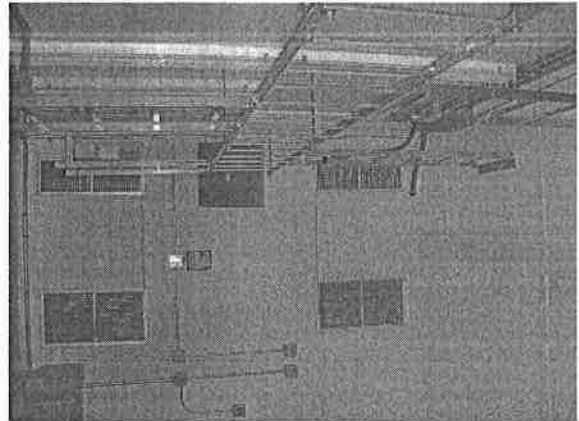
- **2003 Date Of Manufacture**
- **Drawings available, plus extra pics**
- **Price includes crane lift at loading end**
- **Many extras!! Best shelter deal we have!**

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# 12 x 20 Precision Quincy Shelters

**\$10,900 ( new \$43,000 )**



- **Super clean newer units. Loaded with extras**
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