



AGENDA

REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF ST. LOUIS COUNTY, MINNESOTA

Tuesday, December 2, 2014, 9:30 A.M.

**County Board Room, Second Floor
St. Louis County Courthouse
100 N. 5th Avenue West
Duluth, Minnesota**

**MIKE FORSMAN, Chair
Fourth District**

**FRANK JEWELL
First District**

**PATRICK BOYLE
Second District**

**CHRIS DAHLBERG
Third District**

**PETE STAUBER, Vice-Chair
Fifth District**

**KEITH NELSON
Sixth District**

**STEVE RAUKAR
Seventh District**

County Auditor
Donald Dicklich

County Administrator
Kevin Gray

County Attorney
Mark Rubin

Clerk of the Board
Phil Chapman

The St. Louis County Board of Commissioners welcomes you to this meeting. This agenda contains a brief description of each item to be considered. The Board encourages your participation. If you wish to speak on an item contained in the agenda, you will be allowed to address the Board when a motion is on the floor. If you wish to speak on a matter that does not appear on the agenda, you may do so during the public comment period at the beginning of the meeting. Except as otherwise provided by the Standing Rules of the County Board, no action shall be taken on any item not appearing in the agenda.

When addressing the Board, please sign in at the podium and state your name and address for the record. Please address the Board as a whole through the Chair. Comments to individual Commissioners or staff are not permitted. The St. Louis County Board promotes adherence to civility in conducting the business of the County. Civility will provide increased opportunities for civil discourse in order to find positive resolutions to the issue before the Board. Tools of civility include: pay attention, listen, be inclusive, do not gossip, show respect, be agreeable, apologize, give constructive criticism and take responsibility [County Board Resolution No. 560, adopted on September 9, 2003]. Speakers will be limited to five (5) minutes.

****In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify Property Management 72 hours prior to the meeting at (218)725-5085.****

All supporting documentation is available for public review in the County Auditor's Office, 100 North 5th Avenue West - Room No. 214, St. Louis County Courthouse, Duluth, MN, during regular business hours 8:00 A.M. - 4:30 P.M., Monday through Friday. Agenda is also available on our website at <http://www.stlouiscountymn.gov/GOVERNMENT/BoardofCommissioners.aspx>

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9:30 A.M. Moment of Silence
Pledge of Allegiance
Roll Call

Employee and Retiree Longevity Recognition

AT THIS TIME CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD ON ITEMS NOT ON THE AGENDA. [Speakers will be limited to 5 minutes each.]

FOR ITEMS LISTED ON THE BOARD AGENDA OR COMMITTEE OF THE WHOLE AGENDA, CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD AT THE TIME A MOTION IS ON THE FLOOR.

9:40 A.M. Pursuant to Resolution No. 14-550, adopted October 14, 2014, the St. Louis County Board is requested to consider bids received for the sale of surplus fee owned land and authorize the sale of the land to the party submitting the highest bid (Alborn Township). **{14-468}**

9:45 A.M. PUBLIC HEARING, pursuant to Resolution No. 14-614, adopted November 4, 2014, to receive citizen comments on the proposed Amendment to the Capital Improvement Plan for the years 2014 through 2018. **{14-469}**

CONSENT AGENDA

Approval of business submitted on the consent agenda.

REGULAR AGENDA

Health & Human Services Committee – Commissioner Stauber, Chair

1. Replace one (1) State Operated Services employee by increasing the Public Health and Human Services Department's complement of social workers by one (1) full time equivalent (FTE) employee, with the FTE position eliminated should the state funding be discontinued. **{14-464R} [Without recommendation.]**

Public Works & Transportation Committee – Commissioner Raukar, Chair

2. Implementation of the Greater MN Transportation Sales and Use Tax. **{14-428}**

ADJOURNED:

BOARD LETTER NO. 14 - 468

FINANCE & BUDGET COMMITTEE

DECEMBER 2, 2014 BOARD AGENDA 9:40 A.M. PUBLIC SALE

DATE: December 2, 2014 **RE:** Sale of Surplus Fee Land (Alborn Township)

FROM: Kevin Z. Gray
County Administrator

Tony Mancuso, Director
Property Management

RELATED DEPARTMENT GOAL:

Facilitate county fee land purchase, sale and easement activities.

ACTION REQUESTED:

The St. Louis County Board is requested to consider bid(s) received for the sale of surplus fee owned land and authorize the sale of said land to the person(s) submitting the highest bid.

BACKGROUND:

The St. Louis County Board, by Resolution No. 14-550 dated October 14, 2014, set the time for bid consideration to be at 9:40 A.M. on Tuesday, December 2, 2014, for a parcel of surplus county fee land approximately 14.8 acres in size. The property, located in Alborn Township, was advertised according to the requirements of Minn. Stat. § 373.01; the minimum bid was set at \$16,200. One bid was received for the property for the minimum bid amount of \$16,200 from Douglas Spillers and Sherri Spillers of Alborn, MN. The buyers request that the deed be made out to "The Clip Joint Tavern, Incorporated".

RECOMMENDATION:

It is recommended that the St. Louis County Board approve the sale of surplus fee owned county land to Douglas Spillers and Sherri Spillers doing business as The Clip Joint Tavern, Incorporated, and authorize a quit claim deed for the property for the bid amount of \$16,200 payable to Fund 100, Agency 128014, Object 583202. Buyer is also responsible for deed tax and recording fees.

Sale of Surplus Fee Land (Alborn Township)

BY COMMISSIONER _____

WHEREAS, The Property Management Team had identified the property described in County Board File No. _____ as surplus county fee owned land and said property was advertised for sale and a bid was received; and

WHEREAS, Douglas Spillers and Sherri Spillers of Alborn, MN, submitted the minimum bid of \$16,200.00 for said parcel;

THEREFORE, BE IT RESOLVED, That pursuant to the requirements of and procedures of Minn. Stat. § 373.01, the St. Louis County Board authorizes the appropriate county officials to execute a quit claim deed conveying the above listed property to Douglas Spillers and Sherri Spillers for the bid amount of \$16,200, payable to Fund 100, Agency 128014, Object 583202;

RESOLVED FURTHER, That at the buyer's request the deed will be to "The Clip Joint Tavern, Incorporated, a Minnesota Corporation", and the buyer is responsible for deed tax and recording fees.

**Sale of Surplus Fee Land (Alborn Township)
Legal Description**

Parcel Code 205-0010-01732

That part of the SE1/4 of SE1/4 and NE1/4 of SE1/4 of Section 9, Township 52 North, Range 18 West, lying Northeasterly of the former Duluth, Missabe and Iron Range Railway right of way and easterly and southerly of the following described line:

Commencing at the southeast corner of said Section 9; thence South 85 degrees 34 minutes 08 seconds West, along the south line of said Section 9, a distance of 467.47 feet; thence North 22 degrees 14 minutes 03 seconds West a distance of 271.73 feet; thence northerly along a tangential curve concave to the east, having a radius of 1091.34 feet and central angle of 6 degrees 10 minutes 57 seconds, a distance of 117.76 feet to the point of beginning of the line to be described; thence northerly, continuing along said curve having a central angle of 49 degrees 18 minutes 00 seconds, a distance of 939.04 feet; thence North 33 degrees 14 minutes 53 seconds East a distance of 246.78 feet; thence northeasterly along a tangential curve concave to the northwest, having a radius of 1091.34 feet and a central angle of 7 degrees 13 minutes 11 seconds, a distance of 137.52 feet; thence South 63 degrees 58 minutes 18 seconds East, on a radial line a distance of 33.23 feet; thence southeasterly, along a tangential curve concave to the southwest, having a radius of 272.84 feet and a central angle of 60 degrees 13 minutes 43 seconds, a distance of 286.80 feet to the east line of said Section 9 and there terminating,

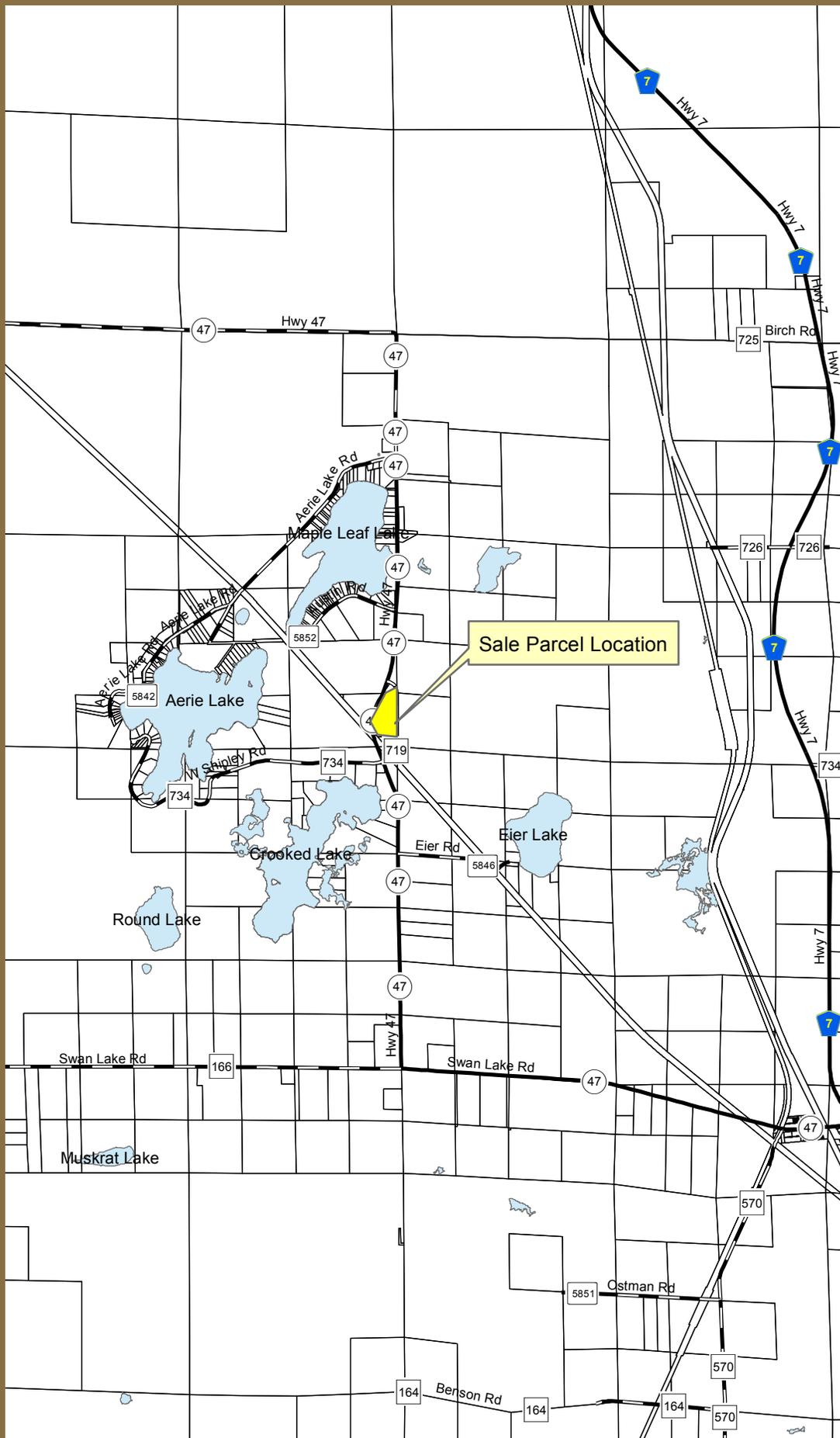
EXCEPT the Southerly 250.0 feet of that part of the SE1/4 of SE1/4 lying northeasterly of the former Duluth, Missabe and Iron Range Railway right of way.

As currently embodied in Certificate of Title number 283844.



Proposed Fee Land Sale Location Map

67XX Hwy 47, Section 9, Alborn Township 52-18



Saint Louis County
Planning Department
GIS Division

Road Surface Class. Twp

SURF_TYPE

- Paved Road
- Gravel Road
- sde.STLOUIS.ENVIRO_Lakes
- sde.STLOUIS.CDSTRL_ParcelsInfo
- mcd polygon

Sale Parcel Location



Property Management

(218) 725-5085
www.stlouiscountymn.gov

Source: St. Louis County, DNR

Map Created: 9/12/2014

Disclaimer

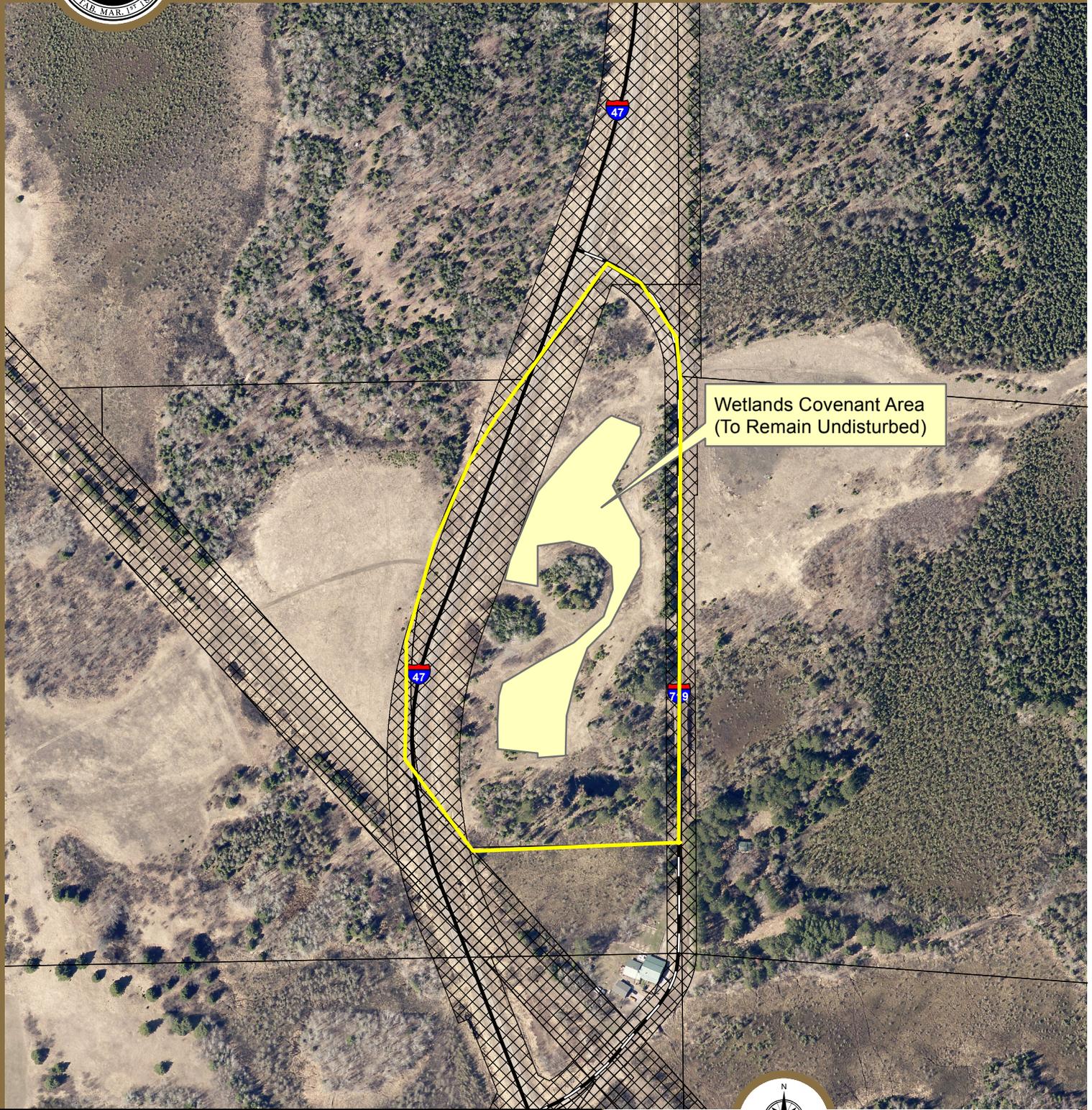
This is a compilation of records as they appear in the Saint Louis County Offices affecting the area shown. This drawing is to be used only for reference purposes and the County is not responsible for any inaccuracies herein contained.



For Sale Minimum Bid \$16,200, Bids Due November 21, 2014
 For Information call 218-725-5085 or 218-343-3505
 67XX Highway 47 Parcel 205-0010-01732



St. Louis County MN



Parcel is approximately 14.8 acres in size. Road right of way covers approximately 4.5 acres. Wetlands covenant area covers approximately 4 acres.
 Site was used as a gravel source during the Hwy 47 reconstruction project in 1996. A wetlands mitigation area was created which is required to be left undisturbed. The approximate location of this area is shown on this map.
 Utilities: Parcel has electricity and phone available. There are no known wells on the property.
 Zoning: Parcel is in Zoning District SMU - 7.

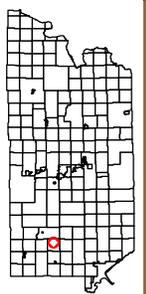
0 0.0175 0.035 0.07 0.105
 Miles

Prepared By: **St. Louis County**
Property Management

Source: St. Louis County, DNR

Map Created: 10/28/2014

Disclaimer: This is a compilation of records as they appear in the Saint Louis County Offices affecting the area shown. This drawing is to be used only for reference purposes and the County is not responsible for any inaccuracies herein contained.



Capital Improvement Plan Amendment for 2014-2018

BY COMMISSIONER _____

RESOLVED, By the St. Louis County Board of Commissioners (the "Board") as follows:

The Board, pursuant to Minn. Stat. Section 373.40 previously approved a Capital Improvement Plan. Following a public hearing on December 2, 2014, as required, the Board considered a proposed annual amendment to the Capital Improvement Plan and the Board has considered the following for each project described in the proposed amendment and the overall plan:

- (i) The condition of the county's existing infrastructure, including the projected need for repair or replacement;
- (ii) The likely demand for the improvement;
- (iii) The estimated cost of the improvement;
- (iv) The available public resources;
- (v) The level of overlapping debt in the county;
- (vi) The relative benefits and costs of alternative uses of the funds;
- (vii) Operating costs of the proposed improvements; and
- (viii) Alternatives for providing services more efficiently through shared facilities with other cities or local government units.

The Board, based on the considerations set forth in the amendment and overall plan and as set forth herein, hereby approves the Capital Improvement Plan, as amended for the years 2014 through 2018, as presented to the Board, and on file as County Board Document File No. _____.



Five-Year Capital Improvement Plan 2014-2018

Updated November, 2014

SAINT LOUIS COUNTY Board of Commissioners

District 1	Frank Jewell
District 2	Patrick Boyle
District 3	Chris Dahlberg
District 4	Mike Forsman
District 5	Peter Stauber
District 6	Keith Nelson
District 7	Steve Raukar



County Administrator, Kevin Z. Gray

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Introduction - St. Louis County Capital Improvement Program Fiscal Years 2014 – 2018

Each year, as an integral part of its annual budget process, St. Louis County updates its Capital Improvement Program plan. The Capital Improvement Program (CIP) is a plan that matches the county's major capital needs regarding long-term physical asset development with the financial ability to meet these needs in a manner that attempts to better ensure the effective and efficient provision of government services and operations while maintaining a strong county infrastructure. The county's CIP identifies projects that have been designed to support existing or projected needs in the following areas: transportation infrastructure (roads and bridges), county facilities, land improvement/development/acquisition, equipment purchases, and technology. CIP projects require a total expenditure of at least \$100,000 and must provide for or extend the useful life of the asset for at least 5 years.

The CIP is vital to the county because it is the principal planning tool designed, and utilized strategically, to achieve growth and development as envisioned in the county's Departmental Business Plans. The county strives to balance debt issuance with current property tax levels for capital projects in a concerted effort to minimize tax burden while at the same time better aligning the organization to meet the ever changing demands placed upon local governments.

In so doing, the county maintains its strong financial standing achieving a AA+ rating from Standard and Poors rating services in 2013. Further, the county continually strives to more effectively and completely integrate its capital and operating budgets; as such it is as a tool to balance capital needs and associated operating cost implications.

Through a detailed process of prioritization, project selection, and implementation detail, the CIP serves to guide the use of the limited resources that are available for capital projects. By providing a planned schedule, cost estimates, location of public sector improvements, project rationale, operating budget implications, and energy conservation considerations, the CIP provides local elected officials and the public with valuable information concerning proposed public facilities, transportation infrastructure, technology and capital equipment needs and their associated costs; while at the same time providing private sector decision makers with valuable information upon which to base investment decisions. Ultimately, the county will benefit from the coordination of orderly and efficient programs of private and public investment intended to maximize outside revenue sources and effectively plan for the growth and maintenance of the county's infrastructure.

Goals of the CIP

The CIP is prepared in consideration of two major goals:

1. To address the County's immediate and long-term capital needs, the CIP is guided by the following priorities, which were adopted by the County Board of Commissioners in 2007:

- Maintaining a strong county infrastructure (buildings, equipment, information infrastructure and personnel) in order to protect the County's investment.
- Expanding the tax base in a way that will benefit the health and well-being of citizens.
- Managing and encouraging orderly growth in coordination with other units of government and the private sector to promote a healthy local economy.
- Providing County services in the most efficient, effective and safe manner.

- Maintaining and improving a healthy, viable ecosystem and the community's quality of life.

2. To explore all feasible funding sources (as time and resources permit) in order to finance the County's capital needs.

Funding Priorities: Projects with the following characteristics are given priority for funding:

- Maintenance and/or improvement of the county's infrastructure
- Enhancement of County service delivery.
- Public health and public safety – prevents or corrects a major health or safety hazard.
- Legal requirements – clearly demonstrates a mandate by State or Federal law.
- Economic development – directly increases net annual revenues and creates indirect community wealth, i.e. jobs, business retention, etc.
- Budget impact – reduces operating costs or is eligible for available funding sources.
- Relationship to other projects – completes a project that is underway or advances the effectiveness of another project.
- Implementation of Business Plans or governing body policies – directly referenced in existing plan or policy or is essential to the implementation of programs adopted by the Board of Commissioners.
- Joint use – combines two or more projects resulting in immediate or future savings.

Relationship of the CIP to the Operating Budget

The operating budget and the CIP are closely related. The CIP is a plan that matches the County's major capital needs with the financial ability to meet them. As a plan, it is subject to change, however, a sound and reliable CIP is an invaluable planning tool that serves to aid the process of maintaining the good financial health of the County. That said, the CIP remains a living document that provides a constant reference point for broad ranging organizational discussions relating to the intrinsic relationship of capital infrastructure to the operation and mission of the county as expressed in the exploration of program and service delivery modalities, the increasing need for organizational efficiencies, downward budgetary pressures from state and federal sources, and increased burdens on tax payers. As local governments are forced to evolve in a climate trending toward increasing budgetary restriction, the continued refinement of strategies that integrate all elements of an organization into any decision-making matrix is paramount to the effective provision of government services in this day and age.

CIP projects that are proposed to be funded by General Fund revenues are intended to be included in the Budget in the appropriate year(s). Even so, because circumstances may change between the adoption of the CIP and the Budget, CIP projects must be resubmitted as part of each department's annual budget request, a step which promotes additional review of project details in light of new budget realities. Funds for such projects are not available unless and until they are included in the budget approved by the County Board of Commissioners.

The completion of capital projects directly impacts a department's operating budget as projects are completed and require maintenance and upkeep. Also, some facilities may require additional staffing and utilities, such as electricity and water, above current levels. Or, conversely, some departments may find that capital investments will positively impact their operating budget through energy conservation, strategic co-locations, and other operational impacts that influence how departmental resources are utilized. County-wide strategies which are moving the organization toward energy efficiency, co-located departments, consolidated

customer service centers, and the like are continually influencing CIP decision-making in a manner that seeks to improve rather than detract from operational budgets. Said impacts may not be readily evident when projects are funded and are constructed over several years. Consequently, the impacts of capital projects on the annual operating budget are estimated when available. Most projects will not have an operating impact in the year during which they are funded, thus continual tracking of associated costs on operations due to completed CIP projects feeds back into the decision-making process on CIP projects under consideration. Efforts in the area of tracking project cost payback due to energy efficiencies or other cost saving measures, which have been engineered into a CIP project, can prove to be a cost-saving measure for the county over time. Additionally, over the past two years the county has been implementing an asset management system to define and provide estimates for infrastructure needs to further aid in the development of a capital investment strategy that reduces operating costs over time while maximizing the direct impact of project funding.

CIP Strategy, Review & Adjustment

In an effort to further the integration of capital and operating budgets while defining appropriate levels of capital infrastructure investment, St. Louis County Administration Department has worked together with the Auditor's Office, Sheriff's Office, Public Works, Property Management, information Technology, Land and Minerals, Environmental Services and the Planning & Community Development departments to strategically improve the CIP process by bringing it into closer alignment with overall county strategies as represented in the Board of Commissioner's key priority areas as stated above.

Over the past year, strategic CIP efforts have included:

- Working with Public Works to streamline its CIP submission process by building on their 10-year State Transportation Improvement Plan, developing a new project submission form that aligns with their road and bridge asset management system, and implementing a common asset management system for facilities that includes Facility Condition Index ratings for each facility as a key facility performance indicator county-wide. Public Works completed asset management assessments of its buildings in 2014. Property Management will run the asset management system for all Property Management and Public Works facilities.
- Working with Property Management more closely on submissions so that prioritization, energy efficiency, building life cycle management, facility integrity, departmental lease costs (for office space), co-locations of departments/functions, safety/security, and project decision-making happens in advance of bonding cycles and in-line with broad county facility goals. As mentioned above, the county purchased and implemented an asset management system that assists the Property Management Department (and other participating county departments with facilities) to more effectively track and measure facility and system life cycles, manage energy consumption and measure facility efficiency, replacement and/or improvement cost. This system will in turn promote more effective alignment of capital improvement needs with operating budget realities by providing a tool to measure the impact of capital investment on facility integrity and departmental operational budgets.
- Working with the Auditor's Office to continue to improve the information collected as part of the annual update to the CIP so as to provide the most solid basis for bond work possible.

- Working with the Information Technology and Planning and Community Development departments to include a technology section in the CIP. This inclusion provides for large-scale infrastructure projects and systems such as our Land Records Portal.
- Working with all departments on CIP submission to enhance the information provided.
- County Administration has been working closely with departments to identify more customer-friendly interface options for county facilities, which would serve to ensure public and employee safety, create a welcoming center for the delivery of county services, promote inter-departmental synergies across like or complementary service areas, and provide for more effective and efficient utilization of current county facilities. Such projects include the Public Health and Human Services Department's centralized client intake centers (Duluth, Virginia, Hibbing), the property/planning/records/taxation customer center (Virginia), and other projects that encourage collaboration and enhance customer service.
- Changes in the CIP submission form included the addition of Energy Conservation Considerations, a building Facility Condition Index rating, project payback information, project prioritization and rationale, and an asset life cycle determination for all projects related to facilities.
- Additional strategic CIP submission form changes include the requirement to provide the date of the last project cost estimate update to ensure more accurate cost estimation or to trigger the cost estimate updates; and guidance to county departments to select "other" as the funding sources on the form to trigger discussion on potential funding sources, strategies, and other considerations at present undefined.

Financial Assumptions

The FY 2014-2018 CIP has been prepared with the following financial assumptions:

- A bond issuance in 2017 is currently being proposed, when issued, will include financing for new construction and building upgrades. The bond schedule will continue to change based on project need and financial realities.
- All contributions from the General Fund have been incorporated into actual 2014 and proposed 2015-2017 forecasted budgets for this update. Projects funded through contributions from the General Fund include transportation and operations infrastructure (buildings, roads and bridges). The planned contributions are included in the five year projection for financial planning purposes. However, funds for such projects will not be available unless and until they are approved by the Board of Commissioners. As such, contributions to specific projects in later years are subject to change.

Criteria for Inclusion in the CIP

Conformance with Chapter 383C

Chapter 383C of the Minnesota State Statutes contains laws that are specific to St. Louis County. In 1989, the legislature amended this chapter by including a provision allowing St.

Louis County to develop and implement a capital improvement program. The 2014-2018 Capital Improvement Program is intended to fulfill this statutory authority.

Conformance with Chapter 373.40 Criteria

Chapter 373.40 requires the County to prepare its capital improvement program (CIP) consistent with the eight criteria contained in Section 2, Subdivision 3 of Chapter 373.40. The information required is summarized below for each of the eight criteria.

Condition of the County's Infrastructure

St. Louis County's infrastructure includes roads and bridges, three court houses, office buildings, highway maintenance facilities, and landfill service stations and the like totaling 170 structures, 3,000 miles of road and 601 bridges. The condition of the infrastructure is reviewed on an annual basis. The CIP contains several projects that are intended to upgrade and preserve these facilities in-line with the Board of Commissioner's strategic focus area *Strong County Infrastructure*. Additionally, proactive management, upgrade and maintenance of county facilities directly translates to cost-savings overall when facilities and infrastructure investments are planned and implemented as part of an overall county asset management strategy.

The Likely Demand for the Improvement

All the improvements proposed in the CIP have been evaluated for alternative actions including the "do nothing" alternative. Also, the CIP projects for each department are reviewed by the County Administrator's Office to ensure that each project is designed to meet a future demand of the public and the county. County efforts to develop and implement broad infrastructure improvements are continually refined in light of overall budget strategies, staffing and service efficiencies, asset condition/life cycle, energy efficiency, existing long-range plans, present cost-effectiveness, projected financial implications, and Board of Commissioner's key priority areas.

Estimated Costs of the Improvements

The County's CIP process requires each project's cost estimate to be as accurate as possible at the time the project is proposed and, additionally, that a project description form be submitted with each project estimate. The process requires annual review and updating of each non-capital budget item. The continual review of project cost estimates, as a practice, is a critical component of the county's strategy for CIP decision-making and implementation. On-going collaborative planning between Administration and other county departments will be further enhanced by the integration of the county's new facility asset management system into the cost estimation process made possible by virtue of system tools and data informed by continually updated *RS Means* construction cost estimation matrix (market based national construction cost index).

Available Public Resources

St. Louis County has examined all potential funding alternatives to each proposed project, and has carefully protected its ability to borrow funds for infrastructure projects. The County's low level of direct debt is evidence of the success of this policy. The County Board reviews the level of direct debt on a regular basis and strives to maintain direct debt at a consistently low level. Additional consideration has been and will continue to be given to expanded bonding opportunities and strategies, which may, in turn, provide for accelerated project implementation in cases where current market conditions matched with internal county operational strategies and infrastructure requirements may indicate a favorable congruence for such investment initiatives.

The Level of Overlapping Debt in St. Louis County

The CIP contains information required by Subdivision 3 of Chapter 373.40, and the process is mindful of the impacts of overlapping debt. The CIP process includes an analysis of the financial and property tax ramifications for all projects proposed for general obligation bond funding.

Relative Costs and Benefits of Alternative Uses of Funds

The CIP process requires each department to evaluate alternatives to the proposed project, as well as alternative funding for each identified project option. The CIP process further requires that the County Administrator's Office review all proposed projects to ensure that the financing options are viable and all encompassing. All projects are evaluated for lease financing versus other financing options. The county's capital infrastructure needs exceed available resources, and the county is always forced to make choices among numerous projects. Thus, careful consideration of county-wide as well as departmental priorities and strategies are a must, and as currently expressed, the CIP process allows for an open debate of the relative costs and merits of each major project. During said debates, alternative means of producing the resources necessary to complete a given project may emerge as a viable alternative to the use of bond proceeds for capital improvements.

Operating Costs of the Proposed Improvements

The CIP process requires that each department and the County Administrator's Office examine the estimated annual operating cost for each proposed project. Projects are reviewed for their impacts on utility costs, employee safety and productivity, number of employees, and any other factor that would have a negative impact on the County's general fund or require substantial increases in fees charged to facility users. County Administration continually strives to align capital improvement needs with the regular operations of the county as an organization. The impact of capital projects on the operating budget can be severe and as such Administration works to thoroughly examine all impact areas and to develop viable methods to provide for the impact of said projects; and, in some case, to eliminate projects from the CIP due to adverse and/or cost-ineffective project proposals. Throughout the project review process, deference is given to the tempering impacts of current budgetary realities, overarching strategies and priorities of elected officials, current departmental business plans, and defined needs in light of all of the preceding elements.

Alternatives for Providing Services More Efficiently Through Shared Facilities with Other Counties or Local Units of Government

The CIP process requires each department to examine alternatives that involve the use of shared facilities. The County Administrators' Office provides a final review to ensure that each CIP and annual capital budget item has been thoroughly reviewed for use with existing facilities in other governmental jurisdictions, and for opportunities for sharing new facilities.

The county is continuing to seek methods to improve inter-departmental synergies for internal management and external service functions, and has been making great strides in this direction over the last year. Property Management, with its asset management system is working to eventually include all county facilities such as those serving Public Works, Land & Minerals, and Environmental Services departments' functions/needs. As a policy, the St. Louis County Board of Commissioners has directed the county Property Manager to work toward housing all county departments in county facilities. The cost-benefit analysis of using external leases versus housing county departments in county facilities has shown that the latter is more cost-effective for the tax-payers of St. Louis County. With the planned Duluth Government Service Center remodel, the goal of eliminating leases and centrally locating county services will be

accomplished for offices/services in Duluth, and only the renovation/replacement of the Northland Office Center in Virginia will remain to fully meet this policy directive.

St. Louis County FY2014-2018 Capital Improvement Program

Procedures

For each proposed capital improvement project, departments are required to complete a CIP inventory form. These forms provide both general background information pertaining to the projects and detailed information, which is used to evaluate the projects. The projects are compiled by Property Management. Using the inventory forms as a basis for its review, a preliminary list of items is produced. Final approval and authorization comes from the County Board.

In order to provide direction and conformity in compiling the CIP, it is essential that policies and guidelines are identified to direct county decisions regarding physical improvements and the sources of funding to be utilized. In prior budgets and related documents, the St. Louis County Board has identified the following policies regarding capital budgeting:

Capital Improvement Budget Policies

- The county makes all capital improvements in accordance with an adopted capital improvement program.
- The county develops a multi-year plan for capital improvements and updates it annually.
- The county enacts an annual capital budget based on the multi-year capital improvement plan. Future capital expenditures necessitated by changes in population, real estate development, or economic base are reviewed and included in capital budget projections.
- The county coordinates development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements are projected and included in operating budget forecasts.
- The county uses intergovernmental assistance to finance only those capital improvements that are consistent with the adopted capital improvement plan and county priorities in which operating and maintenance costs have been included in operating budget forecasts.
- The county maintains its assets at a level adequate to protect its capital investment and minimize future maintenance and replacement costs.
- County staff identifies the estimated costs and potential funding sources for each capital project proposal before it is submitted to the county board for approval.
- Expenditures must be a minimum of \$100,000.
- Equipment purchases must have a minimum life of five years.
- The county determines the least costly financing method for all new county projects.
- Each capital project should be fully justified in terms of reducing operating costs, improving quality or quantity of service, adhering to appropriate regulations, protecting the health and safety of employees or clients, or meeting a clearly demonstrated demand for a service.
- There should be a thorough review of alternative actions to the proposed project including the development of shared facilities, the use of non-county services or methods to meet the need, or the use of non-capital alternatives.
- Each capital project should be reviewed to determine the amount of coordination required between county departments and with non-county agencies to implement the project.
- Projects should be evaluated regarding possible deferment to a later date if such action would not adversely affect the program.
- All auxiliary costs, such as site development, utilities, or parking, must be considered as

part of the capital project.

- With the exception of the Land& Minerals, Environmental Services, and Public Works departments, the Property Management Department will serve as the Capital Improvement Construction Management Unit for county facilities in St. Louis County. All Department of Public Works road and bridge projects will be managed by the department of Public Works in coordination with the Administrator's Office. All departments are instructed to coordinate capital improvement projects with the Director of Property Management.

Debt Policies

- The county maintains its ability to support current debt and incur additional debt at minimal interest rates and in the amounts required for infrastructure and other capital assets without endangering the ability of the county to finance essential services.
- Projects should be evaluated regarding possible deferment to a later date if such action would not adversely affect the program.
- Debt is used sparingly and only after other means of financing are fully investigated.
- No debt which becomes an obligation of the county or any of its agencies may be issued for a term longer than the reasonably expected useful life of the asset being funded, but in no event for longer than 20 years for real property or 5 years for equipment.
- The proceeds of all debt issues must be expended in compliance with all applicable state and federal laws and rules and in conformity with all covenants of the issue. Such laws, rules, and covenants must be strictly construed.
- No debt may be issued to fund normal operations of the county or any of its agencies. This does not exclude the possibility of issuing Tax Anticipation Notes as a financial and investment strategy.
- Debt must not be issued in excess of any statutory limit. The county must strive to keep the total debt burden of the county when measured as a percent of taxable market value from exceeding the median of similarly sized counties in the nation based upon figures available at the time of authorizing the issuance.
- Property tax supported debt including capital notes must not be issued beyond the point where annual debt service levy demands exceed 10% of the property tax levy (including HACA and disparity aid).
- The county must avoid, where possible, the issuance of general obligation debt by utilizing available funds, reserves, and revenue or other types of issues.

CIP Process

The CIP process begins at the beginning of the year (January) with a request to county departments for modifications, updates, additions or deletions from the previous CIP as part of the budget process. Detailed instructions for submission are provided by the Administration Department to guide the preliminary submission process, and, once complete, are followed up by in-depth project discussions, board workshop(s), public hearing and formal adoption of the CIP (updated) each winter.

Implementation Rate

Not all projects included in the 2014 capital budget will be completed during the budget year. Many projects require coordination with other agencies and businesses. St. Louis County accounting policies allow for carry forward of encumbered funds to allow for completion of projects started in one year but not finalized.

CIP Format

The 2014-2018 Capital Improvement Program comprises four major areas for capital improvement: roads and bridges, equipment, facilities, and technology. The project description form provides a brief description of the project and its location, the underlying purpose and justification for the project, estimated impacts on the operating budget, energy conservation considerations (if applicable), implementation details (date), funding source, cost breakdown and total project cost (estimates).

2014-2018 CIP by Category & Department

Technology

This section includes planned technology investments submitted by the Information Technology (IT) Department and the Planning and Community Development Department.

Department	2014	2015	2016	2017	2018	TOTAL
Information Technology/Planning and Development						
Data Center Storage Area Network (SAN)	\$150,000	\$200,000	\$150,000	\$250,000	\$200,000	\$950,000
Enterprise Applications and Interfaces	\$200,000	\$100,000	\$100,000	\$100,000	\$100,000	\$600,000
IT/GIS Enterprise Geospatial Data Infrastructure	\$100,000	\$100,000	\$400,000	\$100,000	\$100,000	\$800,000
IT Service Desk Software		\$145,000				\$145,000
Total Technology	\$450,000	\$545,000	\$650,000	\$450,000	\$400,000	\$2,495,000

Environmental Services

The Solid Waste Fund accounts for the management and operations of solid waste activities in St. Louis County outside of the Western Lake Superior Sanitary District Service area. The fund includes general management of solid waste activities, recycling, canister sites, transfer stations, demolition facilities, household hazardous waste, and landfill operations.

The CIP projects for this category include:

Department	2014	2015	2016	2017	2018	TOTAL
Environmental Services						
Landfill Gas Collection & Management System - Virginia		\$520,000	\$400,000	\$600,000		\$1,520,000
Leachate Field Expansion - Virginia		\$1,000,000		\$150,000	\$100,000	\$1,250,000
Leachate Pond Construction - Virginia			\$1,200,000	\$150,000		\$1,350,000
Virginia Landfill Storage Building	\$10,000	\$140,000				\$150,000
Total Environmental Services	\$10,000	\$1,660,000	\$1,600,000	\$900,000	\$100,000	\$4,120,000

Adequate cash flows are available in the Solid Waste Fund accounts to deliver the projects shown. The Environmental Services Department has provided cash flow analyses for the revenue that tie to each project.

Property Management Facilities Capital Projects

Projects initiated under this category include improvements aimed at maintaining the life and integrity of all county-owned facilities, reducing operating or maintenance costs through initiatives such as energy efficiency projects, acquiring new/additional office space, providing a safe and productive work environment, and ensuring safe access for the public.

The following table shows the planned contributions to capital projects:

Department	2014	2015	2016	2017	2018	TOTAL
Property Management Facilities						
Preventive Maintenance as Required by VFA	\$253,000	\$675,000	\$1,169,031	\$1,955,766	\$223,133	\$4,275,930
Virginia Area Office Building Renovation/Replacement	\$75,000	\$70,000	\$150,000	\$9,000,000		\$9,295,000
Virginia Motor Pool - New Building & Solar Power Install	\$995,000	\$85,500				\$1,080,500
Rescue Squad Storage Building - Virginia	\$85,000	\$1,315,000				\$1,400,000
Rescue Squad Storage Building - Pike Lake Campus			\$375,000			\$375,000
A. P. Cook Building Renovation	\$1,103,700	\$500,000	\$300,000			\$1,903,700
Public Safety Campus - Entrance and Marble Street Improvements		\$300,000				\$300,000
Jail Building Automation System		\$200,000	\$250,000			\$450,000
Jail Parking Lot Reconstruction		\$175,000				\$175,000
Duluth Courthouse Law Library & Property Management Remodel	\$300,000					\$300,000
Duluth GSC Remodel	\$9,600,000	\$8,000,000				\$17,600,000
Duluth Downtown Parking Lot Repairs			\$550,000			\$550,000
Hibbing Courthouse Parking Lot Replacement	\$182,000					\$182,000
Hibbing Courthouse Building Automation System	\$165,000	\$200,000				\$365,000
Hibbing Annex Motor Pool Carport & Solar Power Install	\$230,000	\$70,000				\$300,000
Hibbing Annex Parking Lot Replacement	\$25,000	\$150,000				\$175,000
Ely GSC Roof Replacement & Solar Power Install		\$200,000				\$200,000
Depot Building Systems Replacement/Repairs	\$56,500	\$150,000				\$206,500
Camp Esquagama Improvements	\$610,638					\$610,638
Courthouse Security Projects	\$78,000	\$70,000	\$280,000	\$90,000		\$518,000
Total Property Management Facilities	\$13,758,838	\$12,160,500	\$3,074,031	\$11,045,766	\$223,133	\$40,262,268

Sources of revenue include property tax, fees, interest earnings, unrestricted grants and aids, and other forms of unrestricted local income. Actual expenditures are based on the costs of the projects and the use of carry-over balances.

Public Works Facilities Improvements

These projects consist of constructing or maintaining the garages, shops and support facilities used by the Public Works Department in performing road and bridge construction and maintenance activities. They are aimed at reducing the operating and maintenance costs through energy savings, extending the lives of the facilities, and reducing the degradation to facilities.

Department	2014	2015	2016	2017	2018	TOTAL
Public Works Facilities						
Preventive Maintenance as Required by VFA			\$500,000		\$500,000	\$1,000,000
Virginia Heated Wash Bay		\$550,000				\$550,000
Virginia Salt/Sand Storage Building	\$537,000					\$537,000
Virginia Parking Lot Reconfiguration	\$716,000					\$716,000
District 4 New Facility				\$10,000,000		\$10,000,000
Total Public Works Facilities	\$1,253,000	\$550,000	\$500,000	\$10,000,000	\$500,000	\$12,803,000

Public Works Road and Bridge

Projects under this category are road construction, maintenance overlays, and bridge construction and repairs financed through various sources including local funds, state and federal aid.

St. Louis County is responsible for over 3,000 miles of road and 601 bridges over ten feet in length. The St. Louis County Public Works Department annually updates their 10-Year Project Plan of all construction and repairs projects. Projects are completed either by county Road and Bridge Maintenance crews or through a competitive bidding process. State and federal funding for St. Louis County averages over \$15,000,000 per year.

Projects open for bid, under construction, or completed in the current year can be reviewed on the Public Works Department home page at: <http://www.stlouiscountymn.gov/GOVERNMENT/DepartmentsAgencies/PublicWorks.aspx>.

Public Works Roads and Bridges						
Road and Bridge Projects Summary	\$41,108,141	\$26,407,047	\$38,479,976	\$22,267,018	\$20,050,017	\$148,312,199
Total Public Works Roads and Bridges	\$41,108,141	\$26,407,047	\$38,479,976	\$22,267,018	\$20,050,017	\$148,312,199

2014-2018 CAPITAL IMPROVEMENTS PROGRAM SUMMARY

Department	2014	2015	2016	2017	2018	TOTAL
Information Technology/Planning and Development						
Data Center Storage Area Network (SAN)	\$150,000	\$200,000	\$150,000	\$250,000	\$200,000	\$950,000
Enterprise Applications and Interfaces	\$200,000	\$100,000	\$100,000	\$100,000	\$100,000	\$600,000
IT/GIS Enterprise Geospatial Data Infrastructure	\$100,000	\$100,000	\$400,000	\$100,000	\$100,000	\$800,000
IT Service Desk Software		\$145,000				\$145,000
Total Technology	\$450,000	\$545,000	\$650,000	\$450,000	\$400,000	\$2,495,000
Environmental Services						
Landfill Gas Collection & Management System - Virginia		\$520,000	\$400,000	\$600,000		\$1,520,000
Leachate Field Expansion - Virginia		\$1,000,000		\$150,000	\$100,000	\$1,250,000
Leachate Pond Construction - Virginia			\$1,200,000	\$150,000		\$1,350,000
Virginia Landfill Storage Building	\$10,000	\$140,000				\$150,000
Total Environmental Services	\$10,000	\$1,660,000	\$1,600,000	\$900,000	\$100,000	\$4,120,000
Property Management Facilities						
Preventive Maintenance as Required by VFA	\$253,000	\$675,000	\$1,169,031	\$1,955,766	\$223,133	\$4,275,930
Virginia Area Office Building Renovation/Replacement	\$75,000	\$70,000	\$150,000	\$9,000,000		\$9,295,000
Virginia Motor Pool - New Building & Solar Power Install	\$995,000	\$85,500				\$1,080,500
Rescue Squad Storage Building - Virginia	\$85,000	\$1,315,000				\$1,400,000
Rescue Squad Storage Building - Pike Lake Campus			\$375,000			\$375,000
A. P. Cook Building Renovation	\$1,103,700	\$500,000	\$300,000			\$1,903,700
Public Safety Campus - Entrance and Marble Street Improvements		\$300,000				\$300,000
Jail Building Automation System		\$200,000	\$250,000			\$450,000
Jail Parking Lot Reconstruction		\$175,000				\$175,000
Duluth Courthouse Law Library & Property Management Remodel	\$300,000					\$300,000
Duluth GSC Remodel	\$9,600,000	\$8,000,000				\$17,600,000
Duluth Downtown Parking Lot Repairs			\$550,000			\$550,000
Hibbing Courthouse Parking Lot Replacement	\$182,000					\$182,000
Hibbing Courthouse Building Automation System	\$165,000	\$200,000				\$365,000
Hibbing Annex Motor Pool Carport & Solar Power Install	\$230,000	\$70,000				\$300,000
Hibbing Annex Parking Lot Replacement	\$25,000	\$150,000				\$175,000
Ely GSC Roof Replacement & Solar Power Install		\$200,000				\$200,000
Depot Building Systems Replacement/Repairs	\$56,500	\$150,000				\$206,500
Camp Esquagama Improvements	\$610,638					\$610,638
Courthouse Security Projects	\$78,000	\$70,000	\$280,000	\$90,000		\$518,000
Total Property Management Facilities	\$13,758,838	\$12,160,500	\$3,074,031	\$11,045,766	\$223,133	\$40,262,268
Public Works Facilities						
Preventive Maintenance as Required by VFA			\$500,000		\$500,000	\$1,000,000
Virginia Heated Wash Bay		\$550,000				\$550,000
Virginia Salt/Sand Storage Building	\$537,000					\$537,000
Virginia Parking Lot Reconfiguration	\$716,000					\$716,000
District 4 New Facility				\$10,000,000		\$10,000,000
Total Public Works Facilities	\$1,253,000	\$550,000	\$500,000	\$10,000,000	\$500,000	\$12,803,000
Public Works Roads and Bridges						
Road and Bridge Projects Summary	\$41,108,141	\$26,407,047	\$38,479,976	\$22,267,018	\$20,050,017	\$148,312,199
Total Public Works Roads and Bridges	\$41,108,141	\$26,407,047	\$38,479,976	\$22,267,018	\$20,050,017	\$148,312,199
Total Capital Improvement Projects	\$56,579,979	\$41,322,547	\$44,304,007	\$44,662,784	\$21,273,150	\$207,992,467

2014– 2018SUMMARY OF REVENUES BY DEPARTMENT

Department	2014	2015	2016	2017	2018
Information Technology/Planning and Development					
Property Tax	\$150,000	\$345,000	\$150,000	\$250,000	\$200,000
Bonding	0	0	0	0	0
Federal/State	0	0	0	0	0
Other	\$300,000	\$200,000	\$500,000	\$200,000	\$200,000
Total Technology	\$450,000	\$545,000	\$650,000	\$450,000	\$400,000
Environmental Services					
Property Tax	0	0	0	0	0
Bonding	0	0	0	0	0
Federal/State	0	0	0	0	0
Other	\$10,000	\$1,640,000	\$1,600,000	\$900,000	\$100,000
Total Environmental Services	\$10,000	\$1,640,000	\$1,600,000	\$900,000	\$100,000
Property Management Facilities					
Property Tax	\$2,484,838	\$1,925,000	\$1,859,031	\$2,000,766	\$223,133
Bonding	\$9,675,000	\$8,070,000	\$150,000	\$9,000,000	0
Federal/State	\$85,000	\$615,000	0	0	0
Other	\$1,514,000	\$1,550,500	\$1,065,000	\$45,000	0
Total Property Management Facilities	\$13,758,838	\$12,160,500	\$3,074,031	\$11,045,766	\$223,133
Public Works Facilities					
Property Tax	\$1,253,000	\$550,000	\$500,000		\$500,000
Bonding	0		0	\$10,000,000	0
Federal/State	0	0	0	0	0
Other	0	0	0	0	0
Total Public Works Facilities	\$1,253,000	\$550,000	\$500,000	\$10,000,000	\$500,000
Public Works Road & Bridge					
Property Tax	\$6,385,089	\$4,147,020	\$7,166,207	\$6,429,009	\$8,225,010
Bonding	0	0	0	0	0
Federal/State	\$32,977,673	\$17,977,023	\$26,688,128	\$14,705,008	\$11,025,006
Other	\$1,745,379	\$4,283,004	\$4,625,641	\$1,133,001	\$800,001
Total Public Works Road & Bridge	\$41,108,141	\$26,407,047	\$38,479,976	\$22,267,018	\$20,050,017

BOARD LETTER NO. 14 – 464 REPLACEMENT

HEALTH & HUMAN SERVICES COMMITTEE NO. 2

DECEMBER 2, 2014 BOARD AGENDA NO. 1

DATE: November 25, 2014 **RE:** Mental Health Case
Management – Replacement of
State Operated Services
Employee

FROM: Kevin Z. Gray
County Administrator

Ann M. Busche, Director
Public Health & Human Services

RELATED DEPARTMENT GOAL:

Adults will live in the least restrictive living arrangements that meet their health and safety needs. Adults will be self-sufficient, providing for their own welfare and that of their children.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize the Public Health and Human Services Department (PHHS) to replace State Operated Services employees by increasing the complement of social workers by one FTE to provide adult mental health case management services to eligible residents from St. Louis County.

BACKGROUND:

When the State of Minnesota closed the Moose Lake Regional Treatment Center, it established and funded the Region III Adult Mental Health Initiative (AMHI) in the Arrowhead region of Minnesota, consisting of St. Louis, Lake, Cook, Carlton, Itasca and Koochiching counties. This initiative was charged with the development of community based services for those persons relocated from the Moose Lake facility.

The state funding for the Region III AMHI has supported crisis services such as Bridge House and mobile crisis, as well as designated services in each of the six-member counties. As a part of these services, St. Louis County has been assigned two state employees (State Operated Services – SOS) through the funding from the Region III AMHI: one SOS employee in northern St. Louis County and one SOS employee in southern St. Louis County.

The state has determined that it is discontinuing these SOS employees no later than July 1, 2015; however, should the incumbent retire or leave, the state will not rehire but instead provide funding to allow the county to hire a replacement county employee. On

July 1, 2014, the SOS employee for northern St. Louis County retired and the Region III AMHI designated sufficient funding be provided to allow St. Louis County to replace the northern SOS position after July 1, 2014 in order to provide case management services to individuals with mental illness.

RECOMMENDATION:

It is the recommendation that the St. Louis County Board authorize the Public Health and Human Services Department to replace one State Operated Services employee by increasing the complement of social workers by one FTE, at an annual cost of \$69,500, to provide adult mental health case management services to eligible residents from St. Louis County. Should the state funding be discontinued, this FTE will be eliminated from the department's FTE complement.

Funding for this position will be from the Region III Adult Mental Health Initiative as well as Medical Assistance mental health case management revenue.

Budget References:

230-232006-610100-99999-99999999-9999

230-232006-550727-99999-99999999-9999

**Mental Health Case Management –
Replacement of State Operated Services Employee**

BY COMMISSIONER _____

WHEREAS, When the State of Minnesota closed the Moose Lake Regional Treatment Center, the state established and funded the Region III Adult Mental Health Initiative (AMHI); and

WHEREAS, This initiative was charged with the development of community based services for those persons relocated from the Moose Lake facility; and

WHEREAS, The state funding for the Region III AMHI has supported services to individuals with mental illness including two state employees (State Operated Services – SOS); one SOS employee in northern St. Louis County and one SOS employee in southern St. Louis County; and

WHEREAS, The state has determined that it is discontinuing these SOS employees no later than July 1, 2015; however, should the incumbent retire or leave, the state will not rehire but instead provide funding to allow the county to hire a replacement county employee; and

WHEREAS, On July 1, 2014, the SOS employee for northern St. Louis County retired; and

WHEREAS, The Region III AMHI has agreed to fund the position from the annual AMHI grant funds provided by the State of Minnesota, Department of Human Services;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the Public Health and Human Services Department to replace one State Operated Services employee by increasing the complement of social workers by one FTE, at an annual cost of \$69,500, to provide adult mental health case management services to eligible residents from St. Louis County;

RESOLVED FURTHER, That should the state funding be discontinued, this FTE will be eliminated from the department's FTE complement.

Budget References:

230-232006-610100-99999-999999999-9999

230-232006-550727-99999-999999999-9999

The strategy will focus on using new sales tax receipts to improve the pavements in the poorest condition, replace critical bridge infrastructure, implement cost effective safety improvements, and provide multimodal improvements for non-motorized (bikes and pedestrians) and motorized users. The plan also includes additional funding for the Gravel Road Investment Plan. Existing property tax levy, state and federal funding will be invested in similar improvements, but will also focus on preventative maintenance measures to keep pavements in good condition longer and at a lower cost. The county will continue to pursue all other funding sources and grant programs available to maximize revenue for infrastructure investment.

St. Louis County is unique in the amount of transportation infrastructure under its jurisdiction and the size of its geography compared to its population. As a regional commercial center and national tourist destination, the county provides a transportation system serving tourists visiting the Boundary Waters Canoe Area and Superior National Forest, loggers hauling product to paper mills, shoppers at regional malls, mine suppliers, commuters and daily school buses. Whether from Denver, Des Moines, or Duluth, whether resident or visitor, all users require a safe, well maintained road and bridge system. With the proper investment plan in place, good roads can remain in good condition, the worst roads can be repaired, and aging bridges can be replaced improving safe travel for all users.

The local option sales tax for transportation will create a revenue source estimated to be \$10.5 million per year. This infusion of funding will accelerate the improvement of infrastructure, and help keep local contractors and trades people employed. St. Louis County has long managed its infrastructure in an efficient manner, delivering projects on time and on budget. These dedicated transportation improvement funds will provide an ongoing revenue stream that can be used for longer term planning and project delivery.

RECOMMENDATION:

After conducting a public hearing scheduled for November 18, 2014 in the County Board Room, St. Louis County Courthouse, Duluth, MN, and continued to November 25, 2014 at the City Council Chambers, City Hall, Hibbing, MN, it is recommended that the St. Louis County Board authorize and implement a 0.5% sales tax and a \$20 per motor vehicle excise tax as provided for in Minnesota Statutes beginning April 1, 2015 to fund road improvements as identified in the “St. Louis County Greater MN Transportation Sales and Use Tax Transportation Improvement Plan,” dated November 25, 2014 (County Board File No. _____).

Implementation of the Greater MN Transportation Sales and Use Tax

BY COMMISSIONER _____

WHEREAS, St. Louis County's transportation infrastructure has a direct impact on current and future economic development; and

WHEREAS, Funding for transportation systems in Minnesota has remained stagnant and is failing to keep pace with growing population and growing demands; and

WHEREAS, The 2008 Minnesota State Legislature authorized a local option sales tax for transportation, (Chapter 152), and the 2013 Minnesota State Legislature authorized counties to adopt the local option sales tax for transportation by resolution after holding a public hearing (Chapter 117, Article 3, Section 25, now incorporated into Minn. Stat. § 297A.993, Subd. 1); and

WHEREAS, The 2008 Minnesota State Legislature also authorized a \$20 per motor vehicle excise tax for vehicles purchased or acquired from any person engaged in the business of selling motor vehicles at retail (Chapter 152), and the 2013 Minnesota State Legislature authorized counties to adopt the \$20 per motor vehicle excise tax by resolution after holding a public hearing (Chapter 117, Article 3, Section 25, now incorporated into Minn. Stat. § 297A.993, Subd. 1); and

WHEREAS, Chapter 117, Article 3, Section 26, Subd. 2 of the 2013 Session Laws (now incorporated into Minn. Stat. § 297A.993, Subd. 2) further requires that the proceeds of the tax be dedicated exclusively to payment of the capital cost of a specific transportation project or improvement designated by the County Board, and that the tax must terminate when revenues raised are sufficient to finance the project or improvement; and

WHEREAS, The St. Louis County Board desires to implement the local option sales tax for transportation and have the State Department of Revenue collect the same; and

WHEREAS, The proceeds of such a sales tax must be spent on projects identified in the "St. Louis County Greater MN Transportation Sales and Use Tax Transportation Improvement Plan", herein adopted by the St. Louis County Board on December _____, 2014 (County Board File No. _____); and

WHEREAS, The "St. Louis County Greater MN Transportation Sales and Use Tax Transportation Improvement Plan" funded by the Local Option Sales Tax for Transportation may be amended by future actions of the St. Louis County Board after holding a public hearing; and

WHEREAS, The St. Louis County Board held public hearings for the purpose of receiving citizen comments on the proposed tax on Tuesday, November 18, 2014 in the St. Louis County Courthouse, Duluth, MN, on Tuesday, November 25, 2014 in the City Council Chambers, City Hall, Hibbing, MN, and on Monday, December 1, 2014 in the Hermantown Governmental Services Building, Hermantown, MN;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board of Commissioners authorizes and implements a 0.5% sales tax as provided for in Minnesota Statutes beginning April 1, 2015 for the purpose of funding transportation improvements as identified in the "St. Louis County Greater MN Transportation Sales and Use Tax Transportation Improvement Plan", dated December _____, 2014 (County Board File No. _____);

RESOLVED FURTHER, That the St. Louis County Board of Commissioners authorizes an excise tax of \$20 per motor vehicle as provided for in Minnesota Statutes beginning April 1, 2015 to fund transportation improvements as identified in the "St. Louis County Greater MN Transportation Sales and Use Tax Transportation Improvement Plan", dated December _____, 2014;

RESOLVED FURTHER, That the provisions of Minn. Stat., Section 297A.99, subdivisions 4, and 6 through 12, shall govern the imposition, administration, collection and enforcement of the tax;

RESOLVED FURTHER, That the St. Louis County Board of Commissioners hereby directs the County Auditor to certify the tax to the Minnesota Department of Revenue for collection of the sales and excise tax on or before December 31, 2014.