# PUBLIC HEARING LAKE MINNEWAWA LAKE IMPROVEMENT DISTRICT OCTOBER 5, 2013 OFFICE OF COUNTY AUDITOR

The Office of the County Auditor conducted a Public Hearing for the proposed Lake Minnewawa Lake Improvement District (LMLID) on the 5<sup>th</sup> day of October, 2013 at 9:03 a.m. at the McGregor Community Center. In attendance: Commissioners Brian Napstad, Anne Marcotte, Auditor Kirk Peysar, County Administrator Patrick Wussow, Land Records Technician Liz Harmon, and Administrative Assistant Sue Bingham.

The proposed Lake Minnewawa Lake Improvement District Board gave the following presentations:

- 1. Introduction of the proposed LMLID Board of Directors: Pat Rath, President; David Warner, Vice President; Leland Carlson, Treasurer; Bob Bass, Secretary; and Michael Zell. Director.
- 2. History of LID Process
- 3. Target 2014 Budget
- 4. Transition from LMA-centered wording to current proposed By-Laws and Vision Statement
- 5. Stories
- 6. Expected benefits of LMLID
- 7. DNR Advisory Report

Public comments and questions were received from Charles Munson, Walt Grinva, Nancy Karjalahti, Marlis Floe, James Bradley, Cathy Larson, Jim Hollenbeck, Greg Pfeifer, Joel Danko, Al Eld, and Sue Westberg.

Commissioner Marcotte left at 10:30 a.m.

Meeting adjourned at 10:35 a.m.

ATTEST:	
Kirk Peysar	
Aitkin County Auditor	

SEAL

## AITKIN COUNTY LAND DEPARTMENT

**Aitkin County Courthouse** 

209 Second Street N.W. Aitkin, MN 56431 218-927-7364

Fax: 218-927-7249

October 15, 2013

Paula Frings, Owner/CEO Maven Perspectives LLC PO Box 612 Grand Rapids, MN 55744



Dear Paula:

The Aitkin County Board of Commissioners and staff would like to take this opportunity to thank you for your involvement with Long Lake Conservation Center.

Scott Rian, Business and Marketing Manager at Long Lake Conservation Center gave an update on LLCC at the October 8, 2013 County Board meeting. It was very enlightening and encouraging to hear the changes that have already been implemented, and the plan for changes yet to come. LLCC has reached out to a variety of different groups of people, has increased the number of summer campers, has great internet access, and is procuring a mobile climbing wall and a fire tower, to name just a few accomplishments. Scott is also looking at increasing the use of solar energy at Long Lake Conservation Center. At this point in time LLCC is approximately \$33,000 ahead of last year and the future looks bright.

Because of your suggestions, one of which included hiring a Business Manager rather than an educator, Long Lake Conservation Center seems to be heading down the right path.

Once again, thank you for all your help!

Sincerely

Mark Jacobs, Land Commissioner

Ross Wagner, Economic Development & Forest Industry Coordinator

# Minnesota Department of Natural Resources

500 Lafayette Road • St. Paul, MN • 55155-40



October 14, 2013

OCT 16 2013

Mr. Mark Wedel, Board Chair Aitkin County Board Chair Room 130 217 2nd St NW Aitkin, MN 56431

Re: October 25, 2013 State Executive Council Meeting

Dear Mr. Mark Wedel:

This letter is to inform you that the Commissioner of Natural Resources will recommend approval of 31 state non-ferrous metallic minerals leases in Aitkin, St. Louis and Lake Counties at the October 25, 2013 State Executive Council Meeting. The proposed leases are to MMG USA Exploration LLC, Encampment Minerals, Inc., and DMC (USA) LLC. These companies were the high bidders at the Department of Natural Resources' October 24, 2012 Metallic Minerals Lease Sale.

The Commissioner previously recommended approval of these 31 leases at the Executive Council's December 6, 2012 meeting. At that time, the Executive Council deferred action on the leases pending a decision by the Minnesota Court of Appeals on a citizen petition requesting an environmental assessment worksheet for the lease sale. The Minnesota Court of Appeals issued its ruling on September 9, 2013, concluding that the State's sale of mineral leases does not by itself trigger environmental-review requirements under the Minnesota Environmental Protection Act and related rules.

The October 25, 2013 meeting will take place at the following time and location:

**State Executive Council Meeting** 

October 25, 2013

9:00 a.m.

Room 318, State Capitol
75 Rev. Dr. Martin Luther King Jr. Boulevard
St. Paul, Minnesota 55155

Maps showing the proposed lease areas are enclosed.



October 14, 2013 Mr. Mark Wedel Page 2

Should you have any questions about the lease sale or the Executive Council meeting, please contact Susan Damon at 651-259-5961 or <a href="mailto:susan.damon@state.mn.us">susan.damon@state.mn.us</a>.

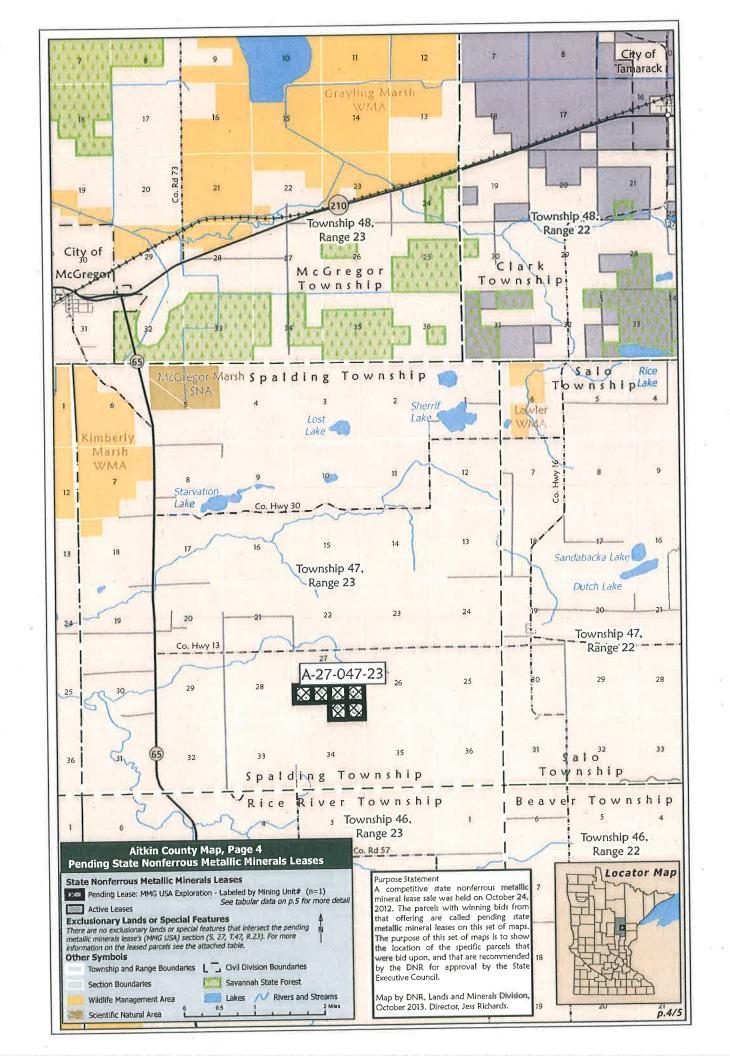
Sincerely,

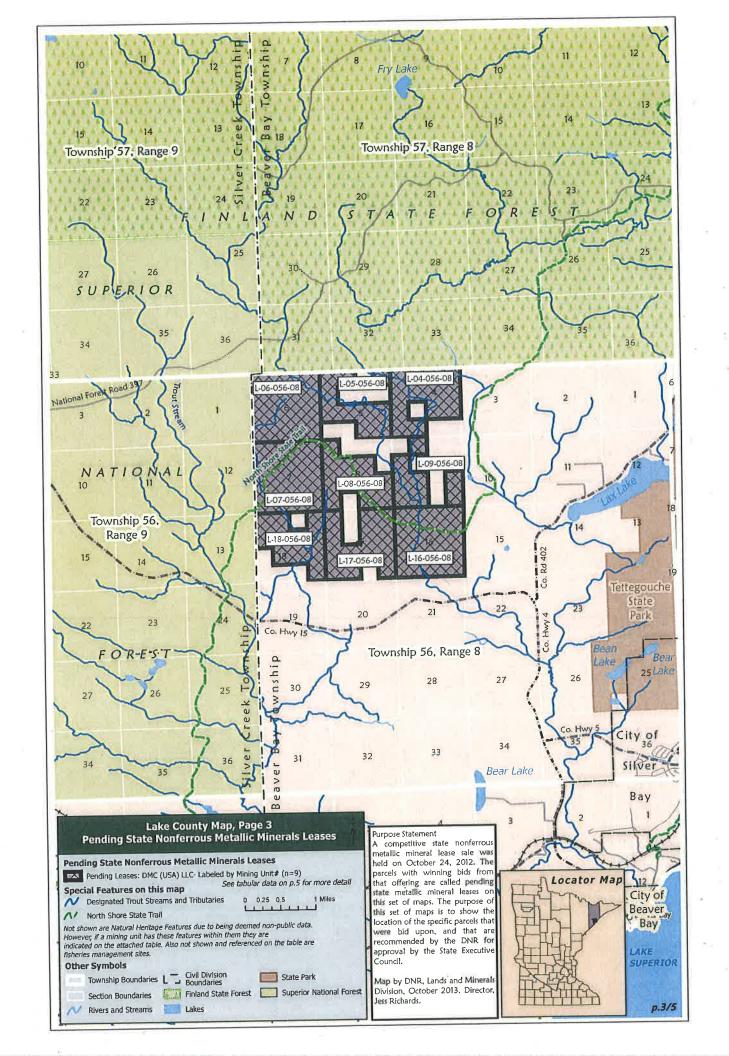
Jess Richards, Director

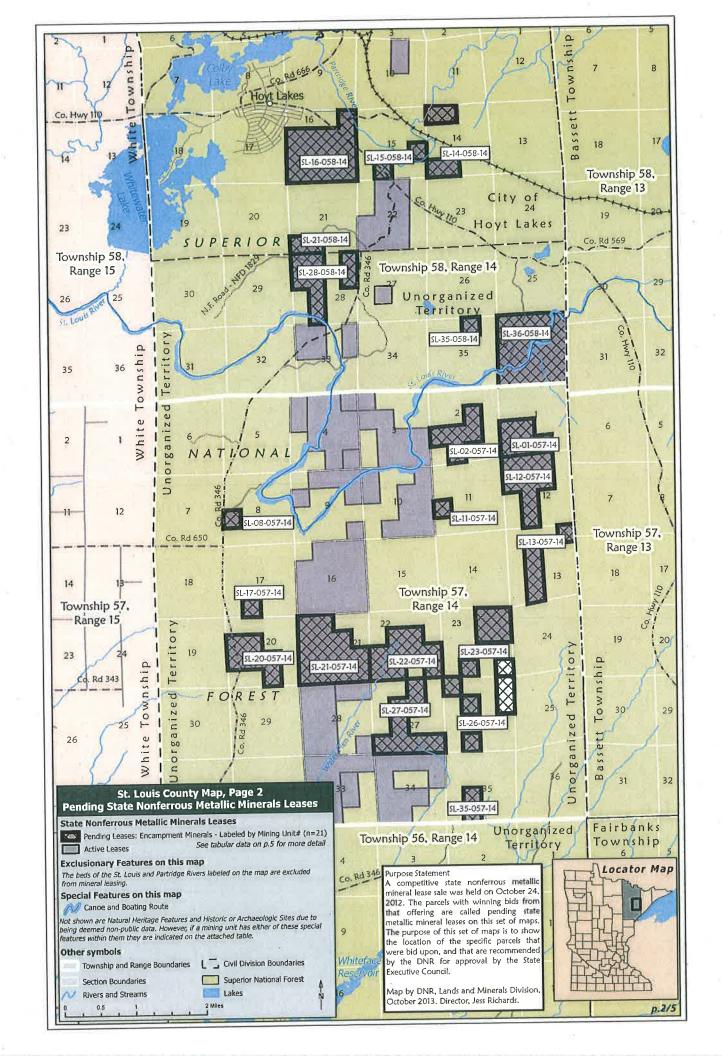
Division of Lands and Minerals

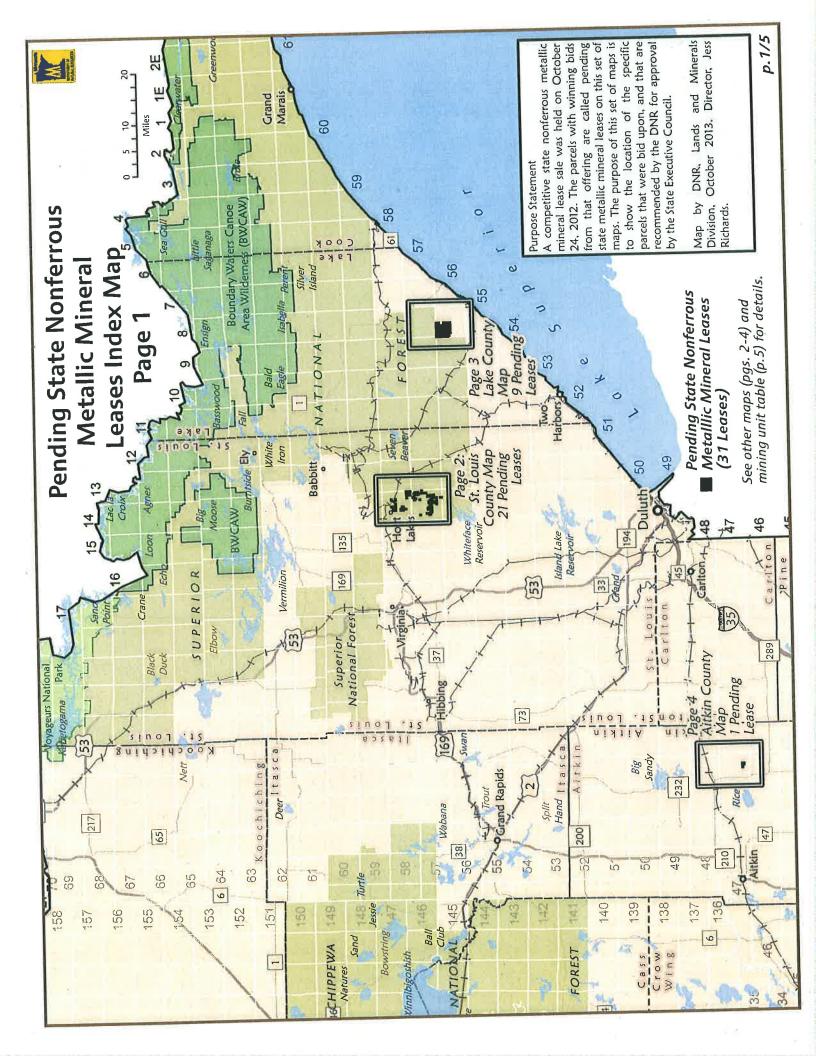
Mining Unit # Displayed	County/Map	Township	Range	Section	Acres	Surface	Section Level Exclusionary Features	Section Level Special Features
Lake County Map. Page 3	Page 3	1					(4)	
1-04-056-08	Lake	26	8	4	500.31	State Surface		Designated trout stream
1-05-056-08	Lake	35	<b>60</b>	÷ 1.5	383.34	State Surface	9	Designated trout stream; fisheries management sites (5W1/4-NW1/4 and N1/2-SN1/4 and W1/2-SE1/4); the North Shore Trail; natural heritage features
1-06-056-08	Lake ::	95	oo 1	9	602.4	State Surface, except Private Surface on SW1/4-SW1/4	- ev	Designated trout stream; fisheries management sites (NE1/4); the North Shore Trail
L-07-056-08	Lake	56	80	7	628.47	State Surface	*	Designated trout stream; the North Shore Trail
F-08-056-08	Lake	56	80	<sub>∞</sub>	440	State Surface	Se.	Designated trout stream; the North Shore Trail
80-950-60-1	Lake	26	80	6	320	State Surface	e	Designated trout stream; fisheries management sites (SW1/4-NW1/4 and SW1/4)
L-16-056-08	Lake	95	∞	16	640	State Surface	E	Designated trout stream; the North Shore Trail
1-17-056-08	Lake	92	∞	17	520	State Surface, except Private Surface on SW1/4-NW1/4 and SW1/4 and NW1/4-SE1/4 and SE1/4-SE1/4	e,	Designated trout stream; the North Shore Trail
L-18-056-08	Lake	26	100	18	435.31	State Surface, except Private Surface on SE1/4-NE1/4 and NE1/4-SE1/4 and SE1/4-SE1/4	8 1 8	Designated trout stream
Aitkin County Map, Page 4	b, Page 4	×				. Ψ		
A-27-047-23	Aitkin	47	23	27	240	Private Surface	100	

The bed of st. louis river  The bed of partridge river  The bed of st. louis river	Mining Unit # Displayed on Maps	County/Map	Township	Range	Section	Acres	Surface	Section level Evelucionese Factorio	24
57         14         1         200         States Surface Federal Surface except State Surface on MI/2-SWI/4 and SEL/4-           57         14         2         200         State Surface Surface on MI/2-SWI/4 and SEL/4-         The bed of fit, louis river           57         14         12         320         State Surface 	St. Louis County M	lap, Page 2						eathles	Section Level Special Features
St. Louis   ST. Louis   ST. 14   S   A0   Surface on NLZ-AWI44 and SE1/4     St. Louis   ST. Louis   ST. 14   11   A0   State Surface     St. Louis   ST. 14   ST. 20   State Surface     St. Louis   ST. 20   Stat	SL-01-057-14	St. Louis	57	14	-	2002			
1.   St. Louis   S7   14   11   40   State Surface   The bed of st. louis river   St. Louis   S7   14   11   40   State Surface   State Surface   St. Louis   S7   14   11   12   320   State Surface   State Surface   St. Louis   S7   14   13   160   State Surface   State Surface   St. Louis   S7   14   13   160   State Surface   State Surface   St. Louis   S7   14   21   320   State Surface   S	SL-02-057-14	St. Louis	57	14	2	200	Federal Surface, except State Surface on N1/2-SW1/4 and SE1/4-		
4         St. Louis         57         14         11         40         State Surface           4         St. Louis         57         14         12         320         Shate Surface         Surface         Surface           4         St. Louis         57         14         12         320         Shate Surface         Shate Surface           4         St. Louis         57         14         17         40         Shate Surface         Shate Surface           4         St. Louis         57         14         20         240         Shate Surface         Shate Surface           4         St. Louis         57         14         21         520         Shate Surface         Shate Surface           5         St. Louis         57         14         22         360         Shate Surface         Shate Surface           1         St. Louis         57         14         23         240         Shate Surface         Shate Surface           1         St. Louis         57         14         23         240         Shate Surface         Next Askard         The bed of partridge river           1         St. Louis         57         14         27         320	SL-08-057-14	St. Louis	57	14	∞	40	State Surface	The bed of st. louis river	Canoe/boating route; historic/archaeologic sites; federal puolic
4         St. Louis         57         14         12         30         State Surface, scorept Federal           4         St. Louis         57         14         12         30         State Surface, scorept Federal           4         St. Louis         57         14         17         40         State Surface, scorept Federal           4         St. Louis         57         14         20         240         State Surface         State Surface           4         St. Louis         57         14         21         520         Federal Surface         State Surface           4         St. Louis         57         14         22         360         State Surface         State Surface         State Surface           5         St. Louis         57         14         23         240         State Surface         State Sur	SL-11-057-14	St. Louis	57	14	11	QV		-	access site (NW1/4-NE1/4); natural
4         St. Louis         57         14         13         160         Surface on WIJ-2/NIE/14           4         St. Louis         57         14         17         40         Stress Surface on SEI/4-MW1/4           4         St. Louis         57         14         20         240         Stress Surface on SEI/4-MW1/4           4         St. Louis         57         14         21         50         Contract on SEI/4-MW1/4           4         St. Louis         57         14         22         360         Stress Surface on SEI/4-MW1/4         Federal Surface           5         St. Louis         57         14         22         360         Stress Surface on REI/4-MW1/4         Federal Surface           6         St. Louis         57         14         27         320         Stress Surface on REI/4-MW1/4         The bed of partridge river         Physics Surface on REI/4-MW1/4           1         St. Louis         58         14         14         160         Stress Surface on REI/4-SW1/4         The bed of partridge river         Physics Surface on REI/4-SW1/4           1         St. Louis         58         14         14         160         Stress Surface on REI/4-SW1/4         The bed of partridge river         The bed of partridge rive	SL-12-057-14	St Louis	57	14	12	320	State Surface State Surface, except Federal		Canoe/boating route
4         St. Louis         57         14         17         40         State Surface, except Federal           4         St. Louis         57         14         20         240         Shate Surface, except Federal           4         St. Louis         57         14         21         520         Shate Surface on SEL/A-NW1/4 and EL/2.           4         St. Louis         57         14         22         360         Surface on SEL/A-NW1/4 and EL/2.           4         St. Louis         57         14         22         360         Surface on SEL/A-NW1/4 and EL/2.           5         St. Louis         57         14         22         360         State Surface on SEL/A-SW1/4 and Surface on SEL/A-SW1	SL-13-057-14	St Louis	57	14	13	160	Surface on W1/2-NE1/4		•
4         St. Louis         57         14         20         240         State Surface on SEL/4-NW1/4           4         St. Louis         57         14         21         520         State Surface on SEL/4-NW1/4         Amount of Secondary State           4         St. Louis         57         14         23         320         State Surface on SEL/4-NW1/4 and EL/2.           5         St. Louis         57         14         23         220         State Surface, except Federal Surface on SEL/4-NW1/4 and EL/2.           1         St. Louis         57         14         26         200         State Surface, except Federal Surface, except Federal Surface on NEL/4-Surface.           1         St. Louis         57         14         26         200         State Surface on NEL/4-Surface.           2         St. Louis         58         14         150         State Surface on NEL/4-Surface.         The bed of st louis river           3         St. Louis         58         14         15         St. Counties except State on NEL/4-Surface.         The bed of st louis river           4         St. Louis         58         14         15         St. Louis except State on NEL/4-Surface.         The bed of st louis river           5         50         14 <t< td=""><td>SL-17-057-14</td><td>St. Louis</td><td>57</td><td>14</td><td>17</td><td>40</td><td>State Sulface</td><td></td><td></td></t<>	SL-17-057-14	St. Louis	57	14	17	40	State Sulface		
4         St. Louis         S7         14         21         S20         Surface on SE1/4-NW1/4         Amount of Enderal Surface Suppose State           4         St. Louis         S7         14         22         360         State Surface on SE1/4-NW1/4 and E1/2           4         St. Louis         57         14         23         240         State Surface on NE1/4 and E1/2           5         St. Louis         57         14         26         200         State Surface on NE1/4 and E1/2           1         St. Louis         57         14         26         200         State Surface on NE1/4 surface on NE1/4 and E1/2           1         St. Louis         57         14         26         200         State Surface on NE1/4 surface except Federal           1         St. Louis         58         14         14         150         State Surface except Federal           1         St. Louis         58         14         15         Private Surface, except State         The bed of st. louis river           2         St. Louis         58         14         23         30         Federal Surface, except State           3         10         20         Surface on E1/2-NE1/4, and City of State Surface         The bed of st. louis river	SL-20-057-14	St Louis	57	14	20	240	State Surface, except Federal		Natural heritage features
St. Louis   S7   14   22   360   Surface on SE1/4-NW1/4 and E1/2.     St. Louis   S7   14   23   240   State Surface except Federal Surface on NE1/4 and E1/2.     St. Louis   S7   14   25   200   State Surface on NE1/4 and E1/2.     St. Louis   S7   14   27   320   State Surface on NE1/4 and E1/2.     St. Louis   S8   14   15   320   State Surface except Federal Surface on NE1/4-NW1/4 and Surface on NE1/4-NW1/4.     St. Louis   S8   14   15   80   Federal Surface except State Surface on NE1/4-SE1/4.     St. Louis   S8   14   15   80   Federal Surface except State Surface on SE1/2-NE1/4, and City of Hort Lekes on SVI-1-NE1/4, and City of St. Louis   S8   14   21   80   Federal Surface except State Surface on E1/2-NE1/4, and City of Hort Lekes on SVI-1-NE1/4, and City of St. Louis   S8   14   21   80   Federal Surface except State Surface on E1/2-NE1/4, and City of St. Louis   S8   14   35   40   Federal Surface except State Surface on E1/2-NE1/4, and City of St. Louis   S8   14   35   40   Federal Surface except State Surface on E1/2-NE1/4 and City of St. Louis inver   St. Louis   S8   14   35   40   Federal Surface except State Surface on E1/2-NE1/4 and City of St. Louis inver   The bed of st. Louis inver   St. Louis   S8   14   35   40   Federal Surface except State Surface   The bed of st. Louis inver   St. Louis   S8   S8   S8   S9   S9   S9   S9   S9	SL-21-057-14	St. Louis	57	14	21	520	Surface on SE1/4-NW1/4		
4         St. Louis         57         14         23         240         State Surface on NE1/4 sexupt         State Surface on NE1/4 sexupt         St. Louis         57         14         26         200         State Surface on NE1/4 sexupt         St. Louis         57         14         27         320         Surface on NE1/4 sexupt         St. Louis         57         14         35         80         Surface on NE1/4 sexupt         The bed of partridge river           1         St. Louis         58         14         14         160         State surface accept Stederal Surface on SE1/4 sw1/4         The bed of partridge river           2         St. Louis         58         14         15         80         Federal Surface on SE1/4 sw1/4         The bed of partridge river           3         St. Louis         58         14         15         80         Federal Surface on E1/2 sw1/4         The bed of st louis river           5         St. Louis         58         14         21         80         Federal Surface on E1/2 sw1/4         The bed of st louis river           5         St. Louis         58         14         21         80         Federal Surface, except State         The bed of st louis river           5         St. Louis         58         14 <td< td=""><td>SL-22-057-14</td><td>St Louis</td><td>57</td><td>14</td><td>77</td><td>360</td><td>Federal Surface except State Surface on SE1/4-NW1/4 and E1/2-</td><td></td><td></td></td<>	SL-22-057-14	St Louis	57	14	77	360	Federal Surface except State Surface on SE1/4-NW1/4 and E1/2-		
4         St. Louis         57         14         26         200         State Surface on NE1/4-SW1/4 and SW1/4-SW1         St. Louis         57         14         27         320         State Surface on NE1/4-SW1/4 and SW1/4-SW1/4 and	SL-23-057-14	St. Louis	57	14	23	240	State Surface, except Federal		
St. Louis   57   14   27   320   State Surface and State Surface   St. Louis   57   14   35   320   Surface on National State Surface   St. Louis   58   14   14   160   State Surface   St. Louis   58   14   15   St. Louis   58   14   21   St. Louis   58   14   21   St. Louis   58   14   21   St. Louis   58   14   35   St. Louis   58   58   59   St. Louis   50   St. Louis   5	SL-26-057-14	St Louis	57	14	26	200	Surface on NE1/4		6.7
St. Louis   57   14   35   80   State Surface	SL-27-057-14	St Louis	57	14	27	320	State Surface, except Federal Surface on NE1/4-SW1/4 and		
St. Louis   S8   14   14   160   State surface, except Federal Surface at NW1/4-NW1/4   The bed of partridge river	SL-35-057-14	St. Louis	57	14	35	OX.	SW1/4-SW1/4.		
St. Louis         58         14         16         Surface at NW1/4-NW1/4         The bed of partridge river           St. Louis         58         14         15         80         Federal Surface on SE1/4-SW1/4         The bed of partridge river           St. Louis         58         14         21         80         Private Surface, except State         The bed of partridge river           St. Louis         58         14         21         80         Private Surface, except State         The bed of st. louis river           St. Louis         58         14         28         320         Federal Surface, except State         The bed of st. louis river           St. Louis         58         14         35         40         Federal Surface on E1/2-SW1/4         The bed of st. louis river           St. Louis         58         14         35         40         Federal           St. Louis         58         14         36         640         Federal	SL-14-058-14	Ct Louis	c L	:		8	State Surface		Natural heritage features
St. Louis         58         14         15         80         Federal Surface on SE1/4-SW1/4         The bed of partridge river           St. Louis         58         14         16         520         Surface on E1/2-NE1/4, and City of Hoyt Lakes on SW1/4-NE1/4.         The bed of st. louis river           St. Louis         58         14         21         80         Private Surface on E1/2-SW1/4.         The bed of st. louis river           St. Louis         58         14         28         320         Federal Surface except State Surface on E1/2-SW1/4.         The bed of st. louis river           St. Louis         58         14         35         40         Federal         The bed of st. louis river           St. Louis         58         14         36         640         State Surface         The bed of st. louis river		St. Louis	28	14	14	160	surface at NW1/4-NW1/4	The bed of partridge river	Natural heritage feature
St. Louis         58         14         16         520         Surface on E1/2-NE1/4, and City of Hoyt Lakes on SW1/4-NE1/4.           St. Louis         58         14         21         80         Private Surface, except State         The bed of st. louis river           St. Louis         58         14         28         320         Federal Surface, except State         The bed of st. louis river           St. Louis         58         14         35         40         Federal         The bed of st. louis river           St. Louis         58         14         36         640         State Surface         The bed of st. louis river	SL-15-058-14	St. Louis	- 1	14	15	80	Federal Surface on SE1/4-SW1/4 and State on NE1/4-SE1/4	The bed of partridge river	Natural heritage features; historic/archeological sites
St. Louis         58         14         21         80         Private Surface           St. Louis         58         14         28         320         Federal Surface, except State Surface on E1/2-SW1/4         The bed of st. louis river           St. Louis         58         14         35         40         Federal         The bed of st. louis river           St. Louis         58         14         36         640         State Surface         The bed of st. louis river	SL-16-058-14	St Louis	28	14	16	520	Private Surface, except State Surface on E1/2-NE1/4, and City of Hoyt Lakes on SW1/4-NE1/4.		Historic/archaeologic Sites
St. Louis         58         14         28         320         Federal Surface, except State Surface on E1/2-SW1/4         The bed of st. louis river           St. Louis         58         14         35         40         Federal         The bed of st. louis river           St. Louis         58         14         36         640         State Surface         The bed of st. louis river	SL-21-058-14	St. Louis	28	14	21	80	Private Surface		
St Louis         58         14         35         40         Federal         The bed of st louis river           St Louis         58         14         36         640         State Surface         The bed of st. louis river	SL-28-058-14	St. Louis	28	14	28	320	Federal Surface, except State Surface on E1/2-SW1/4	The bed of st. louis river	Canoe/hoating route
St. Louis     58     14     36     640     State Surface     The bed of st. louis river	SL-35-058-14	St Louis	28	14	35	40	Federal	The bed of st. louis river	Canoe/boating route;
	SL-36-058-14	St. Louis	28	14	36	640	State Surface	The bed of st. louis river	Canoe/boating route;









Handout

	Pro	posed 2014		Total 2014	% Change
		Budget	Pr	eliminary Levy	from 2013
Martin	\$	23,146,840	\$	11,805,424	3.15%
McLeod	\$	39,764,725	\$	18,709,215	2.27%
Meeker	\$	27,179,148	\$	12,708,485	1.70%
Mille Lacs	\$	309,490,205	\$	14,726,000	0.00%
Morrison	\$	38,652,062	\$	16,600,172	2.33%
Mower	\$	44,886,823	\$	17,603,221	2.20%
Murray	\$	13,867,561	\$	6,014,632	3.94%
Nicollet	\$	34,070,933	\$	17,745,311	9.50%
Nobles	\$	30,188,299	\$	11,565,134	5.69%
Norman	\$	12,558,618	\$	4,829,986	3.45%
Olmsted	\$	169,000,000	\$	82,919,370	1.21%
Otter Tail	\$	80,500,000	\$	33,042,075	3.65%
Pennington	\$	16,907,255	\$	7,446,964	2.05%
Pine	\$	39,470,683	\$	14,497,250	3.00%
Pipestone	\$	14,121,806	\$	4,926,323	5.80%
Polk	\$	58,709,300	\$	20,124,708	2.36%
Pope	\$	16,686,965	\$	8,551,723	4.99%
Ramsey	\$	603,208,714	\$	276,538,351	0.00%
Red Lake	\$	7,788,874	\$	2,308,805	4.10%
Redwood	\$	22,049,082	\$	10,663,427	0.70%
Renville	\$	28,194,285	\$	13,017,049	2.28%
Rice	\$	57,453,282	\$	20,108,780	2.00%
Rock	\$	9,610,990	\$	5,051,779	7.88%
Roseau	\$	20,080,166	\$	6,729,708	2.00%
Scott	\$	118,786,715	\$	57,675,358	1.06%
Sherburne	\$	78,607,129	\$	41,837,700	0.00%
Sibley	\$	26,377,736	\$	11,689,138	3.83%
St. Louis	\$	318,142,432	\$	113,344,211	1.50%
Stearns	\$	133,074,366	\$	68,289,952	-0.01%
Steele					
Stevens	\$	13,532,722	\$	6,558,489	4.56%
Swift	\$	17,715,668	\$	8,898,984	2.55%
Todd	\$	14,264,234	\$	13,272,090	0.00%
Traverse	\$	10,375,293	\$	4,675,375	5.08%
Wabasha	\$	26,978,193	\$	11,882,362	5.00%
Wadena	\$	20,899,137	\$	7,902,775	0.00%
Waseca	\$	25,130,671	\$	11,875,854	4.00%
Washington	\$	181,681,700	\$	87,713,700	1.38%
Watonwan	\$	18,881,181	\$	7,893,286	5.30%
Wilkin	\$	16,723,599	\$	7,215,925	4.75%
Winona	\$	43,614,177	\$	15,954,314	0.00%
Wright	\$	102,355,468	\$	50,590,962	0.08%
Yellow Medicine	\$	16,809,158	\$	8,969,968	3.42%

	Pr	oposed 2014		Total 2014	% Change
		Budget	Pr	eliminary Levy	from 2013
Aitkin	\$	28,946,182	\$	11,725,696	0.00%
Anoka	\$	277,999,330	\$	119,359,397	0.829
Becker	\$	45,971,606	\$	19,064,320	2.53%
Beltrami	\$	62,315,333	\$	17,486,013	0.00%
Benton	\$	48,798,004	\$	19,821,893	-2.00%
Big Stone	\$	11,665,993	\$	4,602,481	2.91%
Blue Earth	\$	85,440,031	\$	29,036,661	0.009
Brown	\$	30,770,442	\$	11,747,300	3.19%
Carlton					
Carver					
Cass	\$	50,112,612	\$	20,046,613	0.009
Chippewa	\$	18,443,059	\$	8,598,679	5.30%
Chisago	\$	59,409,596	\$	31,347,021	-0.209
Clay	\$	61,340,252	\$	25,151,631	3.539
Clearwater	\$	7,940,221	\$	6,135,730	14.50%
Cook	\$	18,514,501	\$	6,286,357	2.90%
Cottonwood	\$	14,912,964	\$	8,191,154	3.049
Crow Wing	\$	72,543,985	\$	34,737,542	0.009
Dakota			\$	128,506,313	-0.50%
Dodge <sub>.</sub>	\$	24,460,839	\$	11,361,884	5.549
Douglas	\$	48,277,000	\$	26,655,090	8.589
Faribault	\$	21,718,009	\$	9,551,480	3.409
Fillmore	\$	25,543,159	\$	8,435,205	0.009
Freeborn	\$	41,353,187	\$	19,457,478	0.009
Goodhue	\$	62,482,776	\$	27,399,013	1.729
Grant	\$	12,527,194	\$	5,761,613	8.529
Hennepin	\$	1,776,494,744	\$	681,253,275	0.989
Houston	\$	29,663,021	\$	10,855,549	3.529
Hubbard	\$	30,232,461	\$	12,400,000	4.609
Isanti	\$	36,695,541	\$	16,479,667	6.489
Itasca					
Jackson	\$	17,891,651	\$	9,704,487	5.489
Kanabec	\$	28,588,262	\$	10,717,954	0.009
Kandiyohi	\$	30,853,500	\$	29,008,411	1.179
Kittson	\$	10,236,161	\$	3,324,902	6.729
Koochiching	\$	24,000,000	\$	4,019,469	0.009
Lac qui Parle	\$	15,644,832	\$	5,084,355	4.149
Lake	\$	57,339,326	\$	8,266,472	3.25%
Lake of the Woods					
Le Sueur	\$	31,424,218	\$	15,308,937	4.009
Lincoln	\$	13,300,450	\$	5,013,823	15.339
Lyon	\$	29,121,529	\$	12,723,900	4.669
Mahnomen	\$	14,831,027	\$	3,982,650	0.009
Marshall	\$	16,484,763	\$	5,513,612	5.00%



# **CSAH Policy Paper**

### **Background:**

It is critical for counties to approach the legislature with a united position in support of a comprehensive, statewide, multimodal transportation finance package. In 2013, disagreements between counties about the distribution of Highway User Tax Distribution Fund dollars for County State Aid Highways (CSAH) created confusion and undermined counties' unified goal of increased revenue for transportation.

In 2003-2004, the Association of Minnesota Counties (AMC) convened a taskforce to look at the CSAH funding distribution outcomes and determined there should be a shift in the allocation toward growing counties. We recognize the hard work, leadership, and compromise that went into that process.

The Minnesota County Engineers Association (MCEA) convened a series of meetings in the summer of 2013 to review the CSAH funding allocation. The group was comprised of representatives from each MnDOT District, the MCEA Board, and 4 county commissioners representing both urban and rural interests. They identified problems with the current CSAH funding distribution, discussed a series of possible solutions, and ultimately agreed to a recommendation for the consideration of the Association of Minnesota Counties.

### **Problem Statement:**

The group identified the following problems with the funding for the CSAH system.

- 1. All counties need more funding to maintain the County State Aid Highway system.
  - Property taxes are increasingly being used to fund CSAH maintenance and construction across the state, in rural, suburban, and urban counties. This problem will be exacerbated now that the new revenue passed in 2008 was fully implemented in 2012, and the rate of growth will level off.
  - Since 2004, when AMC last convened discussions about transportation funding, construction costs have increased by 71%, while CSAH revenue has increased by less than 35% even with increased revenue from the 2008 bill.
- 2. The current statute and system of funding distribution is too complicated.
  - The complexity of the current statute leaves it open to interpretation and makes it difficult for legislators,
     MNDOT and counties to understand and implement.
  - Extensive MNDOT staff time is needed to calculate the funding distribution each year, which comes
    from the county administrative fund, and could otherwise go to transportation purposes.
- 3. AMC's prior discussions did not consider new and emerging sources of revenue, and AMC members may not understand or agree with the current statute.
  - Prior AMC discussions did not include a recommendation of how new sources of revenue (that is, sources other than the gas tax, registration fees and vehicle sales tax) should be distributed across the apportionment and excess sums.
  - Current statute would have any new sources of revenue deposited in the apportionment sum, and any
    increases in the gas tax, registration fees and vehicle sales tax deposited in the excess sum. AMC
    members may not agree that this was the intent of how future distribution should happen.

- Counties' lack of a statewide, unified voice regarding new transportation funding puts future funding requests at risk.
  - Increases to existing sources of revenue, as well as any new sources of revenue, need to benefit <u>all</u> counties so that <u>all</u> counties will advocate together.
  - Currently, many counties would receive little additional revenue if new Highway User Tax Distribution
    Fund revenue is entirely deposited in the excess sum. Those counties are unlikely to participate in
    statewide advocacy efforts that will not benefit them.

### **Solutions Considered:**

The MCEA Task Force considered several options for addressing these problems:

- 1. Make no changes to the existing CSAH distribution.
  - This solution was advocated by those who believe that the 2004 AMC Task Force struck an agreement between counties that was intended to be permanent.
  - It was also supported by those who do not think we can reach an agreement that will be supported by all 87 counties.
  - The group ultimately rejected this solution because they felt the outcome of no changes would be continued disagreement between counties, which puts future funding requests at risk.
- Create a new CSAH formula that eliminates the excess sum and apportionment sum and simply moves the underlying formula components into one new formula.
  - The group agreed that this would be the most transparent and straightforward solution, and it would reduce the work required to calculate the formula each year.
  - However, the group also felt that this solution was not politically viable because of general support for the ideas behind the existing formulas.
- 3. Maintain the apportionment and excess sums, but lock them in as a percentage of the whole, with a periodic review of outcomes.
  - This approach would allow for growth in both the apportionment and excess funds each time any new source of revenue is deposited in the Highway User Tax Distribution Fund, creating incentive for all counties to advocate for more revenue, regardless of source.
  - It reduces confusion and differences of opinion about which sum a particular revenue source should be deposited in.
  - It simplifies the annual MNDOT formula calculation, estimated to save up to 500 staff hours each year, with this savings going instead to transportation purposes.
  - It honors the original AMC proposal by maintaining both the apportionment sum and excess sum.
  - The group ultimately supported this approach, and then began discussion about what percentage split to recommend.
    - ✓ The apportionment sum favors more rural counties with smaller populations but significant lane miles, and the excess sum favors more populated and growing counties. The current split between the apportionment sum and the excess sum is 72% apportionment and 28% excess sum.
    - ✓ A range of percentages were considered, ranging from 80/20 to 65/35.
    - ✓ The group ultimately compromised on a recommendation of 68% apportionment sum and 32% excess sum. This allows further growth toward higher population counties, as the group agreed this was the intention of the 2004 AMC task force. But it also allows all counties to benefit from future funding increases.

### **Recommendation to AMC:**

The Minnesota County Engineers Task Force recommends that AMC support a simpler, more transparent method of distributing dollars for the County State Aid Highway (CSAH) System. We recommend that any future revenue, in conjunction with a significant new funding package, regardless of source, be deposited in the Highway User Tax Distribution Fund and then be split with 68% of CSAH funds distributed according to the apportionment sum formula and 32% CSAH funds distributed using the excess sum formula. This change would be phased in with new money from a transportation finance package such that counties do not lose funding due to changes from the bill, and would be periodically reviewed. Statute changes directing the change would be drafted upon approval of a finance bill.

This distribution will ensure that all counties benefit from future revenue increases, while still allowing for additional growth in the distribution toward larger population counties. This distribution will also reduce costs at MNDOT, and to counties, by significantly simplifying the annual calculation of the distribution.

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October 11, 2013

<sup>&</sup>lt;sup>1</sup> The only source that is excluded from this new distribution is the leased motor vehicle sales tax, because it impacts transportation interests beyond counties (i.e., rural Minnesota transit providers).

# Aitkin County Board of Commissioners Board Meeting Attendance Record Date: Och be 2013

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